West African Cotton and Global Value Chains:
From Production to Textiles

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Abstract

Many West African countries, especially Francophone ones, have been involved in the production of cotton since the colonial era. Most of this production is exclusively for export, meaning that there is little local transformation of the cotton into finished products (textiles). At the same time, West Africans are the unique and voracious consumers of African Wax Print Textiles, which are manufactured mostly in Asia and Europe (Holland). As a result, West African countries intervene in the value chain only at the beginning (production of cotton) and end (consumption). They realize relatively little profit from production, while spending large amounts on consumption – a phenomenon which perpetuates their position at the bottom of today’s global economy. My thesis will use value chain analysis to ask whether there might be ways to insert these countries into the chain of value between these two end-points.
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<tr>
<td>ACP</td>
<td>Africa Caribbean and Pacific</td>
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<tr>
<td>ADB</td>
<td>African Development Bank</td>
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<td>AGOA</td>
<td>African Growth and Opportunity Acts</td>
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<td>ATC</td>
<td>Agent Technician et Commercial</td>
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<td>AOF</td>
<td>Afrique de l’Ouest Francophone</td>
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<td>AWPT</td>
<td>African Wax Print Textile</td>
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<td>C4</td>
<td>Major Producers of Cotton In West and Central Africa</td>
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<tr>
<td>CFA</td>
<td>Communauté Financière d’Afrique</td>
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<td>CFDT</td>
<td>Compagnie Française pour le Développement des Fibres Textiles</td>
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<td>CW</td>
<td>Cold War</td>
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<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<td>EDF</td>
<td>Economic Development Fund</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FCFA</td>
<td>Francs Communauté Financiere Africaine</td>
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<tr>
<td>FNGPC-Coo Cap-CA</td>
<td>Fédération Nationale des Groupements des Producteurs du Cotton du Togo</td>
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<tr>
<td>FWA</td>
<td>French West Africa</td>
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<tr>
<td>GMC</td>
<td>Genetically Modified Cotton</td>
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<td>GMO</td>
<td>Genetically Modified Organism</td>
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<td>GVC</td>
<td>Global Value Chain</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>GTP</td>
<td>Ghana Textile Product</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ITC</td>
<td>International Trade Center</td>
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<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
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<td>PPP</td>
<td>Public Private Partnership</td>
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<td>NSCT</td>
<td>Nouvelle Société Cotonnière du Togo</td>
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<td>SAPs</td>
<td>Structural Adjustment Programs</td>
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<td>Société Togolaise du Cotton</td>
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<td>SSA</td>
<td>Sub-Saharan Africa</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>WA</td>
<td>West Africa</td>
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<td>WCA</td>
<td>West and Central Africa</td>
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<td>WAEMU</td>
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I dedicate this work to the memory of my parents, especially my dear mother who I lost while I was writing this thesis. It is the virtues you have inculcated in me that have led me to keep on track. I am simply proud of you.
Preface

The ability to recognize opportunities and move in new - and sometimes unexpected - directions will benefit you no matter your interests or aspirations. A liberal arts education is designed to equip students for just such flexibility and imagination.

Drew Gilpin Faust, Harvard University President

Perhaps, you might ask, how does a Duke Liberal Studies student become interested in international development policy? I have been led to this project by the idea of a liberal arts education – and Duke’s Liberal Studies program – which values open inquiry, and interdisciplinary and critical thinking. I was encouraged to take classes across a diversity of departments and disciplines, which allowed me to bring my scholarly interests together with the contours of my background.

I am from Togo, a small Francophone country in West Africa, where unemployment is very high. After obtaining two university degrees in my home country, I could not enter into the work force because there were no jobs. So, I started my own business, but one which was not related to any of my fields of study (accounting and law). My business was to sell textiles, not any type of textile but the famous African Wax Print Textile that is found throughout West Africa. This textile has a long history of success in my country, making its sellers wealthy (they are called “Nana-Benz,” because they all drive Mercedes) and providing the larger region (the countries of Benin, Nigeria, Ghana, Burkina Faso, Niger, Mali) with cloth. While that business used to be reserved for the progeny of the “Nanas,” in this age of globalization it no longer is. It is open to anyone who can assemble a small amount of capital, not just those with connections in Europe (as with the Nanas). And in the manufacture of that cloth the Europeans must now
compete with China and India, among others. So, I was able to enter into that business and to succeed in a modest way in the busy markets of Lomé – because of this new globalization.

But it was only later, during a fall semester at Duke, when I was sitting in a class on globalization, that I came to better understand the phenomenon of global textile production. Before that, I had some vernacular knowledge of globalization – that the world is now interconnected as just a small planetary village – but I was far from understanding its subtleties and I had never thought in terms of the concept of Global Value Chains (GVC) or of how that idea might provide an interesting and important window into the problems of global economic development, whose aim is to make sure that no country is left behind. In fact, while many development paradigms that I had studied in other classes attempt to explain global underdevelopment, I still was not able to connect these paradigms to the actual situation of West African countries. The concept of GVC enabled me to do that, in the process exploring and explaining all the bottlenecks preventing an industry from evolving. The principle is simply to study a product and follow all the different stages of its development, looking for its strengths and weaknesses, then exploring opportunities. It seemed like it could provide a solution not only to particular industries but also to the larger question of under-development which is the reality in my home region.

As the saying goes, charity begins at home. My interest in cotton came first from the fact that many West African farmers, especially those in Francophone countries, cultivate and live from cotton as a cash crop, and second from the fact that I was involved in trading textiles made with cotton. I am thankful that my advisors and mentors have let me bring these personal and intellectual interests together with my academic ones in writing this thesis.
Introduction

The history of global economic development demonstrates the large role played by industrialization in the transition from so-called traditional to modern societies. Industrially-defined development began during the imperialist and colonial eras, when European countries took advantage of the natural resources and cheap or unpaid labor of the colonized countries to build a strong factory-based domestic economy – in the process developing themselves and building European wealth while disfavoring the colonial peripheries (Wallerstein, 1974; Bair, 2005; McMichael, 2012; Gereffi, 1995; 1999; 2013). The context of development – why some countries are developed and others are not – has long been the subject of academic debate and controversy, with modernization theorists (Rostow, 1962) arguing that “traditional” societies are less developed because their cultures and traditions have held them back while world systems and dependency scholars (Frank, 1967; Wallerstein, 1974; Rodney, 1982), suggest that European colonialism was responsible for under-developing countries in the global peripheries. Whatever the causes of this global under-development, peripheral states and their international partners and donors (from the World Bank and IMF to a multiplicity of NGOs) have spent the last 50 years pursuing different paradigms and strategies to effectuate a lasting development.

In Africa and much of the Third World from the 1960s to the 1980s, a state-led “developmentalist” paradigm dominated, with multi-lateral donor organizations providing financing to states who invested in industrial and infrastructural projects (Mayer & Gereffi, n.d.). By the 1980s, and because of the failures of the earlier model – very little true development had occurred (Moyo, 2009) – a new “neoliberal” model became popular. This
approach gave privilege to the market over the state and advocated “structural adjustment” to discipline corrupt states and liberalize economies. Neoliberal measures were never entirely successful (Mayer & Gereffi, n.d.) and a new model of development is in ascendance today, typified by Public-Private Partnerships (PPP) (Sa de Marques, 2017) that return some power to states while asking these states to partner with private corporations and non-governmental organizations.

In this current era of “globalization” (Gereffi, 2011) influenced by the example of China and other East Asian countries, development is heavily focused on global markets, and countries are looking for ways to enter these markets, often with the help of global development institutions (including the large global banks like the World Bank and the International Monetary Fund, and regional banks like the African Development Bank (AfDB, 2015)). An increasingly popular approach which takes advantage of the multi-national, globally-dispersed nature of production today is to attempt to insert a developing country into a Global Commodity Chain or Global Value Chain (Fernandez-Stark & Gereffi, 2011). For such a developing country, the great advantage of the GVC approach is that a nation doesn’t have to control production from beginning to end, and it doesn’t have to depend on a model of full national development. It only needs to insert itself into one moment or stage in the production process, adding value at that particular point in production, before sending the product elsewhere for completion. For corporations, this model might be attractive because it can take advantage of cheap labor in the developing countries.

My thesis asks whether French West Africa (FWA), a sub-region of the larger West African region (WA) that is one of the poorest in the world, can benefit from the GVC model to
enhance a single industry: the production of cotton. Can FWA, with its many challenges and obstacles, emerge as a sustainable producer in cotton production? If so, how might it move up globally, while achieving a sustainable development and upgrading itself economically, socially and environmentally?

My conclusion will be that while upgrades to production are possible, they will only add marginal benefit and therefore may not be worthwhile. This is a useful finding. But I want to continue to follow the value chain all the way into the domain of consumption, and here I will have things to say about how it can be of benefit to us.

In reaching these findings, I not only draw on quantitative studies of value chain analysis (like the UN Comtrade data-base) but also on interviews I conducted with cotton farmers in Togo, as well as on my experience as a textile trader in the markets of Lomé.

Finally, I hope that my findings might be useful not only to researchers and scholars but also to governments and policy makers, especially to some of the large international organizations like the UN’s International Trade Center (ITC) that has a strong focus on (upgrading) cotton production in West Africa.

My thesis has four chapters. In the first, I describe some background political and economic information about the WA sub-region before proceeding to a presentation of the realities of FWA cotton production today. In the second chapter, I focus on current cotton production in West Africa and its management, exploring all the prospects and potential obstacles of upgrading cotton production in this region, from field to factory. Here I also present material that I accessed through interviews with Togolese cotton farmers and executives in Togo’s national cotton company, as well as with policy makers in Geneva who
work for the United Nations (UN) and the ITC on West African cotton. In the third chapter, I look at the entire value chain, from cotton production to the production and consumption of textiles, again asking where West Africans might add value to the commodity chain. I follow this with a short chapter suggesting, in a soft critique of GVC principles of free and open markets, that West African countries must collaborate with one another in forcing the Chinese to offshore some of their textile industries to West Africa and/or to help them build their own textile plants. In my conclusion, I summarize my findings and return to the larger picture of West African underdevelopment in a global world, suggesting that GVC analysis can help us find a way forward.
Chapter One: Cotton Production and its Challenges in French West Africa

A- Geography and Politics

West Africa is a region of Sub-Saharan Africa with an area of 5,112,903 square km. It is made up of fifteen countries, eight of which are French-speaking. It is one of the richest regions in Africa in terms of natural resources (gold, bauxite, diamonds, uranium, natural gas, phosphates) and it produces cash crops such as cocoa, coffee, cotton and rubber.

The countries of West Africa are slices of a common tropical landscape, with rainforest in the south and savanna in the north, small states which share a border with the Atlantic Ocean, except the three “enclave” countries of Burkina-Faso, Mali and Niger in the north, which attach to the Saharan desert. Formerly colonized by Europe except for Liberia, WA states are today sovereign and independent, but they are generally plagued by instability and poor governance. They all experienced a difficult post-independence (Cold War) period, characterized by strong dictatorships, before moving into an era of liberalization of political parties and media and democracy/elections in the 1990s. While many of the dictators were brought down during this period, others remained in power, or, as in my country, a son of the Cold War dictator was brought to power and remains there today. In fact, political instability characterizes most of these regimes and even where it seems that democracy is more advanced, unpredictable popular uprisings or coup d’états and civil wars remain frequent. Recent examples include Cote d’Ivoire, Mali and Burkina Faso – and now Togo.

At the same time, West Africa is perhaps that sub-region of Africa with the strongest spirit of collaboration among its member states. Various unions and organizations such as ECOWAS, WAEMU, Conseil de l’Entente, and the Mano River Agreement, remain strong and
attempt to promote regional integration through an inclusive economic development and by quickly settling political conflicts between its members. I will make an appeal to this collaborative spirit at the end of my thesis, as an essay to help solve cotton’s problems in West Africa.

B- Demography, Society, Culture

West Africa’s social and cultural life is unique and full of diversity, both ethnic and cultural, while the continent as a whole remains one of the richest in terms of human capital. With a population of more than 374 million in 2017, or 5% of the world’s population, Africa also has the highest population growth in the world – 2.7% in 2016 – and the world’s youngest population. The median age of its population is 18 years, while 50% are under the age of 15, and 70% under 30 (Worldometers.info).

The WA region is made up of hundreds of ethnicities, each with their own language and culture (Hart 1982), groups that are today cut between tradition and modernity (Piot, 1999; 2010) The area is dominated by three main religions (local African religion, Christianity and Islam). The contemporary human population tends to be more concentrated in large cities, where 46% of the population lives (Worldometers.info), cities such as Lagos, Abidjan, Accra, and Dakar.

WA countries are generally characterized by a very uneven inequality of social classes. A very small group, elite and wealthy, are at the top, while the rest of the population is employed in the informal street economy and remains living in near poverty. However, the past decade has seen the rise of a small middle-class in many WA countries (Hart, 2013), something that governments and those interested in economic development celebrate because they imagine
that this middle class will become a class of consumers whose salaries and purchasing power can support an entire economy and help promote economic growth.

In education, while considerable progress is noticeable across WA in the number of students completing elementary school, and especially in female enrollments, it is still the case that only a small segment of the population graduates from high school and attends university. This remains an obstacle to economic development, as global stake-holders like the World Bank insist that higher education is one of the keys to individual prosperity and economic growth (Bank, 2013).

Disease also remains an important part of the development picture. West Africa is the deadliest disease environment in the world. In addition to the tropical fevers (malaria, typhoid, yellow fever) and diseases born by parasites, maladies which kill and make chaos for the human population, WA is home to the HIV-AIDS pandemic and recently the Ebola virus. As a consequence, large portions of a family’s annual income are spent on medicine.

Each of the above factors – WA’s plentiful natural and human resources, on the one hand, alongside its dictatorial, non-democratic politics, its under-educated population, and its struggles with disease, on the other – must be taken into account when considering the economic development of this area.

C- Economics

While core-periphery relations (Wallerstein, 1974), established between Europe and FWA during the colonial period and continued during the post-colonial era, go a long way in explaining WA’s under-development today, much of the blame for this continuing state of affairs must also be placed at the doorstep of contemporary WA politics. From the dawn of
independence to the present day, these states have privileged politics over economics (Mendonsa, 2002). Jean-Francois Bayart (Bayart, 2009) has called this a “politics of the belly,” through which leaders feel entitled to eat the wealth of the nation to serve their personal and political self-interest. As a result, FWA countries today are counted among the world’s poorest, with a trade sheet that is always negative, with the exception of the Republic of Ivory Coast, which is showing signs of emergence.

The primary production activity in most of these countries remains agriculture and according to USAID statistics, 60% of WA’s labor force remains in agriculture (USAID, 2017). In some of those countries, like Burkina-Faso, women’s labor is more than 80% (WGF, 2011).

You might imagine this predominance of agriculture as a positive, but if you are interested in economic development and growth, it is a negative, since the goal of these farmers is to satisfy food needs rather than commercial ones. While cotton, cocoa, coffee and rubber remain important, most farmers cultivate to feed themselves and their families, producing little marketable surplus.

As to the development of the industrial sector, many efforts have been made since Independence in the 1970’s but most have failed and many are being phased out for reasons that will be explained later (Mendes, 2013).

The harbor industry (ports) constitutes one of the main sources of revenue for many WA countries, in fact for all except the enclave countries of Burkina-Faso, Mali and Niger. These ports, many of them world class having undergone recent upgrading, connect WA to the world beyond and will become even more important in the era of globalization.

It is important to put some of these developments into their recent history:
- **1960-1980: the rise and the fall of the state-centered economy**

At Independence, the economy of most African countries, especially those of FWA, were based in the export of two types of commodities: on the one hand, energy and minerals, and on the other, agricultural products. Most industries were owned and managed by the state (Maponga & Maxwell, 2001). In 1962, the West African Economic Monetary Union (WAEMU) was created and put in charge of issuing the Franc CFA, the FWA currency which remains a common currency among FWA countries to the present day, and which, backed by France, was created to give stability to national economies.

In the 1970s, these countries began to face financial crises – their industries and enterprises were under-financed and poorly managed – and turned for help to the international community, especially the World Bank and the International Monetary Fund (Johnson O. E., 2007). Despite foreign aid assistance, the economies of these FWA countries continued to decline and poverty became widespread, due to the incapacity of the state to properly manage their companies, which often went bankrupt.

In 1975, a WA regional integration proposal led to the creation of the Economic Community of West African States (ECOWAS), including those in FWA. Their first agenda was to address the heavy indebtedness of these countries to the global lending institutions. This situation in turn led these lenders – the World Bank, the International Monetary Fund, the African Development Bank, the United Nations – to intervene with strategies to upgrade West African countries (Johnson O. E., 2007).
1980-2000: Structural Adjustment Programs (SAPs) and currency devaluation

SAPs involved loan forgiveness to countries in crisis by the IMF and World Bank under the condition that they change their internal policies. Namely, they were required to liberalize markets, privatize land and business, and restrain the state management of industry. SAPs led African countries to lose ownership over economic policymaking and industrialization (Johnson O. E., 2007), which meant that this latter was largely put on hold and FWA states began focusing more on agriculture. While this had a positive effect on cotton production across the region, it had a generally negative effect on the overall economy. In 1994, the FWA currency, the Franc CFA was devalued by France – 50% overnight, at the request of the World Bank – which sent FWA countries into an even more serious crisis.

2000-present: FWA remains on the periphery of globalization

FWA is the poorest region in the world, except for two of its countries, Ivory Coast and Senegal, which are becoming middle-income countries¹. The average daily income (GDP per capita) throughout the region is $2 (Tasch, 2016). In this era of globalization, where most world countries are connected to the global market, West Africa remains very under-represented with an average of 2.5% of the world market (Al Essa, 2016). At the same time, WA countries have among themselves a very limited internal trade – estimated at only 3% of the African market (Hart, 2013) and poorly-developed business relationships.

While there are many pessimists – “Afro-pessimists” (Oxfam, 2004; Moseley W. , 2005; Bafles, 2007; Delpeuch, 2014) – among scholars and policy experts who focus on WA, I remain

hopeful and optimistic. This is an area with a vast human potential, filled with individuals who are youthful and entrepreneurial. If WA countries are ever able to control the excesses of their political class and solve the problem of youth unemployment – and the rest of the continent is starting to make progress in this area – they will experience economic advancement quickly. I see the current moment as an opportunity.

**D- Brief History of Cotton in West Africa and the Creation of C4**

Cotton is defined by the Merriam-Webster dictionary (Merriam-Webster, 2018) as “a soft usually white fibrous substance composed of the hairs surrounding the seeds of various erect freely branching tropical plants (genus *Gossypium*) of the mallow family.” This white fibrous substance has many uses – as cooking oil, soap, medicine, food for animals, among others – but the most common is in the manufacture of yarn, fabrics and textiles (ITC brochure).

In Africa, cotton has been cultivated at least since the 11th century, where it was intercropped with maize and yams (Beckert, 2014). Some scholars believe that it originally came from the Middle East, brought by Muslim merchants (Kriger, 2006), while others give evidence that cotton grew wild in the savannas of WA (Bassett, 2001), and was later cross-bred with other species from the New World.

When Europeans began their voyages to the Americas in the 1500-1600s, they soon discovered cotton’s value, especially as yarn for the making of textiles (Beckert, 2014). By 1700, cotton had become an engine of European industrialization and of the Atlantic slave trade – the “triangular trade” which brought enslaved Africans to the Americas to cultivate cotton (among other commodities, especially sugar), returned raw cotton in the same boats to Europe where it
was processed in factories into textiles, before sending these textiles (and other European commodities) to the west coast of Africa (Johnson M., 1974). It is no exaggeration to say that cotton was at the center of Europe’s industrial revolution and its global expansion.

Around 1800, knowing the importance of cotton-made textiles in an emerging global economy (and for European factories), while also looking for new lands to exploit after the end of slavery in the Americas, Europe introduced American cotton to Africa – because cotton varieties produced in the New World had longer fibers, which were preferred for use in the textile industries in Europe (Moseley W. G., 2008).

During the period 1800-1884 – a time that is called by historians of Africa as the era of “legitimate trade,” between the end of the slave trade (1807) and the beginning of colonialism (1884) – West Africans began growing this New World variety for European markets. The importance of this WA cotton cultivation for Europe became signal during the historic cotton famine of 1861-1865 at the time of the American Civil War when there was a northern blockade of exports from the US South, leading to a shortage of raw cotton supplies to European textile mills and creating wide-spread unemployment in Europe. This eventually led Europeans to see SSA as an alternative source of raw cotton (Moseley W. G., 2008), one which they began to exploit with the start of colonialism in 1884.

Both Britain and France developed colonial cotton-farming industries in West Africa, but the French committed more energy and resources to this effort and quickly surpassed the British. In the 1950s, the French established a region-wide company for the development of textile fibers, known as “La Compagnie Francaise pour le Développement des Fibres Textiles.”
As a result, cotton became a main source of revenue for many West and Central African farmers during the colonial era. Importantly, while the processing and overall management of cotton was in French hands, production itself was carried out by independent African farmers and there were few large cotton plantations in FWA. If cotton’s cultivation was carried out through small-holder production, the entire process depended, however, on a European buyer. As a result, the relationship between France and FWA became very strong, a relationship that remained beyond the end of colonialism, and continues into the present (Dufumier, 2007; Tschirlet, 2009). Today, the system of managing cotton production remains an inheritance of French colonialism (CFDT) (Tschirlet, 2009). Despite farmer independence, the system remains top-down, controlled by the buyer company, often the state. As we will see, this top-down system has had mixed consequences for the African cotton farmer today.

The Creation of the Cotton C4 Countries

A group of four West and Central African countries – Benin, Burkina Faso, Chad and Mali – the “cotton four” (C4) they are called, came into being in 2003 and have received special privileges by being members of the group (Baghadadli & Raballand, 2007). It all started at the Doha conference in 2001\(^2\), where these four leading African cotton producers were joined by Brazil in

\(^2\) This summary of the conference indicates the influence that small countries can have when they come together as a group: “Benin, Burkina Faso, Chad, and Mali, the countries that proposed the cotton initiative, have tiny economies and no particular clout in international relations or in the international economy. Nonetheless, their proposal for accelerated elimination of trade-distorting cotton subsidies and financial compensation for losses while subsidies are being eliminated has been included as a central issue in the WTO.”
http://siteresources.worldbank.org/INTTRADESEARCH/Resources/Ch10_AgTrade_Sumner.pdf
filing a complaint with the World Trade Organization (WTO). They argued that they were the victims of unfair competition due to the subsidized nature of cotton production in the rich countries, while cotton remained one of the most important means of revenue in their national economies. As a result, in 2003 at the Cancun Ministerial Conference, the C4 complaint was acknowledged and approved as a program of poverty reduction, with special support for cotton production in these countries (WTO.org). Later, the Africa-Caribbean and Pacific group (ACP), combined with the European Union, and sponsored by the 8th and 10th Economic Development Fund (EDF), began promoting and supporting the Agricultural Commodities Programme, which included cotton. This collaboration brought the attention of many international organizations, such as UEMOA and several UN Joint Organizations, including the International Trade Center (ITC), UNTACD, to the situation of WA cotton, and the C4 began to receive favored nation status.

The focus of these international organizations has been on how to improve agricultural (cotton) productivity and marketing – in other words, how to add value to cotton production, or how to “build capacity.” Today, three countries (Benin, Burkina-Faso and Mali) of this group of C4 have made real progress and represent the future face of cotton production on the continent. This is not to say that they don’t continue to face challenges – especially at the level of institutional and policy reforms – but they have made a good start and they are today leaders of WA cotton production.

With this background in mind, I turn to a more detailed analysis of contemporary cotton production in FWA.
Chapter Two: GVC Analysis and West African Cotton

For decades now, the world has been on a strong path of globalization, in which all aspects of life – economic, cultural, social, political, health (disease and sickness) – are interconnected and in which national sovereignty is being challenged, even when it comes to jobs and employment. Those policy makers and scholars working in international development work with many different paradigms, but, as mentioned in my Introduction, a popular one that cuts across ideological orientations (both right and left) is global value chain analysis. GVC is especially useful in breaking down larger structures of globalization into the micro-processes of production. It enables analysts to explore where and how value is added to the chain of production processes that go into the making of commodities at every step along the way, from the production of raw materials to their realization as finished products ready for sale on the market. I use GVC analysis here to explore cotton production in West Africa.

A- The Concept of GVC and its Application to the West African Cotton Sector

When I speak of GVC analysis, I mean: “the full range of activities that firms and workers do to bring a product/good or service from its conception to its end use and beyond. This includes activities such as design, production, marketing, distribution and support to the final consumer” (GVC, 2018). In the era of globalization, production and product manufacture is spread across different geographic areas of the world, and GVC analysis enables us to analyze where value is being added, or where it might be added to better benefit any of the actors along the way who are involved in the production process. In principle, the global dispersion of production gives an opportunity to both developed and developing countries to partake in a win-win process through engaging the global market. As Gereffi and Fernandez-Stark (Fernandez-Stark &
Gereffi, 2011) argue, “It is not only a matter of whether to participate in the global economy, but how to do so gainfully.”

This is a call, then, to WA cotton producers to not only participate in the global economy of cotton but also to look for ways to do so in a way that will benefit them. While some interventions might be desirable at the bottom of the chain – at the stage of production, as with many low-income countries – other interventions will be more profitable at the top of the chain, at the stage of manufacturing and distribution, as in many developed countries. But it is important to realize, especially in the case of cotton, that it is at the stage of manufacturing and distribution where the margin of profit and potential for upgrading is higher.

There are many aspects of globalization that have emerged during recent decades that enable the least developed to participate in a global economy, such as outsourcing and offshoring, which are often driven by multinational corporations’ search for cheap labor. While these practices are often exploitative and give more return to the corporation than to the worker they do inject some money into the local economies of developing countries. A better way to help these countries is to insert them more directly into global commodity chains, allowing them to profit from these chains at each step along the way, and provide a means to upgrade their economic standing. Simply put, GVC analysis helps to demystify certain myths around economic development and to open new possibilities for developing countries. It shows how development might be possible through a better understanding of the interaction and
collaboration of different global actors, so that every actor might intervene at a moment between the production and distribution of the final product to find profit.\(^3\)

![Conceptual Framework of the Value Chain of Cotton](image)

*Source:* Author

Importantly, a GVC framework enables us to discover the existing bottlenecks in a global economy for an actor or a particular commodity (product) in this era of globalization, and to attempt to correct them.

Given this, it is important to repeat that FWA countries are important global actors in terms of cotton production, but they are almost entirely absent in the manufacturing of textiles and apparel – and this is where the largest profits are to be found. While there are many other derivate cotton products that suggest ways of adding value to cotton production (Appendix A), manufacturing finished textiles and apparel (spinning, weaving, and printing in the chart above) appear to be the most promising.

---

\(^3\) In applying GVC analysis to the case of West African cotton production, I draw on the following literature: Gereffi (1995, 1999, 2011) and related GVC research (Bair & Gereffi, 2001; Barrientos, 2011; Cattaneo, Gereffi, & Staritz, 2010; Kaplinsky & Farooki, 2010; Fernandez-Stark & Gereffi, 2011; Barrientos, 2013; Bamber & Fernandez-Stark, 2013; Farole, 2014)
My objective here is to explore how to boost FWA’s cotton economy by exploring the possibility of FWA countries’ entry into the textile and apparel industry, in particular the manufacture of African Wax Print Textiles, which are well known in the region and constitute a great potential source of adding value to the global commodity chain of cotton production in WA. But first I need to examine the production sector of FWA cotton.

**B- Current Production of French West African Cotton**

French West African cotton production is dominated by six countries – Benin, Burkina-Faso, Ivory Coast, Mali, Senegal and Togo. In this section, I will explore the production of cotton in these countries over two periods of time (2001-2004 and 2011-2015), while comparing it to the world production of cotton, thus comparing the shares of FWA countries to those on the global market. The data in the tables and charts that will be presented are pulled from Comtrade as a primary source and also from some secondary sources. While this section will primarily be looking at the global market share of FWA, it will also focus on the implications of this market share for their larger (national) economies.

- **Leading Exporters of Cotton in West Africa, Exports and Market Shares**

The UN Comtrade data[^4], which is the international trade database for the UN, uses as classification STIC Rev2, and Cotton code as 2631. Comtrade data shows that the leading FWA producers of cotton in the 1990s were Ivory Coast, Mali, Benin, Burkina Faso, Togo and Senegal (COMTRADE; OECD, 2006). I will first look at cotton export figures for these six countries from

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[^4]: [http://unstats.un.org/unsd/tradekb/Knowledgebase/What-is-UN-COMTRADE](http://unstats.un.org/unsd/tradekb/Knowledgebase/What-is-UN-COMTRADE) - “UN COMTRADE: is the pseudonym for United Nations International Trade Statistics Database. Over 170 reporter countries/areas provide the United Nations Statistics Division (UNSD) with their annual international trade statistics data detailed by commodities/service categories and partner countries. These data are subsequently transformed into the United Nations Statistics Division standard format with consistent coding and valuation using the processing system.”
2001 to 2004, the period right before the financial crisis of 2007-2010 (which affected global cotton production), and then look at the years right after, 2011-2015.

As can be seen in Table 1 and Chart 1, Benin and Ivory Coast had consistently high production numbers during the four-year period 2001-2004, with slight fluctuations up and down, while Burkina Faso and Mali began low and passed them, dramatically increasing their production during this time. Togo and Senegal are behind, but remain significant producers of cotton during this period, especially Togo. It is Burkina Faso that is most notable, with its spectacular rise from 2001-2004.

Table I. Top French WA Exporters of Cotton in Millions of Kilograms, 2001-2004

<table>
<thead>
<tr>
<th>Country</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>104</td>
<td>146</td>
<td>163</td>
<td>127</td>
</tr>
<tr>
<td>Burkina-Faso</td>
<td>11</td>
<td>14</td>
<td>207</td>
<td>228</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>113</td>
<td>138</td>
<td>144</td>
<td>105</td>
</tr>
<tr>
<td>Mali</td>
<td>101</td>
<td>171</td>
<td>177</td>
<td>235</td>
</tr>
<tr>
<td>Senegal</td>
<td>0</td>
<td>4</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Togo</td>
<td>4</td>
<td>30</td>
<td>49</td>
<td>35</td>
</tr>
<tr>
<td>World</td>
<td>333</td>
<td>503</td>
<td>748</td>
<td>745</td>
</tr>
</tbody>
</table>

Source: UN COMTRADE

Only Ivory Coast had constantly been increasing its production each year until 2004, when it dropped dramatically probably due to the civil war the country was facing.
As can be seen in Table II, in the years 2011-2015, there is a significant increase in the production of cotton across several of these countries. Burkina Faso’s, Ivory Coast’s and Togo’s production increases more than double, while Benin’s goes up three times. Mali’s drop-off to zero in the years 2013-2015 in the Comtrade data is due to the fact that no statistics were available because of the civil war in that country (although it should be noted that cotton production continued during this time – see below). Burkina Faso’s and Benin’s upward trajectories are the most surprising here – and are due to the fact that they were C4 countries, with all the benefits of that partnership.

Now I want to turn to a comparison of the years 2001-2005 and 2011-2015. Compared to the earlier period, in 2011-15, there is a significant increase in the production and export of these countries and, importantly, there is another powerful boost in the cotton production of
Burkina Faso. Although Burkina experienced a dip in production/export between the two periods I am looking at – i.e. Burkina produced less in 2011 than they were producing in 2004, which I assume is related to the global recession of 2007-2011 – their production increased dramatically between 2011 and 2015.

Table II. Top FWA Cotton Exporters 2011-2015, in millions of kilograms

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>75</td>
<td>99</td>
<td>156</td>
<td>182</td>
<td>233</td>
</tr>
<tr>
<td>Burkina-Faso</td>
<td>159</td>
<td>184</td>
<td>271</td>
<td>307</td>
<td>248</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>70</td>
<td>116</td>
<td>150</td>
<td>183</td>
<td>183</td>
</tr>
<tr>
<td>Mali</td>
<td>92</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Senegal</td>
<td>14</td>
<td>10</td>
<td>13</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Togo</td>
<td>19</td>
<td>35</td>
<td>34</td>
<td>33</td>
<td>44</td>
</tr>
<tr>
<td>World</td>
<td>428</td>
<td>455</td>
<td>623</td>
<td>716</td>
<td>720</td>
</tr>
</tbody>
</table>

Source: UN COMTRADE

Findings from other sources – the reports of international organizations like the ITC (Brochure of C4), UNTACD, and the UN – are generally consistent with those of COMTRADE, but these sources also list figures for Mali during the period of its civil unrest. (Why was ITC able to get these figures but not Comtrade? Apparently, because Comtrade relies on self-reporting, which was impossible for the government during the civil war, while ITC has its own alternative sources of information.)

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5 It is important to keep in mind that all cotton that is produced in FWA is exported, so “production” and “export” figures are the same.
Throughout this period, Mali was second among FWA cotton producers, behind Burkina-Faso. Since their figures were not reported by Comtrade, however, they were dropped from the rankings, with implications for calculating overall production of cotton data for FWA during this period. Hence my reliance on data from reports other than just Comtrade.

The overall rise in production/export during this time period is clearly related to some of the reforms that were encouraged and implemented by the international community (ITC, among others) at this time – a change in management from state to PPP, changes in techniques, and, in Burkina Faso’s case, experimentation with Genetically Modified Cotton (GMC).

### Table III. Top FWA Cotton Exporters 2007-2014, millions of kilograms

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>19</td>
<td>43</td>
<td>24</td>
<td>31</td>
</tr>
<tr>
<td>Burkina-Faso</td>
<td>38</td>
<td>71</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>Ivory-Coast</td>
<td>16</td>
<td>40</td>
<td>35</td>
<td>36</td>
</tr>
<tr>
<td>Mali</td>
<td>30</td>
<td>62</td>
<td>45</td>
<td>44</td>
</tr>
<tr>
<td>Senegal</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Togo</td>
<td>4</td>
<td>19</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total FWA</strong></td>
<td><strong>111</strong></td>
<td><strong>240</strong></td>
<td><strong>176</strong></td>
<td><strong>191</strong></td>
</tr>
</tbody>
</table>

**Source:** UEMOA, *The White Gold of West Africa: Conquering the World Market*
Chart II: Cotton Production with leading FWA

Source: UEMOA, The White Gold of West Africa

Chart II summarizes WA cotton production across a seven-year period, 2007-2014. Notice that cotton exports are up in FWA during 2007-2008, when the United States was in the middle of its financial crisis. At this time, global demand for other sources of world cotton was up and FWA countries responded. In fact, these years saw the highest export production of cotton ever achieved in West Africa, production which dropped during the next period. This indicates that WA cotton farmers are ready to meet global demand, but that under normal circumstances they are unable to compete with subsidized US cotton. This was the complaint of C4 countries at the Doha conference.

Still the data also indicates (Table IV, below) that if in general West Africa is under-represented in its participation in the global economy, cotton is the exception, as cotton production, especially in the FWA countries, has a visibility within Comtrade data across the globe. Thus, many of FWA’s countries – Burkina-Faso, Benin and Ivory Coast (and, as above, we
must add Mali) have always been in the top ten global producers of cotton over the last five years (COMTRADE data).

Many reasons – more cultivable land, better and more innovative agricultural techniques, as well as changes in cotton sector management – explain this situation including, and especially, the C4 subsidy given to the cotton producers of these four higher producers. Still, it is important to mention the permanent place of Burkina-Faso, a developing country that is every year in the ten-top list of the world’s leading exporters of cotton, as well as Benin and Ivory Coast, countries that have increased the quantity of their exports each year over the last five years.

The case of Burkina-Faso is worth exploring, especially its upgrading since 2010. Each of these FWA countries experienced similar decreases in their production during the 1990’s (due to the political crises of democratization they all faced). But as Table I above shows, between 2001-2004 Burkina-Faso was far behind Mali and Ivory Coast, who at the time were FWA’s leading producers, so the transformation in its cotton production, with its steep rise in production, is very recent.

How to explain this? Most importantly, with the help of several international agencies, including the ITC, Burkina Faso has introduced Genetically Modified Cotton – Burkina-Faso and Zambia in East Africa are both participating in a pilot project to introduce GMC (ITC, 2013). These policy pamphlets, articles and films address issues of GMC and the effects of cotton production on the environment: West African Cotton Brochure (UEMOA, 2014); Main Facts about West and Central Africa Cotton, Promotional film on West Africa (ITC, 2014); (Knappe, 2013); African Cotton Development Initiative: 2011 Aid for Trade Global Review: Case story (ITC, 2011); Understanding Cotton Demand Promoting Origin – The Example of African Cotton (Knappe, 2011); Organic Cotton (Hulm & Domeisen, 2008); Textile and Clothing (ITC, 2005); Cotton and Climate Change (ITC, 2011); Women in Cotton (ITC, 2011); Chinese Market Clothing (ITC, 2011); South Africa: A Market for Clothing from Africa (ITC, 2010).
and there has been a special accent placed on changing national policy to support the cotton farmers and to initiate a move away from state-run companies (Baghadadli & Raballand, 2007). While there is controversy surrounding GMC, because there are worries about its environmental and health impacts, it can’t be denied that it has had a real impact on production and on the economy of the farmers in Burkina Faso.

**Table IV.** Ten Top World Cotton Exporters 2011-2015 in millions of kilograms

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Australia</td>
<td>852</td>
<td>1219</td>
<td>1173</td>
<td>899</td>
<td>448</td>
</tr>
<tr>
<td>2 Benin</td>
<td>75</td>
<td>99</td>
<td>156</td>
<td>182</td>
<td>233</td>
</tr>
<tr>
<td>3 Brazil</td>
<td>758</td>
<td>1053</td>
<td>573</td>
<td>749</td>
<td>834</td>
</tr>
<tr>
<td>4 Burkina- Faso</td>
<td>159</td>
<td>184</td>
<td>271</td>
<td>307</td>
<td>248</td>
</tr>
<tr>
<td>5 Greece</td>
<td>137</td>
<td>308</td>
<td>258</td>
<td>236</td>
<td>219</td>
</tr>
<tr>
<td>6 India</td>
<td>852</td>
<td>1918</td>
<td>2368</td>
<td>1528</td>
<td>1251</td>
</tr>
<tr>
<td>7 Ivory Coast</td>
<td>70</td>
<td>116</td>
<td>150</td>
<td>183</td>
<td>183</td>
</tr>
<tr>
<td>8 Malaysia</td>
<td>106</td>
<td>235</td>
<td>94</td>
<td>21</td>
<td>12</td>
</tr>
<tr>
<td>9 Pakistan</td>
<td>142</td>
<td>222</td>
<td>124</td>
<td>107</td>
<td>70</td>
</tr>
<tr>
<td>10 USA</td>
<td>2761</td>
<td>2753</td>
<td>2791</td>
<td>2168</td>
<td>2401</td>
</tr>
<tr>
<td>World</td>
<td>5,919</td>
<td>9,239</td>
<td>8,865</td>
<td>7,204</td>
<td>6,577</td>
</tr>
</tbody>
</table>

**Source:** UN COMTRADE

Still, despite these gains, and this overall impressive showing of FWA cotton producers, and especially of Burkina Faso, at the end of the day, there remains a very considerable difference between the leading world exporter (USA) and the top exporter in WA (Burkina-Faso). Burkina-Faso exports every year 1/10th or less cotton than the US.

This difference also applies to the other top global exporters – India, Brazil, and Australia. The quantity of their exports is considerably higher than all other countries in the top ten, including Greece, Pakistan, Malaysia and the others.
While in 2001 the global market share of FWA cotton export was 7%, it increased slightly to 8% in 2015 (though without figures from Mali, as Comtrade doesn’t have these, the increase must be even higher). Moreover, the main reason for this increase appears to be explained by an increase in the area cultivated across the region (increases which are suggested in the Table below) rather than by the introduction of the new methods of production (UEMOA, 2014) or by the introduction of GMC which, despite its success, is now being phased out in Burkina-Faso, because of worries about its environmental effects.

7 However, notice that despite overall increases some countries like Togo have experienced significant drops in the area cultivated. This would imply – something I found during my interviews (see below) – increasing discontent and disinterest among farmers in continuing cotton cultivation.
Table V. Cotton Area Cultivated, 2012-2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>329,600</td>
<td>234,000</td>
<td>Mali</td>
<td>521,400</td>
<td>480,500</td>
</tr>
<tr>
<td>Burkina-Faso</td>
<td>586,000</td>
<td>680,000</td>
<td>Senegal</td>
<td>33,700</td>
<td>32,300</td>
</tr>
<tr>
<td>Ivory-Coast</td>
<td>340,000</td>
<td>360,000</td>
<td>Togo</td>
<td>122,000</td>
<td>83,700</td>
</tr>
<tr>
<td>Total 2012-2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,932,700</td>
</tr>
<tr>
<td>Total 2013-2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,993,500</td>
</tr>
</tbody>
</table>

*Source:* UEMOA *The White Gold of West Africa*

C- Implications for the Larger Economy

FWA is today responsible for a significant share of global cotton production and export (OECD, 2006), and Burkina Faso is the world’s sixth exporter after the United States, China, India, Brazil, and Australia. Taken as a whole, FWA’s leading cotton exporters rank 3rd in the world (OECD, 2006). According to a World Bank report the production and export of cotton, especially in FWA, remains extremely important in terms of GDP and in terms of poverty reduction. For the C4 countries, the export of cotton accounts for 25-50% of annual merchandise exported (OECD, 2006). This sector of activity involves more than three million households – where cotton production is the responsibility of a farmer and his family, which, needless to say, constitutes a very cheap labor force, in which women and children are engaged. The same report mentions that more than 16 million people depend directly or indirectly on the cultivation of cotton in this sub-region of Africa. In sum, the revenue of cotton exports contributes to the national
economy from 3-10% in the countries of Benin, Burkina Faso, Mali, and Togo, and up to 2% in the other FWA countries.

It should be noted that for many international organizations such as the OECD, the World Bank, and the ITC, the production of cotton in FWA countries, even though it is not yet at the level of countries such as the USA, or the Asian countries (China, India, Pakistan), or of Brazil, think that cotton remains an important export for FWA countries because it is the means by which FWA countries stay connected to the global market. And more, it contributes to the development of other sub-sectors of the national economy such as roads, health centers and schools whose management is uniquely that of the state (OECD, 2006). This sector in FWA countries thus remains promising, especially if a consistent set of innovations and changes were added to cotton’s current management. In the next section, I will summarize what I see as the main advantages of continuing to focus on FWA cotton production, and some of its disadvantages.

FWA Cotton Production: Achievements and Weaknesses

- Achievements

Cotton production in this region has undergone significant upgrading, thanks to the intervention of UN organizations, especially the ITC and UNCTAD. Despite producing a desirable long fiber cotton (in high demand in Asia – Singapore, Vietnam, Indonesia), FWA cotton was long cultivated by hand and therefore was subject to contamination in the way it was picked, processed, and stored. This meant that it was not competitive on the world market, and that its price remained very low. Today, thanks to the support of ITC and UNTACD,
FWA countries are now equipping their farmers with protective bags and better means of transportation. All FWA cotton-producing countries also have ginning factories to help split the cotton seed from the fiber (UEMOA, 2014): 19 in Benin and Burkina Faso, 14 in Ivory Coast, 17 in Mali (see Chart VI below). Thus, FWA countries have today eliminated much of the contamination problem and are producing more top-grade cotton.

Another notable achievement is that cotton produced in Senegal, Mali and Benin is now internationally certified (UEMOA 2011; ITC Brochure), which means that these countries are presently inserted into the research agendas of international bodies studying different cotton seeds, especially GMC, and that they will be part of South-South cooperation coordinated by the international organizations.

In sum, with the help of these international bodies, FWA today can count on a slight annual increase in cotton production, more stable prices, a slow but steady liberalization of cotton companies (Chart VI below), and special benefits for the C4 countries. While the liberalization of this sector in FWA is still under-developed, it is important to note that cotton production in FWA has some advantages over cotton production in East Africa. (see Appendix B).
Table VI. Present-day Ginning Factories in FWA

<table>
<thead>
<tr>
<th>Country</th>
<th>Date of creation of first factory</th>
<th>Name of factory</th>
<th>Current Number</th>
<th>Capacity (Tons)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>-</td>
<td>-</td>
<td>19</td>
<td>612,500</td>
<td>23</td>
</tr>
<tr>
<td>Burkina-Faso</td>
<td>1979</td>
<td>SOFITEX</td>
<td>19</td>
<td>688,000</td>
<td>26</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>1974</td>
<td>CIDT</td>
<td>14</td>
<td>530,000</td>
<td>20</td>
</tr>
<tr>
<td>Mali</td>
<td>1975</td>
<td>CMDT</td>
<td>17</td>
<td>575,000</td>
<td>21</td>
</tr>
<tr>
<td>Senegal</td>
<td>1974</td>
<td>SODEFITE X</td>
<td>5</td>
<td>65,000</td>
<td>2</td>
</tr>
<tr>
<td>Togo</td>
<td>1974</td>
<td>SOTOCO</td>
<td>6</td>
<td>205,000</td>
<td>8</td>
</tr>
</tbody>
</table>

| Total     |                                  |                 | 80             | 2,675,500      | 100 |

Source: OECD Atlas on Regional Integration in West Africa: Cotton

- Weaknesses

According to a report that came out in 2016 (Gain Report 2016) about cotton production in WA, the main obstacles to achieving a higher level of production remain climactic and natural. Both extreme drought and intense flooding – presumably a consequence of climate change – had catastrophic effects on the cotton crop throughout the region in 2016. This threat remains constant.
Another current frustration involves GMO cotton, which has produced significant increases in high-quantity yields of resistant fibers in Burkina Faso but which is being criticized for its potential adverse human and environmental impacts. As a result, FWA producers today are being urged by the international community, ITC and others to focus on organic cotton production. But this organic cotton, while high in quality, demands more labor and may price FWA farmers out of the market.

Before drawing further conclusions from this analysis of cotton export data, I want to present findings from interviews I conducted with Togolese cotton farmers, executives from the Togolese national cotton company, and international policy makers interested in cotton at the United Nations (UN) and the UN’s International Trade Center (ITC).

**D- Interviews with Cotton Executives, Farmers, and Policy Experts**

I conducted interviews with some of the central actors in the Togolese and West African cotton sector (farmers, national cotton company leaders, textile retailers and semi-whole-sale traders, textile firm leaders in Togo and in Ghana, and public officers of cotton companies in the C4 countries). This series of interviews began in May 2016 and continued through December 2017.

- **National Cotton Company Leaders in Togo**

My interest in reaching out to the leaders of the national cotton company was to learn what are the mechanisms and strategies used by this company and to get their opinions about the prospects for cotton production in Togo. One of the company’s directors granted me a short interview while telling me that he could not reveal too much information, because it was “official” business. What he was willing to talk
about was the creation of the new Togolese cotton company, NSCT, which took the place of the former company (SOTOCO) in 2010 when SOTOCO went into bankruptcy. NSCT is owned partially by the state and partially by a farmer’s association.\textsuperscript{8} NSCT, he said, must retain control over cotton production, because of cotton’s importance as a leading Togolese export commodity. Cotton production is delicate, he insisted, and needs special care by the state in managing its connection to buyers, especially during the phases of cleaning and conservation to avoid contamination. Another benefit of state management is that the state can standardize the price of cotton throughout the country and assure cash returns to farmers. He then added that the company’s intervention was especially important at two levels. The first involved providing farmers of cotton with inputs (seeds, pesticides, and fertilizers), and with technical assistance. The second involves buying the harvest from these farmers and selling it to exporters. He concluded by saying that the new company’s goal is to increase the production of cotton which had declined dramatically during the crisis of the former company (SOTOCO). When we discussed where value might be added to the chain, he expressed optimism about the possibility of transforming cotton into textiles.

Another leader, a former director of NSCT, returned to the genesis of the French national cotton companies, and used that to explain some of the problems they are having today. SOTOCO, he said, was created in 1974 in the image of many other cotton companies in FWA during that epoch, which meant that they continued the

\textsuperscript{8} While this current manager mentioned this partnership (which is also listed on their website – www.togoreforme.com), the old director (who was more open with me) said the company was still exclusively state-owned.
policies and the logic of the French cotton company (CFDT) created in 1949 (Levrat, 2009). While NSCT, like SOTOCO, is 100% owned by the state, he claimed (footnote 8), they have similar goals – in facilitating farmer access to seeds, fertilizer and pesticides and controlling the contamination of the crop. But he insisted that they also pay more attention to the needs of farmers, especially in terms of when they are paid. Under the administration of SOTOCO, farmers were often not paid until six months after they had harvested the cotton and transferred it to SOTOCO. This meant that farmers had no returns on their labor for a long period of time and their lives were held in suspension. Even worse, SOTOCO’s, agents began diverting cotton funds into their own pockets, which often meant that these farmers were never paid. The aim of the new company, he said, was to avoid these misadventures. He also added that unlike under SOTOCO, where the national cotton company was in charge of purchasing inputs for the farmers (seed, fertilizers, pesticides), NSCT is calling for private contractors to take over those tasks. According to him, all Togolese cotton is exported and while the aim of upgrading cotton production had been to also sell cotton seed to oil firms (NIOTO), this seems not to have worked. For him, the benefits of upgrading Togolese cotton are not clear. This former director concluded by saying that the main way to improve Togolese cotton production is through the augmentation of agrarian surfaces, and through adding new agricultural techniques, and that that was the aim of this new collaboration with the government.

- Cotton production according to the farmers
I interviewed a group of cotton farmers in a village outside of Kpalimé in the southwest of Togo in December 2016. While some had rushed at the opportunity to grow cotton in the 1990s, often fleeing the north to cultivate cotton in the south, many have become discouraged with the state’s involvement and are now abandoning growing cotton altogether.

They began by recounting the history of their relationship to SOTOCO. Between 1985 and 2000, they said, cotton production was subsidized by the state. Interestingly, inputs were given not to individual farmers but to a group of farmers who were then accountable to each other for the distribution of those inputs (seeds and fertilizers) and for quality control. SOTOCO also had an agent, an “encadreur” referred to as “Agent de Technicien Commercial” (ATC) in each village or village area who was in charge of organizing the farmer-producer groups, and advising producers on any agricultural issues they encountered. The ATC worked in collaboration with the heads of each producer group in making reports to the cotton company. The head of each local farmer group sat on SOTOCO’s administrative council and defended the interests of the farmers, especially when it came to the fixing of prices and conditions around the sale of the cotton.

These farmers told me that at that time (the 1990s), the most they ever received for their cotton was 130 FCFA per kilo, which is equal to 25 cents US. While each farmer cultivated their cotton individually, it was bought collectively, meaning that each farmer was held responsible for the quality of the whole group. If the quality of a single farmer’s cotton was poor, it would then affect the entire group, because the price was determined according to the quality of the cotton produced. If the highest price paid was 130 FCFA, the lowest was only 20 FCFA. But, worse, if the quality was not considered good enough, SOTOCO would not buy it at
all and the cotton was lost for the entire group. As these farmers said, it was this form of management that was producing many conflicts among the farmers themselves.

Even worse, SOTOCO subtracted charges for all the inputs from the revenues they owed the farmers and, as mentioned above, often delayed farmer payment for many months after the harvest. This latter, delaying payment for many months after the harvest, often meant a type of famine for the farmer’s family.

All these factors – making each individual responsible for the entire group (and the actions of another farmer who might be lazier than you), delaying payment until many months after the harvest (and in some years, not paying them at all), being dependent on and indebted to a company that was corrupt and was often paying less to farmers than they deserved – meant that many of these farmers became discouraged and no longer found any incentive in continuing to produce cotton. They worked extremely hard in their cotton fields, hoping to acquire handsome profits at the end of the year, but in the final analysis it was they who were bearing all the risks and gaining few of the benefits. This was the situation between 1990 and 2000, and many began to leave cotton production altogether. And they blamed the cotton company, SOTOCO, for this.

Some in the group I interviewed pointed out that an advantage early on of SOTOCO had been that farmers could receive bonus grants from the government after they had sold their cotton. And they liked that the grouping of farmers into collectives – “groupements collective” – had given them access to mutual-banks and loans, as well as health care for them and their families. But at some point, this was suspended by the former management.
Some advantages of the new company, NSCT, over SOTOCO, are that even if the farmer-producers are still organized in groups, they are no longer responsible or accountable to the group, only to themselves. And they are paid for their cash crop on the same day, that is the day it is bought by NCST. But they still complain about their small earnings, and feel that they are not earning enough for the labor they put into producing cotton. They point out that cotton requires a particular care and attention, especially when applying fertilizers and pesticides, and at the time of the harvest so that it achieves maximum quality.

At this point during the conversation, there were many views among members of the group. For most, even if they are not making what they feel they deserve, cotton as a cash crop still enables them to save something and to address family needs – and they feel that they cannot stop producing it alongside their food crops.

For one of the farmers, however – Henri, a man in his late 30s with two wives, and someone who is known as one of the most industrious farmers in the village (he raises bees and sells honey, and he raises pigs with the help of a German NGO) – it is no longer worth his time and energy producing cotton, and he has stopped altogether. He said that with the new company, NSCT, since your cotton revenue is calculated by subtracting what your cotton sells for minus the cost of inputs, all the risk is inherited by the farmer, not by NSCT. If it happens that the farmer-producer did not have a good harvest this year, he is to blame (when it might have been the rain that was responsible, or a “pest” of insects), or if the market price drops, again it is the farmer who carries that burden. Worse for Henri, cotton is not a food crop like corn or yams, so he cannot consume it if he is unable to sell it at market.
Moreover, he said that when he used to cultivate cotton, it would deteriorate the soil, which meant that he had to spend much more care and attention, as well as purchasing more fertilizer, to cultivate this cotton crop, and all this to produce one kilogram of cotton for 230 FCFA, less than 50 cents US. He said that he now cultivates soy beans – which does not require as much care, does not impoverish the soil, and gives a higher return (better cost) than cotton. He added that since he stopped cultivating cotton, he has more time for animal husbandry and the breeding of bees and extraction of honey. Now, he never lacks cash during the year because his honey and his pigs are in demand in larger Togolese cities like Lomé and Kara. While others – those still cultivating cotton – often face a period of starvation during the second half of the year, because they are committing large surfaces to cultivating cotton and smaller ones for subsistence crops, he always has reserves of food until the next sowing season. He concluded by stating that his views are not intended to discourage his fellow villagers from cultivating cotton but that it is time for the NSCT to change their approach and come up with new, more meaningful measures that will be advantageous to local farmers.

What was interesting about interviewing these peasants in the villages is that you get a very clear picture of hard-working farmers who are smart in weighing the pros and cons of cotton cultivation under different regimes of companies and calculating their interest. These are the people the cotton companies need to pay greater attention to if cotton is ever to become dominant in this area. All the human agricultural potential is there, but it is not being fully realized at present.

- The Leaders of the C4 group
In 2016, from October to November, I had the opportunity and privilege to work as an intern at the International Trade Center (ITC) in Geneva. During my internship, I met leaders of the C4 in Geneva working with the ITC on a project called, “The Route of Cotton in C4 countries” which are Benin, Burkina-Faso, Chad and Mali. For them, the most important challenge today is adding more value to cotton production. They feel that in C4 countries, improvements have been made, especially in the areas of crop contamination, of transportation, and of the ginning and conservation of cotton, and today these countries are producing a high quality of West African cotton. Also, Burkina Faso has been experimenting with genetically modified cotton, with success – and is today the number one African producer of cotton. Improvements still need to be made at the level of energy, investment, and infrastructure but good progress has been made. Despite this progress, however, profits remain insubstantial and several of those I spoke with deplore the fact that all African cotton is exported. This group of policy experts believe bilateral collaborations and South-South partnerships – which are being encouraged by the ITC and WTO – are beginning to bear fruit.

- Discussion

One of the strengths of GVC analysis is to focus on building up and improving what already exists. Since the production of cotton is one of the strengths of FWA economies, an obvious upgrade would be to increase cotton production through adding agrarian surfaces through the introduction of the new agricultural technologies, and through the exchange of knowledge with
other emerging countries under South-South cooperation. The challenge to this suggestion lies in examining the current conjuncture. First, just take the US as an example: it produces almost ten times what the entire FWA produces. I worry that to be able to compete with the US, FWA will engage in more exploitative practices, including the use of chemicals and fertilizers that harm the soil and the larger environment. How will FWA be convinced to engage in sustainable development? Second, some of the leading importers of cotton are also great producers of cotton, namely China and India. Thus, FWA countries must keep in mind that China has its own reserves of cotton and in the future, it may not need African cotton for its firms. At the same time, China seems to be reaching a tipping point due to high labor cost (Davies, 2015) and will have to start thinking about offshoring its textile industries. It is entirely possible that in the future FWA countries may not be supplied any longer by low cost Chinese cloth.

It is important to observe that all the international organizations (ITC, UEMOA, UNTACD) interested in cotton in WA have focused almost exclusively on the ways and means to upgrade cotton production. Thus, they have looked for ways to increase the agrarian area of cotton cultivation, to introduce and develop new techniques such as reducing contamination, adding ginning machines, and introducing GMO cotton in Burkina Faso, while insisting on fair labor practices and considering environmental impact (though these have been more lip service than real). They have also insisted on

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9 It is important to point out that a frustration in working with Comtrade data is that in the case of FWA cotton, it can only tell us about large production/export figures. We do not have data on each stage in the production process, for example on the effects of adding fertilizer, on the effect of PPP on producers, etc. These data would allow us a much closer look at production, and might allow us to make policy interventions that would add value to the chain of production of cotton.
privatizing the cotton sector, thus liberating it from the strong monopoly of the state and state-owned companies. All these measures have helped, and FWA’s cotton production has increased over the last 10 years, especially in the C4 countries.

However, while these improvements are meaningful, I remain skeptical that they will ever make much of a difference in the long term – and how will they ever close the gap with the top three global producers (US, China, India)? The gains for West Africa seem mainly to be that this cash crop helps cotton farmers feed themselves – a goal which is important and should continue – but I don’t see these efforts transforming the national economies of these countries. They contribute to the subsistence of rural families but they are not feeding the national economy. It is for this reason that I want to think beyond production and consider other ways that West Africans might find profit in cotton’s value chain.
Chapter Three: Adding Value

This chapter will consider a number of ways of adding to the cotton value chain, from the production of cotton itself to the manufacture of textiles. I focus on three phases of the value chain: cotton farming, the production of intermediate products (the process of ginning, and making yarn), and the production of textiles.

**A- Cotton farming.**

As noted above, adding value to the production of cotton by farmers will only yield small gains. Cotton farmers in West Africa are very capable and clever, but they are limited by the fact that they cultivate everything by hand and by the fact that they are in partnership with state-owned companies who enrich themselves at the expense of the farmers. Certainly, privatizing these companies, or turning them into public-private partnerships, will help. But there will always be limitations to the improvements that can be made in a system of farming that does not rely on machinery. Perhaps small upgrades – the use of intermediate technologies – are possible, but no one has proposed such strategies to date.

The two suggestions of the international agencies, using GMC and expanding the surface area that is devoted to cotton production, have met with mixed success (OECD, 2006). While cultivating with GMC in Burkina Faso increased yields dramatically for a while\(^\text{10}\), it is now being discontinued because of its negative environmental impact (Krinninger, 2016). I favor continuing to experiment with GMC throughout the region, but the results from Burkina are not

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\(^{10}\) In a YouTube video (https://www.youtube.com/watch?v=EB7sTmBBGmM), Samou, a Burkinabé cotton farmer points out many advantages of the early introduction (first few years) of GMO cotton into Burkina-Faso: less farm work (labor), no need for pesticides, a greater harvest.
encouraging\textsuperscript{11} (although I would like to know about exactly what those environmental impacts were). The second suggestion of the internationals, increasing the area cultivated, is not favored by farmers, because it eats into the land they save for food crops. Converting all their fields to a crop that cannot be consumed if the cotton harvest is ravaged by rain or drought, or if the cotton companies choose to ignore them or treat them badly, would not be a wise choice.

Still, small gains in this area are important, and we should continue to study the value chain and make recommendations when we see them. The most promising avenue of improvement, I feel, will come from the privatization, or semi-privatization, of the cotton support and purchasing companies. If the farmers feel that they are getting a fair share, they will become even more dedicated cotton farmers.

**B- Intermediate Products and Local Production**

- Intermediate Products

There are phases between the production of raw cotton and the production of textiles that hold promise for West Africans in adding value to the value chain. I am thinking especially of the process of ginning, which is already being accomplished but which could grow larger, and of the production of yarn.

Each of the major cotton-producing countries in West Africa now have at least two ginning factories (see the Chart on page 30) that clean the cotton separating cotton seeds from cotton fiber. The success of these ginning operations means that West Africans are benefiting from the addition of value during this intermediate phase of the value chain.

\textsuperscript{11} This YouTube video (https://www.youtube.com/watch?v=qlabTEE41qs&t=52s) discusses the inconveniences and negative impacts of GMO cotton in Burkina-Faso, and the fact that it is being phased out.
This is a great and important step but it is not sufficient. They must go the next step and now begin transforming cotton into yarn. This would significantly add value to cotton throughout the sub-region. But the puzzle remains unsolved: as with every new value-added intervention, we must ask who will create these yarn firms? Should it be a public-private partnership? Will the states finally agree to liberate the cotton market and give it the opportunity to permit private persons to invest and enter that market? Or, alternatively, will they give it to those working within a GVC framework who see collaboration with multilateral firms as the answer?

But the idea of yarn factories should be seen as a very attractive one. It would be a crucial intervention into the chain of value, enabling West Africans to create businesses and employ thousands who will work in those factories rather than send cotton fiber to East Asia where it is converted into yarn. The issue of financing is important, however. Private individuals do not have the finances, and access to loans through local banks involves a very long and frustrating process, with high interest rates in West African Economic and Monetary Union (WAENU) countries of at least 15% (Mbengue, 2013), and high as 35% in Ghana (BOG, 2018). A potential alternative, collaborating with the importers of raw cotton or with other foreign firms who specialize in making cotton yarn in emerging countries – a sort of South-South cooperation – seems very difficult to achieve because they are competing for the same limited resources and share of the market. But what about a middle solution, with many actors brought into play as a type of public-private partnership? Here, the example of China during its industrializing phase is interesting. There, the state supported individuals to purchase and run their own corporations (Wei, 1995). Something similar ought to be put in place in FWA, with states and
the international agencies and lenders creating the conditions for capacity building and private ownership of yarn factories. For me, creating yarn industries in West Africa is a promising area of growth and should be targeted as the next stage of upgrading and adding value to cotton production.

- Promoting Local Production?

During my internship at the UN in Geneva, I was fortunate enough to be located in a unit that focused on cotton production in WA. All of those in the ITC, as well as those in other UN organizations such UNCTAD and the WTO, with whom I spoke, were interested in the way GVC analysis might help them explore ways of upgrading FWA cotton-and-textiles.

And they too believe that upgrading cotton production alone will be hard, given all the obstacles I mentioned above.

Their main proposal for Africa in general and FWA in particular in upgrading this industry is to improve the traditional textile industry, a craft industry centered on hand-looms which they...
refer to as “Ethical Fashion.” They believe that local African producers might be able to sell these products in design and fashion global niche markets, and that perhaps they can enter American markets by relying on the advantages of AGOA.

It is my view, however, that while handloom production might produce a little more local consumption, it will not add much value to cotton production. Adding value assumes mass consumption and with only a very few, rare markets selling handloom products, this proposal will hardly lead to the upgrading of cotton in a way that could affect the national and regional economy. I might have been able to agree with these ITC and UN policy makers if this craft production was intended for Africans themselves, but that is impossible in this era of global modernity – when Africans want the latest of everything and will no longer purchase traditional African products. Moreover, suppose this production was intended for Africans, how many textiles would a rural Burkinabé weaver make each week to fulfill demand and how much will it cost compared to a Chinese textile? The paradox of this proposition of the handloom is that at present no FWA country makes yarn, so those handloom weavers I interviewed use cotton thread imported from Asian countries! (Although this might change if my yarn proposal takes effect.)
C- African Wax Print Textile (AWPT)

During the Industrial Revolution Europe launched its conquest of the world through the acquisition of raw materials in peripheral tropical zones, then brought these raw materials back home, to the European “core” of the world economy, where they were transformed and manufactured for sale in markets both at home and to the rest of the world (Wallerstein, 1974). Among the most important of these goods were textiles, which Europeans began supplying to world markets by fitting these textiles to existing local needs.

The case of West Africa is particularly interesting. Europeans (Dutch) discovered a beautiful and popular multi-color hand-made batik textile in Indonesia which local people used in making their clothes. The Dutch attempted to manufacture this batik textile industrially and to supply it to Indonesians, who however were not enthusiastic about the European cloth and were not interested in purchasing it. Europeans then tried to sell this cloth in West Africa, and there they found a willing and accessible market. After first being introduced to Nigeria and Ghana, it was then expanded to FWA countries, such as Benin, Togo, Burkina-Faso, and Ivory Coast (Sylvanus, 2016). Thus, what we now know as African Wax Print Textile was a textile copied from a handmade Indonesian Batik, that was then printed (industrially manufactured) in Europe by the British and Dutch, for sale to West and Central Africans. Later, around 1950,
Togolese women traders, known as “Nana Benz,” emerged as the premier sellers of this cloth throughout the entire sub-region, and they began collaborating with Dutch textile firms, not only facilitating the sale of this cloth in markets throughout the region but also (during annual trips to Europe) selecting the textile designs that they think will be desirable to everyday Africans. They even gave specific names to each AWPT pattern, a practice that continues today. This was the beginning of a story about a global textile industry that produces a cloth that is known and identified as “African” but whose manufacture lies elsewhere.

*Figure 3. Boutique of AWPT- Vlisco in Lomé.*

**The Role and Use of AWPT in West African Society**

To understand the importance of this cloth for West Africans, and the implications for value chain analysis of being able to capture some of this market, I begin by describing some of this cloth’s uses in the everyday lives of West Africans.

Mainly known and used in West and Central Africa although also in some parts of East and Southern Africa, AWPT intervenes in every aspect of the clothing habits of West Africans, especially women. AWPT or “pagnes” are not only used by most West African women as clothing for everyday activities and at work but also it is necessary, even obligatory, for these
women to wear it to important ceremonial events such as funerals and weddings, and to church.

- At funerals in West Africa (Nigeria, Benin, Togo, Ghana), at the burial of a loved one, family and friends choose a common design of a pagne (AWPT) which is worn by many of those who attend, often hundreds and sometimes thousands of people. The quality and design of this cloth will depend on the financial capability of the family and the status of the deceased. But once selected, whether you have the money or not, friends and loved ones will do all their best to please the family that is mourning by purchasing this cloth, simply as a way to show their sympathy and respect.

Figure 4 Tem Women in Sokodé, Central Togo, during a wedding

Many others who attend will come dressed in pagnes as well, as this is our most expensive and elegant cloth.

- At engagement ceremonies and weddings or festivities, this cloth is also an essential element. Throughout WA, marriage is still today more about the joining together of two families than of two individuals in love. Therefore, it is tied up with all sorts of protocols, meetings and ceremonies. For the engagement ceremony, the family of the future bride will
present the groom with a long list of gifts that he must present to the future bride and her family as a token of his respect and love, and as a sign that he is financially ready to take care of his wife. Chief among these items is AWPT, which represents the greatest part of the expenses. Again, the quality and cost\textsuperscript{12} of these fabrics depends on the financial ability of the groom.

And at the wedding itself, a special event in West Africa, men as well as women will dress up in this type of AWPT textile, in order to show off all the latest fashions and to make the wedding grandiose.

- At work and in the market places – even in the small rural markets people wear pagnes or AWPT as a way to establish class, hierarchy and status.

\textit{Figure 5. Famous Nigerian author Chimamanda Adichie, a fashionable lady dressed in AWPT}
\textit{Figure 6. An influential African Feminist, Ngozi Okonjo-Iweala, dressed to show her married status and prestige}
\textit{Figure 7. Ghanaian President Addo, showing that AWPT is used by every social class in West Africa}

Just by observing the dress of a woman who is outfitted in pagnes, the West or Central African can tell if the woman is married or single: a married or aged woman will be dressed in six yards

of AWPT, in three pieces, while a single lady can dress in any style of pagne without wearing six yards of that textile. The quality of these pagnes is directly related to their cost – and serves as another indicator of social class and hierarchy. Only wealthy Africans can buy the high-quality textile, that which is known as the “Super Vlisco” textile (a brand of Dutch Wax cloth). Today, there are many different styles and fashions made from AWPT, with some being copies of Western style and fashion – showing the assimilation of Western and global culture – and with others cut between the traditional and the modern, while some simply follow more traditional styles.

Figure 8. Outdoor market in a small village in northern Togo, illustrating villagers wearing Chinese print near the second-hand clothes sector

Figure 9. Boutique of AWPT – Chinese Print in Lomé

This shows the importance of this textile for West Africans, how much money is expended on AWPT (it will surely be a large part of the family budget every year, perhaps 25%), and also to suggest the bright future of this “African” textile, with styles and fashions that are
tending to a global standard. Let us not forget that Africa has the fastest-growing population in the world, a demographic which will create huge demand. And my dream: that this textile might be taken up by the global fashion industry one day.

More importantly for the present thesis, even though Africans are the sole consumers of this global textile, they only partake in its production at the lower end of the commodity chain.\(^{13}\)

- **The Manufacturing of the AWPT**

For most of its history, this textile was not designed or manufactured in any West or Central African countries. It was only the business of European firms. After Independence in 1960, however, many WA countries, especially those in FWA, developed AWPT industries which did not last due to the crisis we mentioned above, the crisis of structural adjustment and the lack of economic autonomy of African countries to manage their own development. Another secondary influence was the emergence of the second-hand clothes markets (thrifts, “friperies” in French) – clothes from Western countries, such as jeans and shirts, which were cheap and attractive to many Africans who were fighting poverty due to the ongoing financial crisis, and a poverty which has created the unaffordability of the AWPT, which became too expensive for the average WCA consumer. Finally, the most important reason for the collapse of these industries was the emergence of textile companies in Asian countries (especially, though not only, China) such as Hitarget, Deluxe, Phoenix, Diva, who in the late 1990s and early 2000s began to manufacture this AWPT at very low prices for the WCA market. Today, many

\(^{13}\) Of course, the women who sell this cloth (for Dutch and Chinese companies) add value to the value chain at the stage of consumption – through their knowledge and networks – but they are small in number.
WCA women, because they lack the means, prefer to buy Chinese copies of AWPT that are inferior in quality but that cost one-tenth of the Dutch originals.

- Current Production of AWPT: Role of Europe and Asia

For two decades now, globalization has led many European textile firms, especially British and French, to outsource the production of these textiles to emerging countries in Asia and North Africa. It is only the Dutch AWPT that still exists and continues to send its cloth products to Sub-Saharan Africa under the brand name of Vlisco, which signifies Dutch superior quality AWPT. But this textile is destined to be consumed only by the African upper classes. It is too expensive for the average African, while Chinese, Indian and other Asian-manufactured AWPT are, as mentioned, as much as ten times cheaper than this European AWPT.

Today, in FWA, an AWPT firm exists only in Ivory Coast and this company is made possible due to a coalition with the Dutch textile company Vlisco (personal communication, interviews with Vlisco executives in Lomé, December 2016). In most of the places they have been tried, West and Central African AWPT companies have not been able to survive, for some of the following reasons.

- Internal Reasons

The issue of energy – its unreliable and uneven supply – is a common problem in many African countries and has discouraged or made impossible the establishing of textile firms. The lack of certain raw materials is another. While cotton is plentiful, other necessities in the manufacture of these textiles – like nylon and polyester, which are used in combination with cotton – are expensive and difficult to find locally. Another is the lack of specialists and special expertise in the field of AWPT fashion – most of the fashion designers are in Europe or Asia. As well, as I
discussed above, textile companies throughout Africa were state-owned and suffered issues of governance and poor management, and often ended up in bankruptcy.

Finally, these African companies were too small and suffered from diseconomies of scale. They were unable to produce a high enough quantity to bring down the price, and thus were limited to producing smaller quantities compared to their Asian or European competitors – which were not hindered by all of the above issues (of energy, lack of skill, state ownership and management).

- Competition

These FWA textile companies cannot stand up to the competition of the other international companies from Europe and Asia. The Asian AWPT is not great quality compared to Vlisco or Woodin, or to UNIWAX (made in Ivory Coast). However, when these Asian textiles of inferior quality cost ten times less than Vlisco or Woodin, it is hard for WA consumers to resist them. After two decades of being invaded by these cheap pagnes from Asia, with all our markets filled with this cloth, and given its affordability and its widespread use as everyday clothes, they have become our new standard. At the same time, Vlisco textiles or the high-prestige AWPT still has high standing and is in demand for the big events such as funerals and engagement and wedding ceremonies – where people like to show off their wealth.

- Some Proposals Toward the Upgrading of AWPT Cotton in FWA

Along the value chain of finished cotton textiles, even though a focus on the production of textiles rather than the raw cotton is not the only means of adding value to the chain, it remains the most lucrative way to add more value to the finished product. Before exploring some possible ways of upgrading FWA’s role in the production of these finished products, I would like
to present the potential strengths and weaknesses of an upgrade through a SWOT (Strength, Weaknesses, Opportunity, and Threats) chart.

<table>
<thead>
<tr>
<th>INTERNAL</th>
<th>HELPFUL</th>
<th>WEAKNESSES</th>
</tr>
</thead>
</table>
| **STRENGTHS** | - Locally-produced cotton  
                  - Existing market of AWPT  
                  - Rapidly growing population | - Political instability of FWA  
                                - AWPT is today manufactured only in Europe and Asia for African consumption  
                                - Few AWPT firms currently exist in FWA  
                                - Uneven Concurrence and Competition |
| **OPPORTUNITY** | - Offshoring and outsourcing  
                         - More firms will produce clustering and drive down prices  
                         - Vibrant Fashion Industry  
                         - Complete value chains in French West Africa |**THREATS** |
| **EXTERNAL** | | - Financing and Investment  
                   - Need to develop energy, skills and infrastructure and raw materials different from cotton  
                   - Need for policy reforms to attract foreign industry and investment  
                   - Override the assumption of an unaffordability of the cost of labor force in WA |

Studying this chart, especially the weaknesses and challenges of the situation, would seem to confirm that there is little comparative advantage to be gained, and that it might be better for
FWA to just continue producing cotton rather than trying to upgrade from cotton to textiles. At present, FWA cannot produce an AWPT that would sell at the low cost of the Chinese AWPT.

Nevertheless, it remains certain that transformation and industrialization are the best ways to add value to a commodity, and I want to pursue this line of reasoning here.

Many of those I have spoken to, key actors at the ITC in Geneva and in the cotton/textile business in West Africa, find more obstacles than opportunity in my suggestion that FWA look for upgrades in the fabrication of textiles. I welcome their criticism and present some findings of my conversations with them.

- As mentioned, Lomé, the economic and political capital of Togo, is known for its AWPT trade. The Togolese women who sell this cloth are reputed for their textiles throughout the sub-region. Nowadays, the trend is for them to buy their cloth from China (Chinese AWPT), because for this category of women, importing these AWPT is good business. They are simply traders and they will look to make money any way it can be found. The more people interested in their products, the more money they will make. If a local FWA textile were selling at a good price, they would pursue that market right away, but that is not currently the case. Their position seems not surprising and is legitimate for market women.

Those executives of the prestigious high-end Vlisco textiles I spoke to do not fear the competition of Chinese textiles because they sell a quality textile which women will still buy if they have the means. As a result, there is still a high demand for their textiles because they are textiles of prestige. They have begun making some less expensive textiles to try to enter the market of women not in the upper class. However, though these Vlisco textiles are much
cheaper than their high-end products, they still cost more than the Chinese ones, and they have not entered the everyday markets. However, the good news for the Vlisco group is that they are well-established in WA, with a big reputation, and any sort of upgrading will only be an advantage for them.

D- Upgrading the African Wax Print Textile Industry and its Derivate Products: Thinking Long-term

WA is uniquely positioned as the largest consumer of African Wax Print Textiles in the world. This is a huge market. But it is one entirely controlled by the Chinese and to a less extent by the Europeans today. I feel that FWA or WA’s real opportunity to upgrade the value chain will be through developing AWPT industries at home. By doing so, they will realize plenty of advantages, which will no longer keep them producing only in the bottom sphere as cotton producers while only consuming at the top. Among the advantages:

- Job Creation: If the Chinese can be convinced to begin offshoring or outsourcing their textile industries to West Africa, this will lead to the hiring of nationals; it will also build capacity and skills for the future of this textile industry.

- Taking Advantage of the African Growth and Opportunity Act (AGOA): Textiles are one of the products eligible for tax-free export from African countries to the US under the African Growth and Opportunity Act. Today, these products cannot be exported to the US, because they are produced in Asia; but when produced in Africa, this will open up a big market.

- The Fashion Industry: While West Africans have taste and should be major players in the world fashion markets – look at Woodin and Vlisco styles – these markets are
unstable and unpredictable, since they depend on the shifting tastes of the public. But it is worth an effort to try to enter these markets, not just in WCA but throughout the world. GVC analysis suggests that more value can be added to the cotton value chain through design than through production itself (see Smile Curve Chart), and I see this as an area that holds real possibility.

Illustration1: Value Chain of Cotton from Production to Transformation

- Batik or Tie-Dye: The GVC framework suggests one case of successfully adding value to WA cloth production. In Ghana, an Anglophone country, the state has promoted the production of a Tie-Dye textile. This textile is made by taking a weave textile without any drawing, then adding drawings and colors. I interviewed many Ghanaian women in Ho, a region in the East-Central part of Ghana about their production of this textile. According to these women, they can produce up to one hundred of these textiles a day, a textile which is really in
vogue right now not only in Ghana but also in other WA countries, and is even now being exported to the US under the AGOA act. The only challenge is that by contrast with Ghana, most FWA countries do not have the textile firms where they can manufacture this tie-dye product. Still, the success of this product indicates that it might be a good prospect for thinking about the upgrading of cotton into textiles.

To conclude, I see many possibilities, as well as challenges, for FWA countries to upgrade cotton production. Moreover, focusing on the finished textile may be the best way forward. It is a base on which many other upgrading strategies might be implemented. I pursue one additional strategy for upgrading textile production in my last chapter.
Chapter 4: Critique: The Importance of a Regional Approach

The global value chain is a powerful tool of analysis, well adapted to this era of globalization. Its main protagonists are the multinational organizations, companies and corporations. When the world moves at a global scale, the tasks and functions of the economy and of the commodity chain are shared. To produce a single product, there will be many chains of value feeding into that product, as the iPhone well illustrates (Kraemer, 2011), with actors dispersed across the world.

On the one hand, I agree that adding value to a commodity cannot be possible or effective in an environment where management of the firm is state-owned, as is the case of cotton production in many FWA countries. A liberalization of the market in this case, where the state delegates and gives opportunity to private individuals or corporations to invest in and upgrade the commodity chain, is necessary. On the other hand, I think that the idea of applying global standards – of market liberalization and privatization at all costs – to upgrade the production of cotton into textiles cannot be applied to the context of Africa. A regional policy reform in WA which does not conform to liberal market principles must be applied to FWA to boost the AWP textile industry. That is, we might think of regions as countries or even as single firms that cooperate in order to produce a better product and protect its interests against a competing outside world.

A- Upgrading cotton production through liberalization

GVC analysis usually suggests a multilateral approach in which states are no longer the important players. And, indeed, in the case we are looking at here, I have suggested that the
state needs to withdraw from cotton production for cotton to survive. The main purpose of state intervention in this sector in West Africa has been to regulate the market by standardizing prices. Here the state wants to be the door through which export transactions are accomplished. This has had some positive effects – protecting farmers when market forces or the weather turns against them – but standardization also suppresses competition, and an-often corrupt state eats into the profits of cotton cultivators. Under such a regime, upgrading of the cotton commodity chain remains difficult.

One option would be for the state to withdraw and begin to play a more limited, intermediary role, inviting private companies to bid for the opportunity to provide services and inputs (seeds, pesticides and fertilizers) to farmers, while reimbursing these companies once the cotton has been sold to an exporter. Now it is the private company who becomes a main actor and it is the company that is now making profit. But under such an arrangement neither the companies nor the state assumes any risk. The real actor and player in this FWA value chain is the farmer who most deserves an economic and social upgrading. The farmers assume all the risks to the point where all their efforts may be in vain. The entire circle looks like they are working only for the state and for these companies. GVC analysis, through its focus on the corporation, often neglects the human actors (human capital), those who work for the corporation (Barrientos, 2013) or, in this case, the farmers who are crucial to the enhancement of the value chain. In addition, in this setting the state usually gives the market of the call of tenders to a company where they have an interest or to a company created by an influential official person.
In this case, true competition is missing. Competition should bring ways of improving production efficiency. But this is difficult in the face of those problems and factors which FWA states routinely point out: drought, floods, no subvention for production, the low price paid for their cotton, few means to upgrade through transformation, lack of investment in energy and infrastructure.

GVC analysis suggests a type of liberalization in which new actors and players should enter the game. Today in FWA, agriculture tends to be thought of as reserved only for rural farmers, those from the villages who work the soil by hand, the poorest of the poor. But what if the state or multi-lateral organizations encouraged the large reserve army of unemployed youth, those from the cities, often with middle class background and professional connections, to enter the field? Might this not lead to upgrading and innovation?

It is my strong feeling that the production of cotton must move to another level, different from the one inherited from colonialism. I can agree with the role played by the state in trying to regularize the market and connect farmers to exporters. The state should keep that role, while nevertheless liberalizing. Drawing lessons from East African cotton production, we should look for more public-private partnerships (Traidcraft, 2011). On the one hand, a protective, supportive state; on the other, a set of reforms that enable private individuals farmers or youth imported from the cities to transform agriculture in general and cotton in particular into a continuous cycle of improvement of skills, technology, and new ideas.
B- Upgrading AWPT through a Multilateral or Regional Approach

At this moment, FWA’s unique (African Wax Print) textile industry is not doing well. Any possible transformation of the industry must be done through its partnership with European and Asian industrial firms. Even this becomes difficult because of the way in which textiles, which invade African markets, are made today in China. We know that at a certain moment of textile and apparel history, Western countries (Europe and the US) began offshoring and outsourcing their industries to various emerging countries. In the process, FWA countries were left behind. Europe turned to the Maghreb countries (with European support, Tunisia and Egypt developed important textile and apparel industries), probably because of their proximity to Europe, on the one hand, and to South and East Asian countries such as China and India, on the other. Today these latter are offshoring and outsourcing to other Asian countries – like Vietnam, Indonesia, and Malaysia – or to East\textsuperscript{14} and Southern Africa\textsuperscript{15}, not to West Africa, again because of proximity and the change in their investment policies such as in Ethiopia’s textile and apparel industry with China (Xinhua, 2017).

\textsuperscript{14} “East Africa, which is set to become the continent’s fastest-growing region, is becoming an increasingly important destination for China. Additionally, East African port and rail development is being included as part of China’s new concept of a ‘maritime silk road’, which will result in an increasing geopolitical influence within the Indian Ocean.” http://businessmediamags.co.za/china-making-its-mark-in-east-africa/

\textsuperscript{15} South Africa: “For international firms, South Africa slots in between near-shore locations such as Canada, Mexico or Eastern Europe, which offer close proximity as well as cultural affinity to domestic markets, and more traditional offshore locations, such as India and the Philippines, that offer cheap labor.” https://www.brandsouthafrica.com/investments-immigration/business/economy/sectors/outsourcing-to-south-africa
Scholarly research also draws attention to the lack of infrastructure in West Africa and inadequate skills for the industries (Sampath, 2015; Weigert, 2016), or they blame this lack on the fact that energy is not reliable and consistent in FWA countries (Penar, 2016; GPJ, 2017).

Another problem for FWA countries is that the cost of its workforce is higher than elsewhere, for instance in China (Davies, 2015).

But let me take a different approach. I agree that all these factors make it difficult for Chinese industries to offshore their textile firms in WA. But the main reason lies elsewhere: that those Asian or Chinese AWPT industries have no direct threat in selling that product in WA; simply put, they have no competition there. In other words, for these Asian textile industries in West Africa, the rules of the game are that they will produce the products and set the price.
Then West Africans will sell these products for them, in the process adding some value through their knowledge of local networks, in what appears to be a win-win approach for all sides. But for Chinese, locating AWPT industries to WA seems not to be a priority: there is no need to locate that industry there. But this strategy keeps these developing West African countries in a dependency situation, and seems to be something difficult for a GVC approach to resolve.

For me, in order to force China’s hand in bringing some of this industry to WA, and to follow the lead of GVC analysis in pointing out the benefits of industrial outsourcing or offshoring, WA must opt for a regional approach whose implementation cuts against globalization’s principle of absolute liberalization and open markets everywhere.

This regional approach will have two prongs. The first must be regional policy reform, a protectionism where all WA countries must first understand that the development of that region will start from the respect of their agreements. For instance, West African countries must understand that the Chinese AWPT invasion of their market is due also to the fact that while some countries, like Ghana, have been protecting their local market from Chinese AWPT, others have opened their doors to the Chinese – a fact which finally led to the failure of policies of protectionism in Ghana because of smuggling. (If you sit outside my mother’s house in Lomé, you will see thousands of pagnes passing every day on the heads of women who slip under the fence into Ghana, smuggling their cloth from a country that doesn’t respect protections, Togo, to one that does, Ghana.) The absolute agreement not to break this law should be capital. The second prong will consist in increasing customs tariffs in a way that makes Chinese or Asian AWPT importing much more expensive. The aim of this option is not to ban AWPT imports
altogether but to threaten them into realizing that they might eventually lose that huge market in WA. This approach has only one main weakness, and that is the will of these countries to respect the agreement of protectionism. For me, a regional approach like this has two possible outcomes. Either Asians and Chinese will stop producing AWPT for West Africa altogether, or they will choose to offshore its production in West Africa itself. By all means, WA must act to give hope to its economy.

C- Investments from International Institutions

In the event that Asians and Chinese stop producing AWPT, WA must prepare itself as a single country to take over the AWPT industry with the assistance of international lenders and agencies. I do not see any objection to finding financing and investment through the AfDB and the World Bank in order to overcome some of the common barriers of the AWPT industry, such as energy needs and weak infrastructure, if a collective action plan is designed for the whole of WA. We all know that one of the problems of Africa as a whole and WA in particular is that it is made of many sovereign states with many internal differences such as policy, language, ethnicity, currency. This is making it difficult for development to properly take off. But if they can unite – and unite around something as uniquely African as Wax Print Cloth – and think collaboratively, at least at a regional level, many barriers can be overcome and they can put all the resources of local private persons as well as the international lending institutions to work in starting AWPT industries. The real incentive and stimulation for this large and dramatic policy intervention will be a collective and regional action plan in order to get important investment from international institutions such as the World Bank and the AfDB.
D- The example of China: actions through incentives and attractive state reforms

China is a good example here. It has opened its borders to a liberalizing global market economy, while also maintaining state control in those areas where there is strong state or national interest. Why can’t FWA or all of WA do the same? It should protect its markets, attract foreign business, maintain and build infrastructure, establish political stability, send its young people to university in Europe and the US where they will acquire skills to benefit their countries, and maintain high international standards such as fair labor practices and protection of the environment. It should also establish research centers for technology and innovation to overcome most of the problems we know today as obstacles to industrialization in FWA. All of this can be accomplished if it restricts the cloth market to WA producers or, more likely, begins to impose tariffs on the Chinese market.

For FWA countries to upgrade cotton production, they either have to start making yarn or make textiles – or both. This latter will never be achieved unless WA agrees to a regional protectionist approach which blocks free trade in the area of textiles. In this sense, my proposal is opposed to one of the greatest principles of a GVC framework – free trade. But we must recognize that all these other global producers engage in various types of protectionism as well. Why not WA, at least in this limited sense?

Obviously, the real challenge and critical question will be how to bring all these WA countries with all their cultural, linguistic, socio-political, and economic differences to the same table. How to get them to drop their interest in importing AWPT, an import business that provides jobs for the thousands in their population who sell Chinese AWPT in WA countries?
But these value-added services – selling Chinese AWPT among the population – are small incomes only, nothing like the value-added that a textile company would bring. The good part of a GVC analysis is that it also takes the long-term view in planning for a fair and sustainable result or outcome. There is no short cut in this case, and peoples’ mentalities will have to change. Today, the idea of investing for the long term is missing in the sub-region. It is time that WA understand that they have to start somewhere in order to overcome the many obstacles they face on the path to industrialization. This, it seems to me, would be a good place to start.
Conclusion

In a nutshell, my thesis explores the production of cotton as a main income for many FWA farmers, and of how to upgrade and add more value to extend the benefits not only to farmers but also to many other social groups. These are benefits which will have a consistent impact on the national economies of these FWA countries through the creation of jobs for a sustainable development.

With the help of a GVC framework, my analysis explicates the historical and current situation of these countries, with all their strengths and weaknesses. Then, it attempts to show the many possibilities of increase and upgrading that exist along the different stages of the cotton value chain. My first suggestion was to liberalize cotton production itself (a production which is in the hands of the farmers) and let them partner with private export companies with a very limited state intervention of price regularization which will stimulate the competition and play a role in adding value. My second suggestion was to promote the production of intermediate products like yarn, as well as local consumption. For the mid-term, this seems like the most promising way of adding value to the cotton chain in a way where the challenges are not too difficult to address. Finally, the most challenging way of upgrading for the long-term is to ensure that the production of African Wax Print Textiles and all of the derivate chains of industries connected to its production, such as scaling up the production of batik textiles, and further developing the AWPT design, fashion and apparel industries, is brought home to WA. Such a possibility will not be easy to implement, for, as already mentioned, the West African region faces many barriers such as energy, infrastructure, finance infrastructure, and others.
My position, however, is that in promoting a regional approach and thus breaking with certain GVC principles such as liberalization and absolute globalization – principles which do not advantage West Africa, we might stand a chance. This approach will require a transitional period to prepare WA to enter the era of economic globalization and to establish a new foundation for WA industry. A regional approach has two aspects. The first is to point out that protectionism will enable, on the one hand, the survival of the few existing AWPT firms in the region, and, on the other hand, the slowing down of Chinese AWPT imports, which will allow us to review the foundation of the AWPT industry in the region with the help of international institutions of investment. The second aspect will be to allow the region to make some reforms that will attract foreign investment, including bringing Chinese AWPT to offshore its industries in that region in order to also protect its existing and huge market.

The great value of a GVC approach in understanding a commodity like cotton is that it enables us to discover the bottlenecks preventing a successful industrialization of cotton from its production phase to its transformation into finished textiles. In so doing, it allows us to demystify the many processes and phases of the production of commodities in different historical and regional contexts. For more than two decades now, WA countries have been struggling with their industrialization, and in the process falling further behind. The case of cotton might provide an instance of how to overcome the bottlenecks and barriers not only of cotton but also of other commodities, thus allowing us to even further scale up to other industrial fields.
The importance for me of this research is to explore the best way for WA to overcome its current poverty, and to do so by promoting industrialization – an industrialization that I believe is capital for the emergence of the region and its development. Finally, as important as all the rest is to create jobs for these millions of unemployed youth, those who are desperate and are following clandestine migratory routes to the developed countries of Europe and risking all along the way, including the real possibility of death in the desert or the Mediterranean. West Africa has all the resources imaginable, both human capital and great natural resources. What is missing is simply what I believe this thesis has explored, the will to collaborate and industrialize. With the help of GVC analysis, I strongly believe that development is possible for West Africa if only they can decide to work together, collectively and in collaboration.
Appendix A

Value Chain of West African Cotton from Production to Textiles (AWPT)

**West Africa**

**SPINNING:** Partially existing: only with the Group Vilisco in Ghana and in Ivory Coast

**WEAVING AND DYEING:** Partially existing: only with the Group Vilisco in Ghana and in Ivory Coast

**PRINTING:** Textile (AWPT) Partially existing: only with the Group Vilisco in Ghana and in Ivory Coast

**FASHION:** Local consumption with many informal sewing businesses, mainly for women and youth

**DISTRIBUTION**

Wholesale and retail of AWPT through import of Chinese and European textiles

Mainly in Asia (China) and in Europe (Holland)

West Africa largely missing from these stages

Existing stages (of adding value to consumption)

Source: Author
Appendix B

Comparison of Cotton Production in West and East Africa

<table>
<thead>
<tr>
<th>Regions</th>
<th>WAEMU (West Africa)</th>
<th>COMESA (East Africa)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cotton Production</strong></td>
<td>Cotton is produced by farmers with strong regulation from states (fixing and standardizing of price)</td>
<td>The private sector produces cotton, with little state intervention; (differential pricing according to producer)</td>
</tr>
<tr>
<td><strong>Ginners</strong></td>
<td>Fewer ginning companies but with greater capacity, while enabling standardization and certification</td>
<td>Many ginners but of low quality; contamination of cotton is still an issue</td>
</tr>
<tr>
<td><strong>Export Companies</strong></td>
<td>While in some countries, the state remains in charge, in other countries foreign negotiators connect producers to Asian importers</td>
<td>Market liberalization</td>
</tr>
<tr>
<td><strong>Volume of Production</strong></td>
<td>High quantity because many are involved in cotton production in the rural areas, and because of the recent</td>
<td>Low quantity with fewer farmers involved in the production of cotton</td>
</tr>
<tr>
<td>Quality</td>
<td>introduction of genetically-modified cotton seed</td>
<td>Contamination remains because of a lack of professional ginners; very long cotton in Uganda and Sudan but low quantity; recent introduction of GMO cotton</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Export revenue</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumption and Transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Consumption</strong></td>
</tr>
<tr>
<td>Very low (2%)</td>
</tr>
<tr>
<td>Relatively low</td>
</tr>
<tr>
<td>Quasi absent (previously 48 firms, less than 8 existing today)</td>
</tr>
<tr>
<td>Industrial transformation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>South-South Cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>South-South (Africa-Asia) Cooperation</td>
</tr>
<tr>
<td>Only a few exchanges of experience and skills; no outsourcing; no aid in</td>
</tr>
<tr>
<td>Reasons</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Geographic position: West Africa is far from Asia; labor costs are high (and are un affordable to Asian industries); unimproved corridors leading from West to East; lack of infrastructure, energy, investment and new technology</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th><strong>Regional Integration and Policy Environment</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional Integration</strong></td>
<td>More ideal than practiced; national protections remain</td>
<td>Much more integrated (through COMESA); more regional investment; cotton projects for more than four countries</td>
</tr>
<tr>
<td><strong>Trade Policy Environment</strong></td>
<td>Hostile, closed, and less liberal in promoting investment</td>
<td>Market liberalism, favorable for investment</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td>Less value added, though the quantity of cotton production is greater; few handlooms and little industrial development</td>
<td>More value added, but quantity remains smaller; handlooms and the production of industrial textiles emerging</td>
</tr>
</tbody>
</table>
References


