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**INTEGRATING SOCIAL SCIENCE RESEARCH INTO
COTTON REFORM IMPLEMENTATION LINED
WITH THE INTERNATIONAL OUTLOOK**

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**Report on the
ISSCRI International cotton Conference
Deliverable 13**

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1.	INTRODUCTION	2
2.	CONFERENCE ORGANIZATION	2
2.1.	CONFERENCE THEME AND PUBLICITY	2
2.2.	ADAPTATION TO REQUIREMENTS OF INTERNATIONAL CONFERENCES	2
3.	CONFERENCE SESSION	3
3.1.	PARTICIPANTS	3
3.2.	PROGRAMME	3
4.	POINTS WORTH NOTING FROM THE CONFERENCE DISCUSSIONS.....	4
4.1.	PANORAMA OF COTTON POLICIES IN THE WORLD	4
4.2.	IMPACTS OF COTTON POLICIES ON PRODUCTION AND PRODUCERS	5
4.3.	COTTON POLICIES, PRODUCTION FACTORS AND MODES	6
4.4.	COTTON POLICIES, RETROSPECTIVE AND PROSPECTIVE	6
4.5.	INFORMAL EXCHANGES ON COTTON POLICIES PLANNING AND IMPLEMENTATION	7
5.	CONCLUSION	8

1. Introduction

The organization of an international conference related to the issue of cotton policies was scheduled in the ISSCRI Project implementation. At the time of building up the project, the conference was seen as a contribution to address the complex issue of cotton policies.

2. Conference organization

2.1. Conference theme and publicity

The identification of the conference theme has resulted from discussions involving the Project partners and the Executive Director of the International Cotton Advisory Committee (ICAC), Mr Terry Townsend. The flyers to announce the Conference has also benefited from the assistance of Mr Townsend. The English and French versions of these flyers are attached in Appendixes 1.

A somehow active approach guided the publicity on the conference. We made use of the ISSCRI website, ICAC has set up a nice looking link from its website to ours. The conference has been recalled three times via the ISSCRI Newsletters. Flyers were distributed in three international cotton events: at the 4th World Cotton Research Conference (Lubbock, Texas, USA, September 2007), at the 66th ICAC Plenary Session (Izmir, Turkey, October 2007 and at the 5th Annual Meeting of the African Cotton Association (Lusaka, Zambia, March 2008).

2.2. Adaptation to requirements of international conferences

In order to comply with the requirements of an international conference, we have set up a Scientific committee which encompasses colleagues from the USA and European countries in addition to senior scientists of CIRAD and to the Project partners in Greece and Spain (Appendix 1).

We have provided online submission of papers very early. We have favored the selection of papers through extended abstracts and not full papers because the conference is not backed by well established scientific associations and we could not properly anticipate the degree of attraction of our conference to the international community. Besides, the conference is rather restrictive in dealing only with cotton policies, it was feared that we would not get enough paper proposals.

The Online registration, thanks to the development of a specific Internet tool at CIRAD, has positively contributed to attract participants and to manage the conference organization.

In addition to the budget coming from the ISSCRI Project, we have succeeded in getting sponsorship from ICAC (up to €3500) and from the "Région du Languedoc-Roussillon" to which the city of Montpellier belongs (grant of €4000). This sponsorship has permitted to allocate financial support to ten authors coming from developing countries, although only eight

have succeeded getting their visas on time.

Finally, with the option of reducing paper consumption, we have burned CD-Rom containing the full papers of the conference communications and we only distributed the brochure of the paper abstracts in English and in French, downloadable at the Project website http://www.isscri.org/conference_may_08/conference_outputs.

3. Conference session

3.1. Participants

The conference actually has reached its international ambition with more than twenty countries represented (precisely twenty one) by eighty three participants. About a dozen of participants from other five countries were left behind because of problems to obtain visa on time. The list of participants is attached (Appendix 2). Ten African countries were represented. In addition to France and to the two European cotton producing countries, three participants came from two other European countries. All cotton producing continents were present, except South America and Australia.

The issue of visa delivery was quite troublesome; it has captured a great deal of energy of the organizing committee till the conference opening. CIRAD has had to make use of its connections in several countries to overcome the last-minute visa troubles.

3.2. Programme

The final program, with indication of the chairing persons, is attached in Appendix 3. The conference was divided into four parts destined to give insight on:

- The panorama of cotton policies in the world
- The impacts of cotton policies on productions and producers
- The effects on the use of production factors and on production modes
- Retrospective and prospective of cotton policies

Senior scientists from various countries or regions have accepted to chair the various sessions or sub-sessions. All presentations were followed by 5-10 minutes of clarification questions and answers, and global discussions took place at the end of all sub-sessions. In order to permit discussions on the overall theme of cotton policies, it was planned a 2-hour discussion before the conference closing. This overall discussion was chaired by one of the two representatives of COS-COTON.

Finally, it was organized an informal interaction on cotton policy planning and implementation after the conference closing, in parallel to the presentation of the CIRAD approach about cotton quality exploitation.

4. Points worth noting from the Conference discussions

Chairpersons of the conference sub-sessions were requested to hand over short notes about the few points which have captured their attention. We have made use of their contribution in summarizing hereafter the main points which came out the presentations and discussions during the conference. The two representatives of COS-COTON have provided a quite extensive note on what they have retained during the conference, with the concern of improving the cotton policies in Africa. We have attached it (Appendix 4) and translated it into English (Appendix 5). We are happy to have got such a valuable feedback on the conference from participants' perspective.

4.1. Panorama of cotton policies in the world

At the world level

An updated situation of the subsidies in the world has been provided in one communication. In the context of prevailing world price which was rather high last campaign, it was observed that there were less countries subsidizing and they did it at the lesser extent than before. The discussions which follow help to point out that it should not be extrapolated that the subsidies are no longer an influencing factor of the world price. Once the world price falls down again, subsidies will grow up consequently. It was also suggested to target at a better tuning of the categorization of subsidy measures, for instance by distinguishing ex-ante and ex post price support measures. It was discussed also the cases where the support comes from the final consumers, and not from government finances. This is somehow the case of China. These cases might be considered separately, as the underneath principle is quite close to the one of Fair Trade.

At the European level

The related communication put emphasis on the socio-economic importance of cotton production in a few regions. The implementation of the new cotton regime impacts negatively on production and ginning industry, as well as on other connected sectors. The adoption of the new proposal has been delayed because it has been strongly debated¹.

At national levels

The communications present the cases of two countries, Chad and Pakistan. The case in Chad is illustrative of cotton demise, like in other African countries, but at a greater extent, with the lowest yield observed now. The reasons are related to the fact that cotton policy

¹ It is forecasted that the new proposal will likely be approved in July 2008. In this proposal, the percentage of decoupling remains at 65% but the value of the 35% of area payment is increased in Spain, passing from 1039 euros/ha for 70.000 ha to 1400 euros/ha for 48.000 ha. A fund for the ginning industry will be set up to accompany its restructuring.

implementation is being stuck, not really materializing, because of policy inadequacies, lack of ownership, resistance of producers, political interference at decision making stage. This case also questions the orientation of passing more responsibilities to producers' unions while they are not strong enough. The communication was followed by long discussions because it exposes the whole complexity of cotton policy in Africa where the governments have to cope with the recommendations of international funding organizations and where the specificities of lack of infrastructures and of service supply to scattered smallholding production are not sufficiently taken into consideration. In some extent, the examined case was illustrative of the weak state situation. Conversely, the presentation of an ambitious plan in Pakistan, exclusively state oriented, is illustrative of the illusion that the state could totally control economy. The two cases point out that not enough state in one hand, or too much state in the other hand, could lead to mitigated outcomes.

4.2. Impacts of cotton policies on production and producers

In the European countries

The exploitation of information systems help to follow policy impacts. These systems were set up as a requirement to the implementation of the agricultural reform in Europe. The European experience permits to observe that in many countries, no attention was given to information system to help monitoring policy implementation.

In Europe, production reduction clearly has followed the implementation of the New Cotton Reform. This is the result of lower yield and sometimes not harvesting. Social impacts are questionable because of employment reduction due to the closing of many ginning mills. The tendency to extensification (less use of chemicals) is well evidenced; this could be positively regarded from the environmental perspective, as well as the practices of better efficiency in irrigation.

In Africa

Cotton policies were adjusted because of the cotton world crisis leading to persisting low prices. These adjustments result in fewer services provided, at a higher cost to producers, through a more selective way. Globally, producers become more vulnerable. They adapt to policy changes by reduced adhesion to cotton production, up to moving out. At the sector level, the reduced production implies higher fixed cost, hence reduction of cost competitiveness. Few farmers adapt themselves by turning around the measures; this opportunistic behavior has negative impacts for the whole sector, notably through the threat to the associative process which had contributed to the development of cotton production.

In other countries

Syria provides an interesting case of state commitment in the cotton policy orientation and monitoring. It demonstrates a rare case of fixing cotton production rights according to the concern of water constraint. It's a particular case of combining state regulation and recourse to market forces which deserves to be better known.

The communication related to China is an original contribution on the relation between cotton production and indicators of farm holding livelihood. Livelihood improvement related to cotton production is pointed out and this is an indirect effect of Bt-cotton, since this type of cotton has permitted the revival of cotton production which had suffered from pest resistance to insecticides.

4.3. Cotton policies, production factors and modes

Cotton production has been and remains technology intensive. Technology progress is a factor of competitiveness; cotton policies should not overlook this fact. Where technology state is very high, precision agriculture comes to be the next stage to target at. This is not saying that precision agriculture must be generalized everywhere. More crucial for all cotton countries is to always move upward in terms of technology progress. The Government has a role to play in promoting technology adoption; a communication has provided an illustration from China, with regard to Bt-cotton use. Nevertheless, technological progress alone would not be always sufficient to adapt to cotton policy without reduction of the attractiveness of cotton growing; this observation comes out the ex ante assessment of Bt-cotton use in Europe.

The implementation of policy change impacts on the use of production factors, either positively (better water efficiency in Europe) or negatively by hampering the fundamental service of supplying production inputs to growers in Africa. Conversely, the scarcity of some production factors calls upon cotton policies, as it is the case with labor shortage in Turkey for the continuation of hand picking. The adoption of mechanical harvesting could be a solution, but policy is needed to encourage the adoption of a capital intensive factor. It is also needed to alleviate the social effects of ending up the unique work opportunity given to a substantial number of people. The case presented for Turkey underlines the complexity of the social issue related to technology progress to be supported by cotton policy: phasing out bad working conditions appears good in one hand but it is counter-balanced by suppressing the unique income opportunity to the related people.

4.4. Cotton policies, retrospective and prospective

The various communications permit to emphasize how important and useful it is to look around. At the world level, debates on cotton policies are not concentrated only on the issue of

subsidies provided by a few countries or regions. Many issues called upon internal actions at the level of the producing countries. It is worth noting that innovative actions are retained by emerging countries like in Brazil, China and India, likely because they can afford financing the solutions they select.

Two regional analyses regarding the evolution of the African cotton policies come out to be quite complementary, providing distinctly geographical and historical perspectives. The application of geographical comparison could be not sufficient, and could be misleading, as the somehow passionate discussions pointed out, if this approach tends to totally overlook the criteria and the contexts in which the African cotton sectors were set up. It may indeed be unfair to only judge with the criteria of today while neglecting the development philosophy which was beneath the development of cotton sectors several decades ago.

It seems that we already know a lot about what are factors of successful cotton policies in African countries contexts. It has been emphasized that cotton policies must help meet five major constraints/objectives from the farmers' perspectives. In practice, these constraints are faced through shifting to more effective institutional arrangements; conditions to achieve effective institutional arrangements are also pointed out.

Globally, effective institutional arrangements imply combinations of state regulation and compliance to market forces. Nevertheless, there is no unique recipe of successful mix of State and market forces. Strong commitment of the State matters, the Indian case is illustrative of the State commitment for long term policy with ambition for cotton processing. The ownership, appropriation or adhesion to policy change is favorable factor to its success, although it is likely not to be sufficient. Effective policy should take into account the positive impacts of cotton on other productions, through direct or indirect effects, and the reverse phenomenon is also true. Hence, cotton policy with exclusive focus on cotton appears quite questionable.

4.5. Informal exchanges on cotton policies planning and implementation

The discussion session was organized to permit people interacting on cotton policy planning and implementation in various countries or regions. In practice, only people interested in Africa came, so the discussions were exclusively targeted at the cases of Africa.

The discussions took place in a very positive mind from all participants; it came out that more than two hours of discussions were not enough. Hereafter, we only point out the major ideas emerging from the discussions involving about 15 people.

One African participant very quickly points out that there are already many studies about the African cotton sector, if not too many, implicitly suggesting that a few studies are not useful at all. He also indicates how uncomfortable he feels when observing that the criteria to evaluate

the cotton sector today are quite different from the ones at the origin of the sector set up.

Another African participant highlights the reality of opportunistic behaviors from producers. These behaviors could make collapsing the whole cotton policy, as it is observed when farmers turn around the modalities of credit input reimbursement.

Cotton can impact positively on other agricultural productions and on farmers' living conditions. It is regretted that the assessments of cotton sector do overlook these interactions. This observation has led a few participants to argue the validity of the profitability principle by insisting on the fact that cotton has the features of "social crop". This notion has been debated and the clumsiness of this wording has been underlined. Instead, it was suggested the idea of properly addressing the scope of the economic system to evaluate. Obviously, in Africa, a wider system should be considered by taking into account the interaction between cotton and other crops, as well as other economic activities. Considering such a wider economic system, the concept of profitability should remain valid and cotton production could be quite profitable when valuating all social and economic benefits beyond the mere value of cotton production. So, the notion of "development vector crops" might be more appropriate (in French, the notion of "cotton, moteur de développement", has prevailed for many years already). Cotton could indeed be one of this kind of crops, but if it could actually induce development, this means that it should lead to other crops or activities that could also vehicle development in the rural areas.

Owing to its development potential and the wider economic system to which cotton production is imbedded, support is needed and is economically justified. As it is justified to target at optimal cost efficiency when getting support from external sources. Improved governance, through learning by doing approach, should be key element to achieve cost efficiency.

People in developing countries are puzzled by the issue of internationally acceptable support measures, most of them ignoring that even the WTO rules allow some support measures. It was suggested the idea of setting up a network to inform and provide backstopping to cotton sectors in developing countries so as to comply with the WTO rules while executing a few support measures.

5. Conclusion

In short, the conference can be considered as quite successful. It has reached the international dimension it targeted at. It was an active conference with many questions raised after the presentations. The exchanges were mainly friendly-oriented, although the USA representatives might feel that their country is too much criticized, explicitly or implicitly, in connection with the cotton subsidies. Amazingly, through their reactions, the African participants did show concern about the production reduction following the implementation of the New Cotton Policy in Europe. This may indicate the acknowledgement of the tiny size of the European

cotton production.

The conference has helped to capture the global picture of cotton policy, through technical and non-technical aspects. There is need for the State to play a role, in particular to deal with many internal issues hampering the cotton sector development, however the Cotton Dossier is dealt with at the international arena.