



IPPG Programme Office, IDPM,
School of Environment & Development,
University of Manchester,
Harold Hankin Building, Precinct Centre,
Oxford Road, Manchester M13 9PL
Telephone 0161 306 6438
Fax 0161 273 8829
www.ippg.org.uk

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THIS IS ONE OF FIVE PAPERS ON MALI WHICH WAS PREPARED BY A TEAM OF RESEARCHER WHICH INCLUDED ADABAYO OLUKOSHI (CODESRIA), ISAIÉ DOUGNON (UNIVERSITY OF BAMAKO), ABDOULAYE TRAORÉ (UNIVERSITY OF BAMAKO), BAKARY LAMISSA COULIBALY (UNIVERSITY OF BAMAKO), EBRIMA SALL (CODESRIA), JOHN MORTON (UNIVERSITY OF GREENWICH) AND KUNAL SEN (UNIVERSITY OF MANCHESTER)

A NATIONAL INSTITUTION FOR PRO-POOR GROWTH: AGRIBUSINESS VERSUS HOUSEHOLD FARMING IN THE OFFICE DU NIGER

INTRODUCTION

This research brief outlines the findings of an exploratory study of the Office du Niger carried out in late 2005 as part of the first phase of research in Mali by the Research Consortium on Improving Institutions and Pro-Poor Growth (IPPG).

The Office du Niger (ON), a large-scale riverine irrigation scheme, is an institution created by French colonialism, inherited by the independent Malian State in 1960. It is often said in Mali that the ON is a state within a state, exerting a state-like control over the lives of its tenants. Within this great colonial and postcolonial venture it is possible to discern the interactions of economic institutions (the colonial charter, the laws governing access to land, marketing, input), social institutions (farmers' associations, unions, relations between staff and farmers) and cultural institutions (ethnic identities, social structures, indigenous people and migrants).

We analyse the impact of these institutions on economic growth within the ON, in particular on pro-poor growth. Given that the policies followed by different regimes and in different contexts vary, we have concentrated on how these institutions

have influenced the growth of the ON, the attempts to reform them "from above", and on how poor farmers have struggled since the 1940s, largely through the creation of their own organisations.

A HISTORY OF REFORMS

At the time of its establishment by the French the ON had three main objectives:

- **Economic:** the ON was conceived and established with a view to developing the French cotton industry as well as becoming the granary of West Africa (this dual objective remained after Malian independence until 1971, when the policy of growing irrigated cotton was discontinued).

- **Political:** by the creation of the ON France aimed to free itself of dependence on American cotton, as well as to emulate British cotton production in India and Sudan.

- **Social:** since its establishment in 1932, the ON was intended to become, according to its advocates, a pilot region for the modernisation of the African farmer. To this end, the Administration Council stated the ON's general aim during its meeting of 26 October 1933: 'The role of the Office du Niger is to unite in self-confident collaboration

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the efforts of the European element and those of the African element' (Madier, 1949).¹

Following independence, the ON has seen various 'reforms', conditioned by broader political currents in the country. During the socialist period after independence the aim of policy was to increase the agricultural surplus in order to free up capital for the industrialisation of the country. During the authoritarian period (1968–1980) the new goal was to assure the country's self-sufficiency in food production and to feed the towns with cheap rice. During the 1980s the policy orientation of assisted liberalism saw the imposition of the Structural Adjustment Programme, a radical move for a country overburdened with debt. The ON went through a radical restructuring, shrinking from 4,000 to 400 employees. International cooperation in the shape of the Dutch ARPON (*Amélioration de la Riziculture paysanne à l'Office du Niger*) project and the French RETAIL initiative underpinned the ON's new political and economic direction, ensuring that household farming remained a priority. Subsequently the ON has moved from an entirely state-run enterprise to one open to the private sector. Thanks to the devaluation of the CFA Franc and the competitiveness of Malian rice production, the Malian government has decided to liberalise the rice network, opening the way for agribusiness.

LEGAL INSTITUTIONS

A cluster of formal institutions determine govern agricultural production and therefore the livelihoods of farmers:

- The 'Contract Plan'
- Operating licence and lease (for farming)
- Land management decree
- Water tax/fee decree
- Regulations governing the marketing of rice and inputs

SOCIAL INSTITUTIONS

A number of institutions allow for the representation of farmers in the management of the ON at various levels. These have been mainly brought into being by policies from above. In particular, Law no. 94-004/9 of March 1994 created the "New ON", redefining the roles of the ON and the farmers through the establishment new councils. This redefinition also allowed the strengthening of trade unions and of microfinance structures.

- *The Rural Councils*
- *The Farmers' General Representative*: a representative of the farmers' organisations forms a part of the Administrative Council and the Management Committee of the ON
- *Joint Committee on Land Management (CPGT)*: receives and examines demands for assigning and reallocating land for cultivation

or for habitation. It also examines proposals to evict farmers who have not met their contractual obligations, as well as farmers' grievances against the ON. It ensures mediation between farmers and the ON with the aim of finding solutions to any differences of opinion which may arise.

- *Joint Committee on the Maintenance of the Secondary Water Network*: this committee examines farmers' demands for reductions in water tax, and serves as a mediator in disputes between the ON and farmers on the subject of taxes, the maintenance of the network and water delivery.

These latter two committees are made up in equal part of members democratically elected by the farmers and of members designated by the Directorate General of the ON.

- *Village Associations (VAs)*: in 1984, a policy shift encouraged the formation of 150 VAs and around 10 village cooperatives (named tons) within the ON area, supported and strengthened by the Dutch project ARPON. The agent de suivi (a low level official monitoring and advising on agricultural production) was no longer a servant of the State, but someone whose services were contracted by farmers through the VAs. According to its advocates, this new direction gives rural people the institutional means of self governance, promoting union and participation. In another view, the VAs have been given the job of taking charge of activities which, although necessary, cost the ON too much. The policy of the ON is to transfer these costs to villagers themselves.

- *Trade unions at the ON*: The birth of the trade union SEXAGON (*Syndicat des exploitants agricoles de l'Office du Niger* – 'the Office du Niger farmers' union') is seen by some as a solution to the insecurities of land tenure in the ON.

- *Pilot schemes for participatory management*: The ON has embarked on four experimental drives for private and participatory management. The M'Bewani perimeter demonstrates the success of these experiments, where the farmers themselves were given the task of managing their own lands.

CULTURAL INSTITUTIONS

The history of rural migration to the Office du Niger has taken two forms: forced migration, both foreign and domestic, and voluntary migration, both involving a variety of ethnic groups. Foreign migration involved Mossi and Samogho people from the Upper Volta, specifically the districts of Tougan and Ouahigouya. Forced internal migration to the Office du Niger involved the Minianka people of the Koutiala and San districts.² Voluntary migration to the Office du Niger involved several ethnic groups from different regions of Mali, including the farmers from the Dogon Plateau who are well established in the Kouroumari and Niono areas. In each village in the ON, ethnic groups set up their own informal associations.

THE OFFICE DU NIGER AND PAN-AFRICAN INSTITUTIONS (NEPAD, CENSAD)

Amidst the euphoria of NEPAD's new continental policies, the Malian State has begun to open more and more of its land market to large investors, both national and foreign. Adding the ON to the "NEPAD basket" allows private operators to access the thousands of hectares secured by the State. Thus the ex-Prime Minister of the Ivory Coast, Daniel Kablan Duncan, has expressed the desire to take over 30,000 hectares, crops from which will be sold as a priority to the inhabitants of the Ivory Coast; a similar project is in gestation between Burkina Faso and the ON. Equally, Brazil has expressed an intention to take over 100,000 hectares, of which 30,000 hectares will be reserved for private Brazilian investors. The Malian State has also made an area of 100,000 hectares available to the countries of the Community of Sahel-Saharan States (CENSAD).

IMPLICATIONS

We suggest that pro-poor growth is fundamentally influenced by the interaction between legal and social institutions these two institutions. For poor people, social institutions improve the quality of legal and economic institutions, and serve to limit the destructive impact of the ON. Institutional changes are clearly linked to, and must be seen in the context of, political changes (colonialism, independence, authoritarian rule, structural adjustment and NEPAD).

Pro-poor growth: according to farmers, should the State wish to fight poverty and turn the ON into the granary of West Africa, it must adopt the following measures:

1. Stop supporting big private investors who wish to exhaust the country's resources without creating sufficient wealth and work for the rural population.
2. Invest in modernising household farming.
3. Revise the land management decree.
4. Ensure transparency in the allocation of managed land.
5. Increase the area of managed land in response to growing demand for land.

FUTURE LINES OF RESEARCH

Out of a total area of 124 million hectares, of which 74.8 million hectares are desert, Mali has 5.5 million hectares of forest and 43.7 million hectares of land that is usable for agriculture and livestock production.³ Land suitable for

irrigation is estimated at 2.2 million hectares, of which the Office du Niger accounts for the lion's share, having 960,000 hectares of land that could be managed.

Faced with such potential, the government has placed food security and the reduction of poverty high up on its political agenda. It proposes to manage an area of 50,000 hectares for the period 2002–2007. On top of this, the ON has drawn up an ambitious management project valued at FCFA 250 trillion.

But poor farmers will continue to face the same handicaps when it comes to irrigating their land: poor equipment, poor mastery of the necessary techniques, difficulty in accessing input, and problems with marketing goods.

In the light of this, the following questions are crucial to the issue of pro-poor growth:⁴

- a) How will these management projects benefit the poor?
- b) At what price will the poor be able to gain access to them?
- c) How can a balance be established between the legal institutions and the farmers' organisations to permit pro-poor growth within the old and new management projects?
- d) Which institutions will affect these new management projects the most?

1. Rémy Madier 'Report on the evolution of the rural population in the Office du Niger', Ségou (1949).

2. Madier, op. cit.

3. Project d'Inventaire des Ressources Terrestres

4. And are addressed in the study for the second phase of the IPPG programme: 'Institutional architecture and pro-poor growth in Mali: responses from farmers and artisans'