



Social Impulses through the Cotton Trade

Exposure and Dialogue Programme (EDP) in Malawi,
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CONTENTS

Editorial

Eberhard Neugebohrn
(*Foundation of Environment and
Development NRW*), p. 1

„Ali o lie?“ - „Ne chene,
qualia yetu?“

Care Lissaman (*Ethical Fashion
Consultancy*), p. 2

*Happiness and the world-
market—it is all linked up,
somehow*

MP Nadine Schön, p. 2

*Malawi’s Rural Develop-
ment—25 years later*

Michael Plesch (*BMZ*), p. 3

Close to the soil

Dr. Christine Natt (*Federal Of-
fice for Agriculture and Food /
BLE*), p. 4



Quelle: World Factbook

Editorial

Dear Readers

In December 2011, I had the opportunity to take part in the Exposure and Dialogue Programme „Social Impulses through the Cotton Trade“. I stayed in Malawi as a guest of small farmers and I got to know extremely friendly, wise and self-assured people, who with great care cultivate their fields, send their children to school and who try to use their opportunities to improve their living conditions.

My host uses crop rotation alternating cotton and maize and is *leadfarmer* in a Malawian trading and processing company. This *Great Lakes Cotton Company (GLCC)* buys the raw cotton from the small farmers, supplies them with seeds and pesticides and gives them advice as far as the development of their farms is concerned. Farmers may become *leadfarmers*, if they manage their farms successfully, if they are recognized in their villages and if they share their knowledge and experience with their neighbours.

GLCC operates the ginning factories and brings the cotton

onto the world market. It has established an impressive, highly-differentiated system of advising and consulting the small farmers. The company sells the raw cotton on the world market at the prices which can be gained there. And so, the world market price also determines the small farmers’ purchase price. GLCC is partner of the programme *Cotton made in Africa*. This programme was initiated by the Otto group seven years ago, to make a contribution to securing the livelihood of African small farmers producing cotton.

The agro-industrial, monocultural cultivation methods for cotton, practised in many countries, are ruinous to the soil and to nature. The Malawian small farmers, however, produce their cotton making use of rain-fed farming and crop rotation. The world market for cotton is influenced by the subsidies paid by large cotton-producing countries. The subsidies an American farmer receives for one metric ton of raw cotton are almost double as high as the Malawian small farmer’s whole earnings.

The total volume of the cotton produced in the programme *Cotton made in Africa* has been so small so far, that it is a negligible quantity on the world market. If it should lose its negligible status, then it is feared that only small changes of the subsidies system might be enough to cause great difficulties on the world market for the cotton made in Africa.

What have I got out of this EDP? The experience to get to know wonderful people. An experience which helps me to realize what really matters. Insights into a model of an adjusted rural development, which enables the producers to increase their productivity, to make higher profits and to leave the level of mere subsistence. But I also learned that whoever takes care of the cultivation of cotton in Malawi will not be successful in the long run, unless he also takes care of the world trade relations.

Eberhard Neugebohrn, Member of the Advisory Committee of the EDP e.V.; Manager, Foundation of Environment and Development North-Rhine-Westphalia



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The faces around us broke up into appreciative grins and laughter as we mangled their Yao language. “Ali o lee?”, tee hee hee “How are you?” “I’m fine, how about you?” We were staying with a cotton farming family and our host organisation, Great Lakes Cotton had tasked us to learn ten words of Chichewa which, alongside English, is one of the official languages of Malawi. Somehow however we seemed to be learning Yao, their tribal language.

Before going on this trip exploring *Social Impulses through Trade in Cotton* I had wondered what I was doing. After all, I knew about issues of cotton production and trade. As a consultant on ethical and fair trade, I spend much of my working time focussing on textiles and apparel. I’d seen cotton farms. I’d written advocacy papers about cotton. I’d just come back from a trip to China where I’d seen cotton mills and factories.

But we learn through doing. Rising at 4.30am. Walking half an hour to the fields. Hoeing the maize. I began to understand here the expression ‘scratching a living from the soil’, for that’s what we were doing, scratching the land with our simple tools. Gathering firewood. Carrying it back to the house on our heads – we were given just small bundles but very quickly mine began to weigh me down. These

women carry much larger burdens for much longer.

The work was hard and physical. And constant. Our hostess, Zoine, worked endlessly; farming, preparing meals, cleaning, washing... But still with energy to smile, to play ball with the other women and children. Oh that ball; a bundle of old plastic bags tied up with string. It symbolised for me how this community made the most out of so little.

Slowly their story emerged. They had lived in the capital, Lilongwe. He had worked as a chef, she as a maid. They were making their way in the world. And then, like so many Malawians, her brothers and their wives died. There was no-one left to till the land or take care of their children so they had had to return.

They were not the poorest of the poor. They had land. Enough land and enough money that sometimes they paid day-rate labourers to help them on it. But life is precarious for them. And there’s no spare cash. They would dearly love to send their children to a better secondary school than the local one. But they can’t afford to.

We spent the days after our time with the family reflecting on our experiences. And we heard from the different bodies engaged with cotton in Ma-

lawi: our hosts Great Lakes Cotton (who buy the raw cotton from the farmers, gin it by removing the seeds and sell it on), the government, the cotton association, the farming trade union, an NGO and Cotton Made in Africa (a scheme that supports farmers to become more productive and uses marketing to create demand for African cotton).

What became clear to me during this trip was that what really would make the biggest difference to the farmers is not just farming support but knowing in advance what price they are going to get. This means they can plan. Currently, even though a minimum price is fixed, if the world price drops lower it is hard for the ginner to pay the agreed price. The farmers, up at dawn, working hard, are dependent for income on the vagaries of the global commodity trade. The Fairtrade system has its flaws but with its committed supply chains and guaranteed price it does offer farmers the opportunity to plan, to take back some control over their lives.

I thank my host family for inspiring me with their fortitude and their smiles.

Clare Lissaman

Director, Ethical Fashion Consultancy (part of the non-profit Ethical Fashion Forum <http://www.ethicalfashionforum.com>)

Happiness and the world-market – it is all linked up, somehow Remembering Malawi - Nadine Schön

It is that one special scene, which comes to my mind, when I remember the days back in Malawi: Hanif, the youngest child out of seven from our host-family, is sitting on a straw mat on the muddy yard surrounded by the four small houses of the Patsani family: The parent’s 20 square meter sleeping and living-house – made of solid stone walls and covered with a brick-stone roof – is one of the nicest houses of the village. A small stone-house with a straw-roof, used as kitchen. A loam-

house, where the boys can sleep. And there is also the house, where Loveness, the oldest daughter, with her husband and their four kids live. There is no electricity, apart from a small generator in the house.

But the moon shines. It is silent, only from time to time you hear the voices of people in their houses, or the sound of animals, playing in the fields or fighting in the cotton and maize fields. Our hosts have prepared the mats. We

have just had for dinner: Nsima with chicken, boiled over the fire, eaten directly with our hands. Afterwards, mango, sweet and fruity. Now we sit in semi-darkness. We chat silently, sometimes we laugh, but even the silence is not inconvenient.

We are surrounded by a feeling of contentment. And therefore it is no wonder, that asked after the state of happiness on a scale from one till ten, everyone, be it members of the family or the



European guests, give a number between 'eight' and 'nine'! A dozen of happy people, two from Europe, the other being cotton farmers from a small village in Malawi, who got to know each other, worked together, prepared and had food together, and also tried their best to learn at least a small part of the other's language, and, thus, tried to understand their way of life.

Marc, the scientist, and me, the politician, have experienced how dependent our hosts are from the world market price. We saw how difficult it is to calculate or plan a life, when you have absolutely no idea whether the next harvest will be successful or not, or whether prices will be good or bad.

Maybe too low to feed his family. Dependent on the weather, climate, illness, and the strategy of the companies. We saw how little change takes place in a country with a huge potential, but bad governance. We saw, how consumer behavior and political and commercial decisions made in China, the US, or Europe, influence the life of our host family – indirectly, but with a tangible impact.

We got an idea of how the country will develop within the next years to come with fair partners at their side. And we also got an idea of why development could fail. It was more difficult for us to understand, why a country, where the sun shines more than

2.700 hours per year, is running short on electricity, with only a marginal number of solar panels. Little Hanif definitely was very happy about the small torch light with a solar panel. Above this small light, he put together wood billets in the evening: his bonfire. That's the way you cook, produce heat and light nowadays. His way of living, today. Maybe, for his children, the solar panels will be a part of everyday life. It all depends on many things. And also a little on us.

*MP Nadine Schön
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Malawi's Rural Development - 25 years later - Michael Plesch

The first eight years of my professional life I used to work with cooperatives and self-help groups in Zambia and Brazil. During this time, I could pass on some knowledge to the people with whom I worked, and I learned much from them. Since then I have been working for many years in the head offices of development cooperation in Germany. In recent times I have the impression that I am too far away from the realities in the countries of the South. So the offer to take part in an Exposure and Dialogue Programme with cotton farmers in Malawi came just at the right time.

When I worked as an adviser of cooperatives in Zambia, I was in contact with colleagues of the Malawian cooperative movement and I visited Malawi in 1987. Nearly 25 years later, the airport had not changed that much, but on the way to the city I started to realize the changes at least in Malawi's economic life: Higher traffic volume, construction activities, more hotels and a broader range of items for sale compared to the year 1987.

After my first conversations with the local people I also realised the changes in the political life. In 1987, the dictator Hastings Banda ruled the country,

and he even prescribed the length of hair (for men) and the clothing (no trousers for women) to his citizens and visitors from abroad. He ruled with a rod of iron, suppressing any civil society or political movement. In 1992/93, Hastings Banda was forced to approve of the democratic change. Today, the political climate in Malawi is very different, though many things still have to be changed. But there is a living civil society that resisted the dictatorial tendencies of President Bingu wa Mutharika who suddenly died on 5 April 2012.

The economic development during the past 25 years becomes apparent in the cities. But it is still not enough to improve the living conditions of broad sections of the population. Some steps backwards can be observed especially in the rural area. The national advisory service for agriculture is no longer present in the villages. Rural cooperatives obviously ceased to exist. For a country with 80 % of the population working in agriculture and with 90% of the export revenue depending on agricultural production, this is a serious threat to sustainable social and economic development. In view of external factors that cannot be influenced such as droughts and fluctuating world market

prices, much more needs to be done in the agricultural sector by the government.

Conversations with persons concerned and involved on all levels revealed: There are no simple solutions for small farmers, for their production and their earnings. It takes more time to research development opportunities for small farmers and the rural area.

I realized how quickly I fell back on standard answers to many problems, the same standard solutions which existed already in the seventies and eighties, but obviously lacked sustainability: Mobilisation of self-help capacities, setting up of comprehensive cooperative structures, development policy dialogue on a national level, etc. One important lesson for me is that I will have to reflect more, get to know better and take more into account the social and cultural factors before submitting possible solutions.

*Michael Plesch **

Federal Ministry for Economic Cooperation and Development

*(*The text represents the personal opinion of the author.)*



PAGE 3

Close to the soil - Dr. Christine Natt

“A business trip to Malawi? Why that?” asked my colleague working in the travel department of our federal office. A good question! Nevertheless, it was not difficult for me to answer, because we regularly organise meetings for young people from the agricultural sector. We are involved in projects trying to improve communication for farmers in Africa, and work in the field of agrobiodiversity on an international level. We are going to promote research projects in Africa/Asia soon. In addition, I am personally interested in getting to know the life of small farmers in a concrete way, because I want to be able to better classify the professional activities already mentioned.

For me it was new and unusual to share life with „my“ farming family for three days, in a house with clay soil, the walls only partly plastered, and without water and electricity. To sit on mats on the floor, to eat on the floor, to sleep and talk on the floor, to go barefoot, to work on the field and sow barefooted – this is a completely different „closeness to the soil“ than I used to know and (still) know. Of course it is necessary for a farmer to know his soil well, but to have to live so close to the soil because of shortage and poverty is quite depressing. My hosts, however, did not seem to be depressed. After an initial shyness during the first hours of our getting to know each other, our hosts were quite cheerful on the second day and were eager to showing us much of their farm and of the work involved with it.

I descended from a German farming family, who for many generations has lived and worked on the land they bought some time in the past. For this reason I was surprised that we only met a few farmers who have been living on the same land for more than one generation. Our farmer Mr Pande came from another region and found himself compelled to look for another place to settle because of his many brothers and sisters and the scarcity of land due to the division of property among all heirs. Everything that Mr Pande knew about agriculture he had learned from his father. The advice to cultivate cotton, given by the *Great Lakes Cotton Company (GLCC)* has surely contributed to the fact that only three seeds are put

per planting station and that hoeing is carried out three times. We were asked to wash our hands after sowing the dressed seeds. This shows that working with pesticides is at least delicate and one can only hope that Mr Pande will also take protective measures when applying pesticides by spraying.

In order to become a free-church pastor Mr Pande has visited a training centre for one year, but obviously there was no possibility for training to become a farmer. In the village neither an advice centre nor a *farmers club* can be found. The farmers communicate with each other, but if even the village leader thinks the most important support for the cultivation of cotton is free handouts of pesticides, then there is a lack of promising strategies for the future. For sustainable development of agriculture, training of the farmers and a comprehensive independent advisory service related to the farm in its entirety are necessary. Advisory services and training offered by *GLCC* are surely a very good approach but for the most part everything refers to cotton, understandably. Due to a lack of workforce the fields were not completely prepared for sowing, but early hoeing and digging in the organic residuals of the previous crop would have been necessary for avoiding the evaporation of the soil water. If the rainy season had started already, valuable days with sufficient rain for the germination of the seeds might have been lost. For this family ploughing with motor hoes or with ox ploughs would be helpful. It is true that the preservation of soil fertility is supported by crop rotation, but adding organic substances seems to be an unsolvable problem at present.

The fact that the rainy season had not started at the usual time, resulted in the loss of a field sown with maize. Mr Pande had to sow a second time and for this purpose had to take seeds of the

previous year which had not been dressed and which neither had the ability to germinate nor the yield potential of those seeds he had bought before. Sowing the cotton was also delayed by the lack of rain. In addition to the dependence on the climate the dependence on the world market price for cotton is the largest unknown factor which the farmers cannot influence. In the case of steep falls in prices, the farming family's little monetary earnings quickly diminish. More reliable prices, supply agreements and securities for bad years are ideas which were surely not mentioned for the first time in our concluding reflection.

To me, the importance to help Africans to develop themselves and to support the energy and creativity of the people in overcoming poverty has become very obvious. I would like to make use of my newly gained knowledge in development programmes and future projects. Moreover, it has become more tangible and concrete for me in how far my life differs from that of my hosts. E.g., when choosing a dish from the variety of dishes offered by our company's canteen I think of the choice my host family has, if they are hungry. *Maize...- or maize?* This has some little impact: Nowadays, it is more likely that I really ask myself whether I need certain things that I want to buy; I more thoroughly think about the items I spend money on and I re-consider how I spend my time.

Dr. Christine Natt

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