WHAT WOULD IT TAKE TO INCREASE THE PRODUCTIVITY OF THOSE ENGAGED IN THE PRIMARY SECTOR IN MALI?

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In answering the question, we need to consider:

- Diversity of Mali
- Productivity in entire agrifood system
- Sources of productivity growth: increased efficiency vs. technical change
- Linking the productivity & resilience agendas
- Priorities identified in the PNIP-SA and the PNISA
- Overriding importance of security and good governance
- What is the comparative advantage of the World Bank in addressing these various issues?
Diversity of Mali

- Geographic/agro-climatic diversity
- Diversity in terms of previous public investments
- Sociological diversity
- Gender diversity
- Generational diversity

No one-size fits all strategy for everyone

Source: OECD/SWAC, 2015
Diversity: Nature of Mali’s agricultural production & productivity challenges

Instability and slow growth of productivity ➔ Need two broad types of strategies:

- Intensification in areas with good water control and areas of high and/or reliable rainfall

- In the Sahelian band:
  - Stabilizing production (agro-forestry, short-cycle varieties, better soil and water management)
  - PLUS investment in education & other infrastructure to allow the young to move to more productive jobs
Need to think in terms of entire agrifood system

- Productivity constraints beyond farm level can constrain productivity growth on farm.
- Importance of growth in post-harvest segments of agrifood system for employment generation.
- Role of non-farm activities in providing capital for farm operations.
- Mali’s proposed agripole approach to development.
Sources of productivity increases

- **Increased efficiency**, through reallocation of resources to higher efficiency uses
- **Technological improvements**, through access to improved technologies and organizational models
- **Bulk of TFP growth to date** from increased efficiency

Source: Benin et al. (ReSAKSS), 2011
Sources of efficiency improvement

- Output market reforms of 1980s and 1990s led to gains in allocative efficiency
- Remaining constraints in farmers gaining access to remunerative markets linked to:
  - Periodic export bans
  - Trade barriers and taxes in the North due to the security crisis
  - Rules in transport sector that limit competition
  - In some areas, basic transport infrastructure
Main constraints to additional gains in efficiency lie in:

- Factor markets, particularly for land and capital
- Quality control in output and input markets
- Need for better investment in and management of common pool resources
Factor markets: land tenure

- Tenure insecurity a constraint to efficiency & a political time-bomb
  - Major constraint to getting land into hands of those who can use it most productively and facilitating labor mobility
  - Limits incentives to invest in land improvement & agroprocessing
  - Also an issue of social justice
- Problem is not a lack of land per se but difficulties of poor to get and retain land
Mali’s land tenure system characterized by legal pluralism and ambiguity
- Usufruct “loans” of land in most rainfed areas
- In “development zones” (e.g., ON), land distributed on technical criteria that poor often can’t meet
- Urban sprawl and “lotissement” often dispossess poor and especially women
- Complexity of gaining title works against the poor

Supply of irrigated land expanding, but slower than demographic growth in many productive areas, leading to farm fragmentation.
Sources of efficiency improvement: factor markets

- Capital markets: Lack of medium-term credit
  - Played a key role in capitalization of farms in CMDT and ON zones in days of single-buyer system & SCAER
  - Lack of collateral a major constraint
  - Makes it very difficult for farmers to re-equip if they have to sell off equipment in a crisis
  - Similar constraint for small-scale processors
Sources of efficiency improvement: Quality improvement & common-pool resources

- Problems of quality assurance:
  - In output markets lead to smallholders being excluded from potentially lucrative markets and replaced by imports
  - In input markets (e.g. fertilizer)

- Weak capacity of local governments to manage the large number of public-good resources that are, in theory, under their mandate
  - Land
  - Health facilities
  - Water resources
  - Primary education
Cross-cutting efficiency constraint: Gender considerations

- In spite of legal equality & set-asides:
  - Persistent gender inequality with respect to factors such as improved land & support services such as credit
  - Similar constraints for youth
  - Also limits technological progress
Constraints to technological improvements

- Weak markets for improved inputs—seed and fertilizer:
  - Poor availability of improved seeds (lack of private investment in seed systems) tied to:
    - Lack of truly regional markets, in spite of ECOWAS efforts
    - Diverse standards for fertilizer & diverse certification procedures
  - Poor quality control & information on improved inputs.
- Very limited rural electrification
Technology constraints: agricultural research & extension

Agricultural research and extension are becoming weaker in Mali due to:

- Low numbers of staff (particularly for extension) and aging personnel
- Weak research infrastructure
- Inadequate financing, esp. operating funds
- Very weak links between research and extension
Human capital

- Education:
  - Poor alignment throughout entire educational value chain between skills taught & those in demand—particularly vocational skills needed for a modernizing agrifood system.
  - Rote rather than active learning
  - Aging faculty ag. higher education

- Health problems, which continue to sap productivity

- Human capital of those who manage the local public goods—local governments and producer/trader organizations
Need to link productivity agenda to the resilience agenda

- Farmers face ubiquitous risk
- Households frequently decapitalize farms during crises, leading to long recovery periods
- Provide government alternative to using export bans to protect consumers
- Draw on experimentation under CILSS and promoted in ECOWAP for alternative safety net design
Priorities identified in PNIP-SA and PNISA

- WB strategy needs to align with Mali’s CAADP process
- PNIP-SA and PNISA priorities aimed at boosting productivity:
  - Value-chain approach, including off-farm elements
  - Irrigated agriculture
  - Crop diversification, with emphasis on horticulture
  - Animal industries—mainly through improved pasture management and better marketing
  - Aquaculture and inland fisheries
  - Cotton
  - Expanded access to improved inputs (but often subsidized)
  - Some recognition of land-tenure issues (e.g., support of cadastral work)
  - Decentralized natural resource management
  - Strengthened capacity for research, extension and local resource management
The overriding importance of security and good governance

- Role of insecurity in increasing costs of trade, particularly in the North and disrupting regional patterns of trade

- Missing/poorly functioning public goods are a critical constraint to productivity growth, and good governance is critical to improving these
  - Essential in developing more transparent land tenure rules
  - Efficiency and transparency of local and national government structures
  - Idem for professional organizations
  - Contract enforcement and dispute resolution
What is the comparative advantage of the World Bank in addressing the different constraints?

Current WB Portfolio in Mali addresses many of these

- Basic infrastructure
  - Transport
  - Research & Extension
- Local government
- Land tenure reforms
- Agricultural finance
- Policy reforms for input markets
- Education:
  - Primary
  - Secondary/vocational
  - Tertiary
- Rural health
- Local governance
- Resilience agenda
- Critical information needs:
  - Cadastral surveys
  - Information on non-farm parts of the agrifood system & employment opportunities
THANK YOU!

Let’s Discuss!