Socio-legal empowerment and agency of small-scale farmers in informal markets

Emma Blackmore, Emily Polack and Thierry Berger
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IIED Land, Investment and Rights series
## Contents

List of figures, tables and boxes .......................................................... ii
Acronyms ................................................................................................... iii
Acknowledgements .............................................................................. iv
About the authors ................................................................................... iv
Executive summary ................................................................................ 1

1. Introduction ........................................................................................ 5
   1.1 Why informality matters ............................................................. 5
   1.2 Conceptualising social-legal empowerment and producer agency .......... 7
   1.3 Research rationale and approach .................................................. 8

2. Understanding informality .................................................................. 10
   2.1 Defining informality: a spectrum is most appropriate.................... 10
   2.2 Understanding the drivers of informality: looking beyond exit and exclusion ............................................................... 12
   2.3 What does informality look like in agriculture? ............................... 13

3. Understanding the nature of SLE for producer agency in informal markets ......................................................................................... 15
   3.1 Examples of SLE in informal markets ........................................... 15
   3.2 Issues, features and outcomes of approaches .................................. 20

4. Key enablers for effective SLE and agency in informal markets .......... 30
   4.1 Understanding the context in full .................................................. 30
   4.2 Recognising the strengths and realities of local and informal context ...................................................................................... 32
   4.3 Asserting the visibility and legitimacy of producers in informal markets ................................................................. 32
   4.4 Aligning interests of rural actors to promote mutually beneficial outcomes ..................................................................................... 33
   4.5 Capacity building and resourcing for autonomy and sustainability .... 34

5. Conclusions ........................................................................................ 36
   5.1 Reflections on the framework and its relevance to informality .......... 36
   5.2 Recommendations for future research ................................................ 37
   5.3 Recommendations for supporting organisations ............................ 38

References .............................................................................................. 41
Annex ....................................................................................................... 44
List of figures, tables and boxes

Figure 1. Informality/formality spectrum 11

Table 1. Overview of approaches reviewed 16
Table A1. Summary of understanding, organising and engaging features of each case 44

Box 1. Understanding agency 6
Box 2. The EPIC framework 8
Box 3. Obtaining price information to strengthen negotiations in Uganda-1 21
Box 4. Collecting data to identify better marketing opportunities in Uganda-2 21
Box 5. Collecting evidence for more informed policy engagement and influence in Bolivia-1 22
Box 6. Scaling up existing organisational forms, Cameroon-1 24
Acronyms

CI community informant
CIAT International Center for Tropical Agriculture
CIFOR Center for International Forestry Research
CIOEC La Coordinadora de Integración de Organizaciones Económicas Campesinas
CSO civil society organisation
EPIC Empowering Producers in Commercial Agriculture
FACT Farmers Advocacy Consultation Tool
IIED International Institute for Environment and Development
NGO non-governmental organisation
OECA Organizaciones Económicas Campesinas
SLE socio-legal empowerment
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Executive summary

Informality is the norm for economic activity in most low- and middle-income countries, and is especially important as a source of livelihoods for the poor. This is particularly the case for women and youth — for example, if agriculture is included, 90% of all women employed in sub-Saharan Africa are in informal employment. Further, for the majority of smallholder farmers, informal markets are the most accessible, accounting for upwards of 80–90% of agricultural goods traded in most developing countries.

A policy bias towards formalisation effectively ignores the dominant role informal markets play in providing livelihoods and food security for low-income people, and the opportunities for empowerment that lie therein. This is not to say that informal trading relationships cannot be exploitative or defined by significant imbalances of power/information asymmetries, particularly between downstream buyers/traders and producers. However, little is known about what types of producer support can empower and strengthen agency within informal sectors — whether this be asserting or claiming rights; achieving justice or policy recognition; or, through more collaborative trading relationships with middlemen, gaining better access to markets and price information. Such understanding could help development practitioners and policymakers maximise the beneficial aspects of informality while addressing some of its negative aspects in the short and medium term.

Key concepts and the ‘EPIC framework’

This research forms part of the Empowering Producers in Commercial Agriculture (EPIC) project, which analyses the contribution socio-legal empowerment (SLE) can make to enhancing the agency of rural producers engaged in commercial agriculture.¹

EPIC defines SLE as the processes by which small-scale producers can advance their vision of ‘development’ through making more informed choices and taking more effective action, particularly in term of bringing about change in value chains and public policies where major power imbalances exist. EPIC’s conceptual framework incorporates three spheres of action: 1) understanding (whereby producers acquire information and perform analysis in order to make more informed choices or influence policy actors); 2) organising (whereby producers develop organisational structures for collective or coordinated action); and 3) engaging (whereby producers engage with other actors, whether individually or collectively, to strengthen their position relative to other value chain actors, including through policy change).

¹ Cotula et al. (2019), conducted as part of the Empowering Producers in Commercial Agriculture (EPIC) project. See www.iied.org/empowering-producers-commercial-agriculture-epic.
This research uses the EPIC framework to understand: 1) what SLE looks like in informal settings at the producer end; 2) the extent to which SLE approaches can strengthen the agency of small-scale producers in informal markets; and 3) the enabling conditions/success factors of SLE approaches that might offer broader lessons for the development community.

This report reviews existing literature and identifies a set of ‘cases’ that capture the approaches taken by informal producers to improve their opportunities and relative position in trading relations. The cases span a variety of geographies, commodities, sectors (agriculture and forestry), end markets, and levels of external support.

SLE and producer agency in informal markets: form and function

The drivers and tiggers that led to action in the cases reviewed include: low prices and a sense of being treated unfairly by more powerful downstream players; oversupply and/or poor quality of a given commodity; high costs attached to individual marketing of commodities; time wasted at wholesale markets by both producers and informal street vendors; lack or loss of policy voice and influence; and producers wanting to (re)claim their rights.

In terms of understanding, many of the cases involve mechanisms aimed at improving price transparency, often via closer collaboration with brokers or traders who can provide such information. This information can be helpful in negotiating higher prices, as well as reducing opportunities for price fixing and collusion. However, understanding can go beyond prices. In some cases, participatory meetings and/or sophisticated data management tools have facilitated the collection and documentation of information on buyer demands and farmer production capacities. This has informed producers’ decisions on what they grow and has allowed for better alignment of supply and demand, ultimately leading to increased revenues for farmers. Several cases involve improvements in access to technical assistance, the aim being to improve agricultural practices and thus productivity and quality, as well as to increase knowledge and skills of marketing and advocacy. As a first step, agency can be built into these processes through shared agenda-setting and the co-creation of a new evidence base and/or common strategies for enhanced marketing and lobbying.

In terms of organising, a diversity of organisational forms underpin the cases, ranging from the very informal (such as loose collective marketing structures organised by community informants, or producers organised around collection centres) to formally registered and recognised groups (such as associations and cooperatives) consisting of thousands of members. The evolution of these organisations is diverse and allow for differing degrees of agency, with some strongly driven by the agendas of external agencies, and others arising from the sole initiative of producers or traders/buyers working with producers. In some cases, producers or traders already have a well-established grassroots organisational structure in place based on local norms and customs, which has lent itself well to scaling up, often utilising external support. To enable agency, groups must be seen
as legitimate by members and function well, with group members able to clearly articulate their priorities.

In terms of engagement, producers engaging either collectively or individually with other actors or institutions can help promote a stronger voice in value chain relations and/or policy. Engagement may be with other value chain players, with donors/NGOs, and/or with local/national government. Organisational structures can also offer a network or ‘infrastructure’ through which producers can access additional services (such as microfinancing, accessing inputs or technical assistance). Many of the cases reveal the central role played by traders in linking producers to informal markets, despite many development interventions attempting to bypass middlemen and shorten value chains. Effective SLE can involve producers engaging with traders/brokers/middlemen in order to better align their needs and incentives. More effective engagement with (local or national) government when it comes to claiming rights may also be an objective or outcome of organising.

The cases demonstrate a range of positive outcomes for producers and other value chain players, including higher prices for commodities; larger profits; more secure and stable markets; enhanced marketing and production capabilities; increased resilience to shocks; greater voice and ability to influence policy; and improved access to donor and government support. Almost all cases reveal some degree of enhanced agency as a result of the action taken, with producers or traders better able to make informed choices and effect change according to their own priorities. Often this is achieved through producers renegotiating or challenging the power balance with other players in the value chain, or claiming their right to a voice in policymaking. Even so, some structural issues remain too strong to overcome.

Relevance of SLE to informal markets

SLE in informal markets is distinct from more formal contexts in the following ways: local-level government engagement and lobbying are likely to be more relevant than mobilising international advocacy campaigns; the laws and policies engaged with — or other structural factors — may be different; for some informal producers or markets, there may even be a complete absence of relevant laws and policies, meaning they are effectively operating in a regulatory vacuum; customary processes/mechanisms for addressing grievances and offering redress are likely to be more relevant than pursuing justice through the courts; and smaller/less formalised organisational forms may be better suited to the diverse trading relationships, skills and needs of informal actors.

Key enablers for effective SLE and promoting producer agency in informal markets

This research has revealed a number of important insights and lessons, including how development practitioners can best support and enable SLE approaches promoting producer agency in informal markets. In order to enable effective SLE, therefore, supporting organisations should:
acknowledge that SLE for rural producer agency is relevant to informal settings as well as formal settings;

place agency at the heart of any intervention, rather than assuming what producers and rural communities need. The enhancement of agency should be regarded as an outcome in its own right;

look for existing hotspots of energy and social capital that can be nurtured by dedicating time and energy to trust building and mutual understanding;

build understanding of the political and economic context, as well as the livelihoods and lived realities, of informal producers;

consider all three pillars (understanding, organising, engaging) of the EPIC framework when supporting SLE;

support participatory policy strategising processes;

understand the incentives for each value chain player to support or undermine SLE processes;

focus on the transfer of marketing, management, research and advocacy skills (in addition to agronomic skills);

support practical interventions such as investment in storage, rural infrastructure and ICTs;

build in monitoring and evaluation of agency and empowerment;

pay specific attention to marginalised groups in order to avoid processes of empowerment exacerbating, or failing to correct, social differentiation; and

invest time in SLE and maintain flexibility in approaches.

Taking it further

More in-depth research is required to uncover and document cases of informal producers taking action to strengthen their position relative to other market actors. Such research should also aim to generate deeper learning on enabling conditions through capturing the perspectives of producers vis a vis empowerment and agency. These objectives could be achieved by maintaining regular contact with researchers already embedded in local communities; priming local NGOs to be on the lookout for examples; reaching wider audiences using social media or radio; and putting out calls to local community leaders.

Also valuable would be deeper knowledge of potential monitoring processes that put empowerment and agency at the heart of externally led interventions, and regard them as outcomes in their own right. An agency approach necessitates that monitoring indicators be co-developed with communities based on their goals and ambitions. In this regard, current SLE approaches in Malawi and Nepal as part of the wider EPIC project include participatory self-assessment, which it is hoped will contribute to learning.
1. Introduction

1.1 Why informality matters

The informal economy comprises economic activities operating outside the formal reach of the law, in circumstances where either laws do not apply or are not enforced, or where the law discourages compliance because it is inappropriate, burdensome or imposes excessive costs (White and Aylward, 2016). The United Nations Food and Agriculture Organization (FAO) estimates that 500 million of the 570 million farms that exist in the world today belong to smallholders (Lowder et al., 2014), who typically operate informally. Informality is therefore the default economic activity in most developing countries, and is particularly important as a source of livelihoods for the poor, and for potentially vulnerable people such as women and youth. For example, if agriculture is included, 90% of all women employed in sub-Saharan Africa are in informal employment (ILO, 2018). For the majority of smallholder farmers, informal markets are the most accessible, accounting for upwards of 80–90% of agricultural goods traded in most developing countries. Such markets are particularly vital for the products produced by smallholder farmers, including high-volume, lower-value grain and pulse crops, as well as higher-value fruits, vegetables and meat products (Ferris et al., 2014).

However, informality poses significant challenges to policymaking (Benson et al., 2014), in part due to its complexity, the fact it is underexplored and under-researched, and its perceived association with negative outcomes. It is argued that informality undermines the performance of important elements of the economy, including social welfare, tax revenue, human and environmental health, investment climate, competitiveness, and governance (Kabwe et al., 2018). Relationships between policymakers and informal actors are typically characterised by mistrust and misunderstanding, with a large void existing between regulatory systems and the economic reality on the ground in many developing countries (Brown and McGranahan, 2015).

While some actors are forced into the informal economy as a result of being excluded from the formal economy, others may have legitimate reasons for choosing to remain in it, exerting their agency in doing so (see Box 1 for definition). The performance of the informal economy is not always worse than the formal, and may in fact outperform it on some measures in some sectors. For example, Kenya’s informal milk trade means higher prices for producers and traders, and lower prices for consumers (see Blackmore et al., 2020); while Zambia’s informal cotton trade often offers better payment terms — such as cash on delivery — compared to selling cotton formally under contract (see Kabwe et al., 2018). Informal trading relationships can offer greater flexibility for producers in terms of buyers and market outlets (for example, flexible production standards and/or a higher probability
of selling an entire crop), as well as better suiting their economic realities and livelihood needs (for example, more immediate cash payments).

**Box 1. Understanding agency**

Agency in this context refers to the ability of small-scale rural producers and members of their wider communities to make choices vis-à-vis their market opportunities and relations, and to take effective action in influencing these market relations and the political economy contexts that shape them, whether individually or collectively, formally or informally.

Agency includes, for example, producers’ ability to assess and seize livelihood opportunities; negotiate the terms of their value chain participation; respond to stresses such as resource scarcity and climate change; and influence policy and law reforms in pursuit of rights claims. In turn, enhanced producer agency may effect change in value chain relations and, ultimately, socio-economic outcomes.

Source: Cotula et al., 2019

A focus on formalisation — which often includes criminalisation of the informal economy and its actors — essentially ignores the central role played by informal markets in providing livelihoods and food security for low-income people, and the opportunities for empowerment that lie therein. Formalisation can be expensive, ineffective and have unintended consequences for livelihoods and nutrition. This is not to say that informal trading relationships cannot be exploitative or defined by significant imbalances of power/information asymmetries, particularly between downstream buyers/traders and producers. However, little is known about how the agency of the poorest and most marginalised in different contexts varies along the informality spectrum, or what types of producer support can empower and strengthen agency within informal sectors.

As more development finance is channelled towards smallholder agriculture — including establishing value chains that ‘include’ small-scale producers, as well as market systems that support producers or strengthen links to markets (along the formal–informal spectrum) — greater understanding is required of how producers are negotiating fair terms and asserting agency in diverse and informal markets, while at the same time navigating structural constraints. Such understanding could help development practitioners and policymakers maximise the beneficial aspects of informality, while addressing its negative elements in the short- and medium-term.
1.2 Conceptualising social-legal empowerment and producer agency

For the purposes of this research, socio-legal empowerment (SLE) in commercial agriculture refers to the processes by which rural actors can advance their vision of ‘development’ through making more informed choices and taking more effective action, particularly in terms of bringing about change in value chains and public policies where major power imbalances exist (Cotula et al., 2019). SLE allows actors to exert agency and challenge the policy, economic, social and cultural factors that constrain better terms of trade or livelihoods for small producers (Cotula et al., 2019). Though SLE is also necessary at the downstream end of value chains, for the purposes of this research we focus on the production end.

An ‘SLE for agency’ perspective entails a focus on small-scale producers and members of their communities as the key actors, while recognising that they may mobilise support from a wide range of service providers to accomplish their goals (for example, non-governmental organisations (NGOs), government agencies, donors, or businesses ready to engage constructively). Furthermore, as Vorley et al. (2020) explain, advocacy will not always be directed at public policy. The effect on citizen capacity and agency can be monitored as an outcome in its own right. This body of work therefore suggests the need for a shift not only in entry points for programmes and policies, but how success is monitored and measured.

Box 2 provides an overview of the Empowering Producers in Commercial Agriculture (EPIC) framework developed by Cotula et al. (2019) to explore SLE in commercial agriculture and how it might promote or sustain agency. Noted by the authors is a literature bias towards externally driven or ‘projectised’ empowerment efforts at the expense of everyday expressions of agency among rural producers in their production and marketing choices. Within these constraints, the EPIC framework treats agency both as an intended outcome and a means of achieving more equitable trading relations and better livelihood outcomes. Further, it focuses attention on processes that seek to address the structural (economic, political, cultural, geographical, legal) barriers standing in the way of more inclusive and equitable trading arrangements in commercial agriculture from the grassroots up (Cotula and Polack, 2020).

As an analytical tool, the EPIC framework can help in examining the iterative progress made towards these agency-related outcomes. In the case of the research featured in this report, the framework was used to document a number of SLE approaches in informal contexts, with the aim of understanding the key enabling factors in each case — thereby providing an effective test of the framework’s relevance when applied to informal sectors. Section 5 offers further insights into the relevance of the framework.
Socio-legal empowerment and agency of small-scale farmers in informal markets

Box 2. The EPIC framework

The conceptual framework underpinning the ‘Empowering Producers in Commercial Agriculture’ (EPIC) project centres on ‘socio-legal empowerment for rural producer agency’. The framework emphasises rural producers’ agency as the intended outcome — that is, their ability to make choices, take action and effect change, whether individually or collectively, formally or informally. Within this framework, SLE can be linked to agency via approaches that support:

**Understanding:** rural actors acquire socio-legal knowledge and knowhow related to commercial agriculture, such as legal rights and applicable law, market analysis, and how to structure business or contractual relations.

**Organising:** rural people develop organisations, whether loose or more formal, for collective and/or coordinated action.

**Engaging:** rural producers and communities, whether individually or collectively, engage with other actors — including organisations that can provide necessary socio-legal support — to strengthen their position relative to buyers and other value chain actors.

While agency outcomes are influenced to a significant extent by structural factors and power relations, they are also shaped by how interventions are designed and initiated, as well as the relations of accountability between the various actors involved (Cotula and Polack, 2020). Action can therefore be taken to tackle the problematic elements of agricultural value chains, as well as the political economies that shape them. In parallel, action must be taken to address the systemic drivers of power imbalances. These, if ignored, will result in a failure to promote or sustain the agency of more vulnerable peoples, and a lack of improvement in terms of livelihood outcomes. The EPIC framework facilitates an exploration of all these elements.

Source: Cotula et al., 2019

1.3 Research rationale and approach

This report builds on previous research by seeking to understand: 1) what SLE looks like in informal settings at the producer end; 2) the extent to which SLE approaches can strengthen the agency of informal producers (in terms of SLE tool design, implementation and outcomes); and 3) the enabling conditions/success factors of SLE approaches that might offer broader lessons for the development community. This work builds on other work led by IIED on agency and the informal economy (see Vorley et al., 2020); agriculture, food systems and the informal economy (see Blackmore et al., 2020; Kabwe et al., 2018; Vorley et al., 2015; Weng, 2015); and informality, the green economy and green growth (see Benson et al., 2014; Lewis, 2016).

The report’s focus on small-scale farmers is justified by the size of the informal agricultural sector in low- and middle-income countries, and the fact that, when it comes to power relations, they often occupy the weakest position in trading chains.
However, lessons can also be learnt from approaches used by other players in the informal sector value chain (for example, traders), and other sectors, such as timber — hence the inclusion of some of these cases.

The research approach consisted of reviewing existing literature and identifying examples of action taken by producers trading in informal markets to improve their trading relations (referred to hereafter as ‘cases’), as well as conducting key informant interviews with business and NGO representatives/development practitioners who have worked closely with the cases.

The research has several limitations, linked to the availability of research resources and the context in which the cases exist — that is, informal settings. For example, the choice of cases was constrained by what had already been documented, and by who was willing/available to discuss the cases by telephone. Well-documented cases are more likely to have involved some form of external support and may therefore show less agency in their emergence (discussed further in Section 3). This biases the research towards slightly more formal approaches — such as cooperatives and associations — and away from more informal approaches, which may not be as immediately visible and therefore well documented. While the less documented approaches are of great interest, they require researchers to be embedded in local contexts, with access to local contacts capable of pointing them in the direction of such cases. In many instances, the research team found brief mention of interesting tools — for example, community-based informal redress mechanisms for pastoralist communities — but were unable to find additional sources of information online or contacts to interview. Most importantly, farmers' voices and their perspectives on the value of the approaches and quality of external support offered are absent from the research. This crucial gap prevents us from drawing meaningful conclusions about how approaches are designed and whether they enable greater or lesser agency.

The report is structured as follows: Section 2 summarises how we conceive of informality and agency, and what informality looks like in agriculture; Section 3 details what SLE approaches look like in informal settings based on analysis of the cases, including how they might sustain or increase agency; Section 4 summarises a number of key enabling factors for development practitioners to consider in their work; and Section 5 offers some concluding insights on SLE in informal settings, as well as the usefulness of the analytical framework outlined in the report, and what further research is needed.
2. Understanding informality

2.1 Defining informality: a spectrum is most appropriate

There has been a substantial shift in how the informal sector is understood in the years since the term was first introduced by the International Labour Organization in 1972 (ILO, undated). Conceptualisations of the informal economy are arguably more nuanced and holistic now, incorporating a recognition it encompasses all economic activities not — or at least insufficiently — covered by formal arrangements, either in law or practice. As outlined in the introduction, informal economic activities operate outside the formal reach of the law, in circumstances where laws do not apply or are not enforced, or where the law discourages compliance because it is inappropriate, burdensome or imposes excessive costs (White and Aylward, 2016). While there may be overlaps between informality and illegality (for example, a small minority of people purposefully avoiding registration or taxation), generally speaking illegality and informality are not synonymous, with those dealing in illegal goods and services not considered part of the informal economy and therefore not captured in related statistics (Lewis, 2016).

Rather than simply assuming enterprises can be categorised as either formal or informal, informality is best conceived of as existing on a spectrum comprising multiple dimensions. Varying degrees of informality can be found along this spectrum, ranging from an enterprise operating completely informally to one that complies with all laws and regulations (White and Aylward, 2016). Figure 1 makes explicit this spectrum in terms of agriculture. It is important to note, however, that these categories are not static and actors can move between them depending on a particular crop and/or activity. Nor do the categories always align — a firm may be large, for example, while lacking all requisite licences.
2. Understanding informality

Figure 1. Informality/formality spectrum

<table>
<thead>
<tr>
<th>Size</th>
<th>Relatively small</th>
<th>Small/medium</th>
<th>Relatively large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour</td>
<td>Mostly family, unpaid labour. No contracts or contributions to social security.</td>
<td>A mix of family and paid labour. No written contracts or contribution to social security, but relationships may be longer term.</td>
<td>Mostly non-family, paid labour. Written employment contracts and contribution to social security.</td>
</tr>
</tbody>
</table>

| Relationships with suppliers / buyers | Verbal agreements; trust-based relationships. Cash transactions. | Verbal agreements; trust-based relationships, although these may be long-term. | Based on legally enforceable contracts. Long-term relationships more likely with buyers than producers. |

| Access to credit / finance | Limited access to banking, credit and finance. Credit provided by suppliers or kin. | Some access to credit, including through microfinance, peer lending or small loans. | Good access to credit via formal financial institutions. |

| Taxes | Pay little or no taxes (either fall under threshold or avoid). | May pay some taxes if exceeding a certain income threshold. | Full compliance with all taxes. |

| Licensing / registration | No licensing and/or registration. | May have some licences or be registered. | Complies with all licensing and registration requirements. |

| Type of product | Limited or no processing. | ‘Back-street’ processing (done by dedicated processors), not fully adhering to sanitary regulations or proper processes. | More technical processing, meeting well-established formal standards. |

| Types of market | Local or national — most likely domestic consumption. | National/regional markets. | Most likely to be for national/international high-end or export markets. |

Source: Blackmore et al., 2020
2.2 Understanding the drivers of informality: looking beyond exit and exclusion

Several theories have been offered as to why informality — and informal businesses in particular — exist and persist. These can broadly be categorised as theories of ‘exclusion’ or theories of ‘exit’. Exclusion is likely to be synonymous with a lack of agency, while exit involves agency being exerted. Theories of exclusion argue that actors in the informal economy would prefer to be formal but are driven into the informal sector due to inadequate or insufficient social protection (Williams et al., 2016), or due to the state of the economy, labour market or other related factors (Reis et al., 2009). Theories of exit contend that some informal actors choose to exist in the informal economy having considered the costs versus benefits of doing so. Drivers underpinning the decision to exit include high tax rates; public sector corruption; stifling bureaucracy and over-regulation; and resistance or resentment towards government due to a perceived lack of procedural and redistributive fairness (Williams et al., 2016).

In reality, rather than ‘exiting’ the formal sector, many smallholders operating in the informal economy have made a decision not to engage with or enter the formal. Thus, ‘non-entry’ may be a more accurate label. Further, some actors may choose to operate both formally and informally, or be forced to fluctuate between the two. Some researchers further question structuralist depictions of informal work, in which informal sector workers are labelled as marginalised (Gurtoo and Williams, 2009). The informal self-employed, in particular, do not engage in informal work purely due to economic necessity or the absence of alternative livelihood means. Many approaches, including those of exit and exclusion, use the formal economy as a starting point and apply a binary lens, which may not be suitable for most low- and middle-income country economies.

White and Aylward (2016) have examined some of the relevant literature, and much of the evidence on the benefits of the formal versus informal economy appears either to be mixed or lacking. However, they indicate that establishing formal contracts with suppliers and customers, including contract farming, can provide smallholder farmers with better income security and encourage further investment in land. While formal chains may provide more stable prices and guaranteed markets, this does not necessarily translate into higher prices. Further, they tend to involve farmers who already have more assets and education, and so are unlikely to reach the poorest farmers (Seville et al., 2011). In addition, formalised trading relationships, such as those offered by contracts, can be highly exploitative, and may exclude women from receiving a share of any benefits (Vorley et al., 2012). Contract farming may also involve unfair pricing, farmer indebtedness, and very variable arrangements and outcomes. As such, it is impossible to make generalisations (Cotula et al., 2019).
2. Understanding informality

2.3 What does informality look like in agriculture?

Agriculture in developing countries is, using the spectrum presented in Figure 1, virtually synonymous with informality. For example, in East Africa, smallholder farming — which is typically informal — accounts for more than 75% of total employment across all sectors and produces 75% of all agricultural output (Bihunirwa et al., 2012). Most smallholder operations use family labour, or have verbal agreements with hired labour. Similarly, they have verbal agreements with buyers or input suppliers; have limited access to financial services; have limited or no licensing and registrations; and pay little or no taxes.

Weng (2015) explains that informal small-scale agriculture in sub-Saharan Africa plays out in three main ways: 1) rural self-sufficiency farming is widespread; 2) an increasing number of small-scale farmers are linking up to rural and urban markets by selling to informal traders, who may then sell to consumers in informal food markets, supermarkets or, in some instances, export companies, thereby becoming part of the formal economy’s food supply chain and thus ‘legalised’; and 3) in response to economic pressures, contracted farmers operating in the formal sector will sometimes informally side-sell some of their produce to traders, capitalising on both the formal and informal channels of trade available to them. Rural farmers will often breach contracts and engage in informal trading if the terms of formal agreements seem unfair or overly costly.

Informality does not mean an absence of rules, norms or organisation. For centuries, rural communities have managed natural resources based on informal rules — customary land rights, for instance, are “strong drivers of rural informality” and in fact “legitimate informality” as far as rural communities are concerned (Weng, 2015). Informal trading networks demonstrate high levels of organisation,unity and coordination between actors undertaking a variety of tasks and responsibilities (Magnus and Vellema, 2019). Those traditional/informal rules, norms and practices increasingly coexist alongside the formal rules regulating local, national and global markets (Weng, 2015).

Small-scale producers face a number of challenges when operating in the informal sector, however, which makes them particularly vulnerable to the actions of the more powerful players that tend to exist downstream in developing country agricultural value chains. These challenges include: information asymmetries (regarding, for example, prices and regulations); production challenges, which limit the volume and quality of produce; poor infrastructure to get produce to market; and a lack of facilities to cool or store produce. More powerful players — such as brokers/traders and offtakers — can take advantage by offering low prices, which producers typically have little choice but to accept.

Further, government representatives at a national or local level may be able to exploit small producers by extorting bribes from them based on assertions (real or false) that their activities are illegal. Alternatively, small producers may be completely invisible to government, especially where they do not serve formal
markets, and as a result may suffer from a lack of investment in infrastructure, extension provision or other services. In the case of disputes, producers may suffer from government or police interventions biased towards the interests of processors or offtakers (see Kabwe et al., 2018).

Power asymmetries are compounded by a lack of access to formal tools capable of addressing power imbalances. For example, contracts may be ineffectual or non-existent given producers’ lack of access to legal support or justice, or the legal rights that apply to the formal sector may simply be irrelevant for actors operating informally (for instance, if they lack a business licence or permit). As with the formal sector, an absence of basic rights (in terms of, for example, securing land tenure or freedom from discrimination on the basis of sex, caste, race or physical ability) manifests in further exclusion and vulnerability in the face of market-related power asymmetries (for example, in price-negotiation, access to finance, or government support services). While identifying (formal or informal) legal channels for empowerment in a sector that lies outside legal institutions is important, it is not always easy, requiring in-depth research into the norms, rules and traditions that govern informal markets and trading systems.

In summary, SLE for rural producer agency is relevant to informal as well as formal settings for the following reasons: 1) major power imbalances and exploitative practices can exist within the informal sector; 2) there may be blurred lines between formality and informality (for example, partly formalised contexts or journeys of formalisation), or contexts in which the government de facto plays a role in informal value chain relations, making public regulation relevant even in ‘informal’ value chains; and 3) even in informal settings, ‘rights’ claims are relevant to articulating demands and challenging power relations.

The next section details the form SLE approaches may take in informal settings, with particular consideration of agency.
3. Understanding the nature of SLE for producer agency in informal markets

This section reviews the cases included in the research, specifically the issues driving their emergence; their key features according to the informing, organising and engaging spheres, including links to agency where relevant; and the outcomes of cases in terms of SLE.

3.1 Examples of SLE in informal markets

Several cases were reviewed for this research, with diversity reflected in terms of geography; commodities; sector (agriculture, forestry); end markets; key focal actor (producers, traders); and degree of external support obtained in establishing the approach. For ease of reference, each case has been assigned a country and number. A brief summary is provided below, with Table 1 providing key information for each case regarding crop, key actors, degree of informality and actions taken.
Table 1. Overview of approaches reviewed

<table>
<thead>
<tr>
<th>Case study</th>
<th>Commodity</th>
<th>Degree of market informality</th>
<th>Focal value chain actor</th>
<th>Summary of action</th>
<th>Supporting institutions</th>
</tr>
</thead>
</table>
| Bolivia-1<sup>a</sup> | Coffee, quinoa, wheat, dairy, honey, handicrafts, rural tourism | Local informal markets and some formal export markets | Producers, indigenous populations/ ‘peasants’ | • Strengthening organisational strategy  
• Research to support policy proposals  
• Engagement with government to influence policy environment | Empowering smallholder farmers in market (ESFIM) programme<sup>b</sup>; Agriterra |
| Cambodia-1<sup>c</sup> | Mixed vegetables                              | Informal local and national markets              | Small-scale producers and brokers/traders              | • Producers opt to be organised around collection centres, with collectors identified to work with these groups; producers are working towards forming a cooperative  
• Producers and collectors co-create a planting schedule  
• Engagement with local government to discuss key issues, and consumers to demonstrate value of agro-ecological farming  
• Engagement with buyers to negotiate better prices | NGOs: GRET, Cambodian Institute for Research and Rural Development (CIRD); local government in Cambodia |
| Cameroon-1<sup>d</sup> | Timber<sup>e</sup>                              | Informal local and national markets              | Focus on traders, impact on harvesters                | • Scaling up organisations to form an association  
• Research to produce an evidence base with which to engage government and lobby for policy change  
• Engagement with local government to change terms of payments | CIFOR |
### Case study

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<th>Case study</th>
<th>Commodity</th>
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| Kenya-1\(^f\) | Mixed vegetables and fruits | Informal producers and vendors selling in informal settlements                                    | Small- and medium-scale producers, and small vendors (in addition, scouts – locally-based independent brokers – identify the producers / suppliers)) | - Access to price information  
- Producers organised around collection centres, to which technical assistance is delivered  
- Farmer Engagement Programmes offer a platform for farmers to engage with donors and service providers | Investors: 1776, BLUEHAVEN initiative, AHL Venture Partners, Wamda, DOB Equity, Omidyar Network, AlphaMundi; donors: Shell Foundation, USAID, Mastercard Foundation, MercyCorps, GSMA |
| Uganda-1\(^g\) | Matoke (cooked banana)      | Informal producers and informal national and regional markets                                | Small-scale producers and traders                                                        | - Producers organised around collection centres  
- Lead farmers volunteer to be community informants (CIs), providing price information to producers  
- CIs engage with buyers to negotiate better prices based on larger volumes | None |

3. Understanding the nature of SLE for producer agency in informal markets
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| Uganda-2<sup>a</sup> | Ware potatoes               | Small-scale producers selling into formal national markets (restaurants) with formal agreements, having originally supplied local informal markets                                                                                     | Small-scale producers            | • Organisational changes to ensure readiness for new market opportunities  
• Participatory study to analyse new market opportunities  
• Engagement with service providers and local community (for financing)                                                                                                                                      | Africare; CIAT; NARO             |
| Uganda-3<sup>b</sup> | Coffee, maize, sunflower seeds, soybean, sesame | All producers arguably informal. No formal trading relationships (ie, contracts) in place with offtakers. Most commodities for local market (some, eg, sunflowers, are processed); coffee and sesame for export | Small-scale producers, traders/brokers and processors | • Farmers obtain price information from village agents  
• Farmer groups in place to achieve bulk supply and access technical assistance  
• Village agents provide buying and input services to farmers                                                                                                                                                  | Sasakawa 2000, IITA, Chemonics, USAID, DFID |

<sup>a</sup>Insights drawn from Ton and Proctor (2013).

<sup>b</sup>www.egfim.org

<sup>c</sup>Insights based on key informant interview with key project representatives from GRET and CIRD, carried out in April 2020.

<sup>d</sup>Insights based on key informant interview with a key CIFOR researcher who led engagement with informal traders, and Lewis et al. (2016).

<sup>e</sup>Whilst not agriculture, this case was selected to draw lessons from an informal market context that secured legitimisation and government support in a situation where practices could instead have been criminalised by being lumped in with more environmentally damaging practices in public policy (see Lewis et al., 2016).

<sup>f</sup>Insights based on key informant interview with Twiga’s management staff (Dr Rachel Kabuyah) and Twiga website: https://twiga.ke/.

<sup>g</sup>Insights based on an interview with key project staff from KRC carried out by IIED in April 2019; Medius and Shariff (unpublished); and Vorley et al. (2012).

<sup>h</sup>Insights based on Aliguma et al. (2007), and Kaganzi et al. (2009).

<sup>i</sup>Insights based on key informant interview with a project manager in Uganda, carried out by IIED in April 2019.
Bolivia-1 involved an apex organisation (La Coordinadora de Integración de Organizaciones Económicas Campesinas, CIOEC) consisting of producers, indigenous populations and ‘peasants’ advocating for better government recognition and support of the organisation’s members (who produce a mix of commodities). This involved a participatory workshop to strengthen CIOEC’s capacity to formulate policy proposals and strategies; research to support policy proposals; a strategic planning process (workshop) aimed at improving CIOEC’s internal operational structure and its services to members; and engagement with government to influence the policy environment.

Mixed vegetable producers in Cambodia-1 opted to be organised into groups around collection centres to facilitate bulking of produce and delivery of technical support. This platform allows them to work with collectors (effectively traders) in order that planting be better planned around meeting market demand; negotiate more effectively with downstream buyers on prices; engage with local government to discuss the issues producers faced; and demonstrate to consumers the value of agro-ecological farming and safer food. At the recommendation of government, the producers involved in the collection centres are working towards more formal organisation via a cooperative.

In Cameroon-1, timber traders scaled up their existing trade-based organisations to form an association. They conducted research to produce an evidence base with which to lobby government for policy change, specifically regarding greater recognition and legitimacy.

In Kenya-1, an online marketplace matches supply from small-scale informal vegetable and fruit producers with demand from informal vendors. Agronomists and harvesters on the ground provide assistance to producers, who are organised around physical collection centres. Here, price information is provided daily to farmers via electronic notice boards, while Farmer Engagement Programmes offer a platform for farmers to engage with other donors and service providers.

In Uganda-1 the only case that does not involve any external support or intervention lead matoke farmers volunteer to be community informants (CIs), providing price information to producers. CIs engage with buyers to negotiate for better prices based on larger volumes achieved through bulked supply from producers.

In Uganda-2, producers of ware potatoes who were already organised into a producer group conducted a participatory study with support from external organisations to identify new market opportunities; underwent organisational changes (including developing new infrastructure, such as building stores to improve on post-harvest handling losses); and engaged with service producers and local community members to obtain technical, marketing and financing assistance, thereby allowing them to meet the demands of a higher-value market.

In Uganda-3, coffee, maize, sunflower seed, soybean and sesame producers have worked closely with newly recruited village agents to obtain price information
in a more transparent fashion; and have organised into groups in order to bulk produce, access technical assistance, and sell crops to and buy input services from village agents.

### 3.2 Issues, features and outcomes of approaches

#### 3.2.1 Key issues tackled by the approaches

The cases included in this research reveal a number of drivers that prompted the development of the approaches outlined below. In many cases, low prices and a sense of unfair treatment at the hands of more powerful downstream players — often due to information asymmetries — has been a key driver (for example, in Uganda-1 and Uganda-3). In Uganda-2, the oversupply and poor quality of a given commodity (potatoes) has been a key driver for identifying — together with partners — new market opportunities. In Uganda-1, the high costs attached to marketing matoke at the individual level — due to, among other things, low volumes and diseconomies of scale in collection and transport, and a lack storage or cooling facilities — have forced farmers to make a quick sale. In Kenya-1, the founder of the approach regarded the time spent at wholesale markets by both producers and informal street vendors an unnecessary transaction cost, particularly given the prices paid to producers and by vendors seemed uncompetitive and the quality of the produce was often poor. In Cambodia-1, a key driver has been the perceived need to shift towards ecological agriculture in order to better support and protect producers, their landscapes and consumer health. Also in evidence here has been a lack of price information, market demand and capacity to negotiate a fair price with traders.

In other cases, a lack or loss of policy voice and influence has been a key driver, with producers wishing to (re)claim their rights in this regard. In Bolivia-1, producers were marginalised in policy and decision making due to a change in government. In Cameroon-1, inappropriate or unfavourable policy — caused by, among other things, the invisibility and lack of understanding of the informal sector, and disincentives for government to legalise the sector — triggered the traders and the Center for International Forestry Research (CIFOR) to work together to strengthen their voice.

#### 3.2.2 Key features of the approaches

This section summarises the key features of the approaches reviewed through the lens of the EPIC framework described in Box 2 (understanding, organising, engaging), with a particular emphasis on agency.

**The first sphere: understanding**

This sphere relates to knowledge, knowhow and information, and is central to empowerment efforts in informal markets.
Many of the cases involve mechanisms aimed at improving price transparency, often via closer collaboration with brokers or traders who can provide such information. This information can be helpful in negotiating higher prices, as well as reducing opportunities for price fixing and collusion (see Box 3 on Uganda-1).

**Box 3. Obtaining price information to strengthen negotiations in Uganda-1**

Community informants (CIs) use mobile phones to scan the matoke market and collect information by calling buyers in Kampala and Fort Portal. They also survey farmers on what is being grown, in order to understand what they can offer buyers in terms of volume and matoke sizes. CIs can then negotiate a better price with buyers based on the higher volumes and communicate these prices to farmers.

However, understanding can go beyond prices. In Cambodia-1, Kenya-1 and Uganda-2, participatory meetings and/or sophisticated data management tools have facilitated the collection and documentation of information on buyer demands and farmer production capacities. This has informed producers’ decisions on what they grow and has allowed for better alignment of supply and demand, ultimately leading to increased revenues for farmers (see Box 4 on Uganda-2).

**Box 4. Collecting data to identify better marketing opportunities in Uganda-2**

CIAT (International Center for Tropical Agriculture) and the Nyabyumba Farmers Group carried out a participatory market study to evaluate marketing opportunities for ware potatoes. This involved identifying market channels (for example, local market, Kampala wholesale market, small shops in Kampala, higher-value formal outlets such as restaurants); gathering information on buying conditions (including price and quality requirements); and determining the interest of particular buyers in buying potatoes from the group (Kaganzi *et al.*, 2009). A production and marketing plan made with the farmers was then discussed with the buyer, and a purchase agreement made specifying, among other things, volume, frequency of supply, quality and terms of payment. A profitability analysis was conducted based on the above, and an implementation plan drawn up for the farmers group.

Several cases involve improvements in access to technical assistance, the aim being to improve agricultural practices and thus productivity and quality. However, Uganda-2 shows that while a focus on upgrading production practices can be hugely beneficial, other knowledge and skills — such as training to promote better understanding of the market — are also potentially important. Supporting NGOs regard business skills and knowledge as critical to ensuring that producers can thrive once the donor or source of support has withdrawn. In order to avoid being entirely dependent on the service provider to maintain the market link, farmers must learn skills that will enable them to replicate or strengthen their marketing
arrangements (Kaganzi et al., 2009). Markets and competitiveness are not static, with continuous adjustments needed to maintain effective market links.

Gathering evidence is often the first step producer organisations need to take in order to engage effectively with other actors, including policymakers, buyers and civil society organisations (CSOs). With policymakers, producers can use evidence to “make visible the realities of their lives, which are otherwise often invisible”, thereby strengthening the legitimacy of their engagement (Vorley et al., 2020).

Cameroon-1 and Bolivia-1 provide examples of evidence-gathering approaches aimed at strengthening producers’ lobbying and advocacy efforts. External support for evidence-gathering processes (such as research design or data documentation) can be vital.

As a first step, agency can be built into these processes through shared agenda-setting and the co-creation of a new evidence base and/or common strategies for enhanced marketing and lobbying. In Cameroon-1, for example, local traders and their networks of timber harvesters were engaged as researchers in order to document issues relevant to their livelihoods and industry, with a view to informing government of the realities involved. In Uganda-2 and Bolivia-1, NGOs emphasised applying participatory processes to strategic planning and agro-enterprise development as a means of strengthening CIOEC’s internal operational structure and its services to members. This approach often involves iterative participatory processes and the use of established tools. For example, in Bolivia-1, the Farmers Advocacy Consultation Tool (FACT) was used to facilitate the process (Gouët, 2013) (see Box 5), while in Uganda-2, a participatory area-based approach to agro-enterprise development was used by CIAT (International Center for Tropical Agriculture) in its work with the pre-existing Nyabyumba Farmers United Group (Lundy et al., 2002). The methodology for the latter involves an iterative, participatory learning process within a defined territory, with the aim of supporting the entrepreneurial needs of farmer organisations and local business development services through building service providers’ ’market facilitation capacity’ (Kaganzi et al., 2009). Together, the Nyabyumba Farmers United Group and its partners also developed a basic profitability analysis for year-round production as a means of understanding the potential of this new market linkage and make more informed decisions.
3. Understanding the nature of SLE for producer agency in informal markets

Box 5. Collecting evidence for more informed policy engagement and influence in Bolivia-1

Using the Farmers Advocacy Consultation Tool (FACT), CIOEC, with the support of Agriterra, worked on a new strategic plan and policy proposals, with corresponding workplans. The first workplan was to generate a follow-up law to the OECA Law previously approved by Parliament in 2008, but never regulated and implemented due to the reform of the Bolivian Constitution in 2009. Essentially, this law sought to recognise Organizaciones Económicas Campesinas (OECA) as organisations with both economic and social objectives, thereby generating preferential policies for the sector. (for example, the right to participate in various national and regional rural planning councils, as well as to be a channel enabling international funders to resource this more innovative and market-oriented rural sector).

Research was needed to support these policy proposals, including: 1) checking the status of, and observations made on, the 2008 OECA Law in Parliament and parliamentary commissions; 2) analysing the legal norms relevant to issues covered by the OECA Law; and 3) discussing the previous two points/soliciting further feedback in several regional workshops, involving both CIOEC departmental board members and grassroots organisations.

Based on this, a proposal for a new OECA Law was written and placed on the agenda for parliamentary discussion. Two expert consultants were contracted to do this work with support from Agriterra and the Empowering Smallholder Farmers in Market programme (Ton and Procter, 2013). After fierce negotiations, the OECA Law was approved in the Senate in December 2013 and President Evo Morales proclaimed the law on 26 January 2013 (Ton and Procter, 2013).

The second sphere: organising

A diversity of organisational forms underpin the cases, from the most informal at one end of the spectrum (for example, the loose collective marketing structures organised by CIs in Uganda-1, or the producers organised around collection centres in Kenya-1 and Cambodia-1) to formally registered and recognised groups, such as associations and cooperatives, consisting of thousands of members (Cameroon-1, see Box 6, and Bolivia-1).

The evolution of these organisations is diverse, with some strongly driven by the agendas of external agencies, such as NGOs and government offices (Cambodia-1 and Kenya-1), and others arising from the sole initiative of producers or traders/buyers working with producers (Uganda-1 and Bolivia-1). In other cases, producers or traders already have a well-established grassroots organisational structure in place based on local norms and customs (Cameroon-1) and/or previous support from external agencies (Uganda-2). Such a structure potentially lends itself to scaling up, often utilising external support (see Box 6), thereby developing a more sophisticated hierarchy and association through which to project a stronger voice.
The organisational form will also be shaped by the end goals, particularly regarding whether the objective is collective production and/or marketing, or whether it relates to strengthening the collective voice in order to influence policy. In Cambodia-1, initially informal famers groups went on to register as a cooperative, reflecting a transition from merely being responsible for coordinating production and marketing — including accessing information and bulking produce — to acting as an organisation capable of both accessing donor funding and establishing formal offtake agreements with buyers.

Box 6. Scaling up existing organisational forms, Cameroon-1

The Association Nationale du Collectif des Vendeurs et Assimilés de Bois (ANCOVA) began with groups of timber market traders at the city level — each trader owned one or more 'stalls', with each group consisting of 100–500 traders, usually positioned at the edge of the city, in Yaoundé and Douala. These groups were already formed as ‘tontines’ — local savings groups with an elected leader and strict financial rules members must adhere to. The organising strategy was to join forces with groups in other districts and beyond in order to form a national association, with the various market leaders responsible for making contact with one another. CIFOR encouraged some of these leaders to travel and meet one another as a means of recruiting them into the association. CIFOR felt that having a national association was necessary in order to have a stronger voice when it came to influencing national policies related to such high-profile initiatives as the EU’s Forest Law Enforcement, Governance and Trade (FLEGT) programme, aimed at combatting illegal logging. The overarching group put a statute in place (CIFOR supported this by offering the assistance of a staff member with relevant legal knowledge), registered the group with government as an association, and elected a president and administrator/accountant.

The evolution of these organisational forms allows for varying degrees of agency. SLE approaches, and in turn the efforts of supporting organisations, may be more successful in the long term if organisational forms are based on existing groups that have been running for some time and in which producers can clearly articulate their priorities. Such groups must, however, be seen as legitimate by members and function well. Even if clearly discernible groups do not already exist, there may be ‘hotspots of energy’ — locations where citizen frustration, anger or incipient organisation and activism has built up around a specific issue — which, though hard for outsiders to see, can be leveraged as part of an approach (Vorley et al., 2020). The sustainability shown in the Bolivia-1 and Cameroon-1 cases is likely due to their being founded on pre-existing sub-groups with strong

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2 *Tontines* strengthen social relations and trust among their members, and promote cultural identity. They are the primary source of credits for many poor people in Cameroon, especially women and young people. These groups are typically excluded from formal financial sectors as they cannot fulfil the credit obligations required. Informal financial sector financing empowers women and young people economically, enabling them to undertake small trading, farming and livestock rearing. See www.fairobserver.com/region/africa/tontines-informal-financial-sector-and-sustainable-development-cameroon/
identities, cohesiveness and momentum. This puts producers in the driving seat from the outset.

Agrawal (2001) and Gyua et al. (2011) describe some common features of groups that are more likely to be successful and sustainable. Here, it can be seen that groups based on existing social ties and relationships, and that fulfill other needs (such as saving and lending), have a stronger motivation to organise. Cameroon-1, while externally supported, shows high levels of trader agency due to a pre-existing foundation of groups with strong social ties. Bosc (2018) also argues that collective action needs to build on established social capital. Local social structures matter and represent assets — offering confidence and proximity ties — on which to build. Uganda-1 and Uganda-3 have thus far been effective because they have worked with, rather than ignored, existing social structures.

External support can be an important catalyst for scaling up and strengthening hotspots of energy. Cameroon-1 — in connecting existing groups through offering resources for travel, and providing ideas on evidence generation and advocacy — demonstrates the value of external support in facilitating action. Meanwhile, Bolivia-1 shows how an outsider’s perspective, resources and processes can reignite the energy, ambition and voice of an existing group, while at the same time respecting the agency of its members.

Where external agencies are considering promoting or supporting the establishment of a new organisation — whether for collective marketing, obtaining support from donors, being able to sign contracts with formal buyers, or strengthening voice vis a vis government — it is important to explore if a new organisation is really needed and what its precise purpose is. For example, producers may organise informally and cost-effectively for marketing but need a more formal structure for the purposes of engaging with policymakers.

The appropriateness of an organisational structure must also be fully assessed with members and communities. For example, do the benefits outweigh the transaction costs and is it fit for purpose? Relevant factors may include not only financial gains but also speed of payments, as well as the extent to which members feel their voice is represented. The direct and indirect costs associated with organising more formally can be very high. In Uganda-1, for example, farmers did not want to have regular meetings or incur the transaction costs associated with more formal organisations. Their main objective is to bulk produce greater volumes in order to improve their bargaining power with end buyers, meaning their group activities are coordinated purely for the purposes of marketing (and for planning and information gathering by CIs). Kaganzi et al. (2009) explain that collective action for sales may only be required at the point of sale, to, for example, provide a buyer with a minimum lot size (as is the case in Uganda-1 and Kenya-1). Understanding and monitoring markets and profits will enable service providers/farmers to evaluate when best to use collective action in the marketplace and when it is not worthwhile.
There may, though, be benefits to organising more formally depending on the commodity, market, government policy and capabilities of the cooperative. In Cambodia-1, for example, a formal cooperative structure has been chosen on the basis that it can provide access to formal financial services such as loans and savings; can facilitate donor and government support (which could not be given to an informal group); and that it offers greater legitimacy in the eyes of government, and therefore a stronger voice for producers. However, the supporting NGOs recognise that members require intensive support to effectively manage the organisation. In such cases, it is important to scrutinise the relevant laws and policies that give rise to formalisation, on the basis that the approach may be a response to an external agenda with biases towards formalisation.

The third sphere: engaging

Engagement with relevant actors or institutions can help strengthen producers’ voices in terms of value chain relations or policy. Engagement may be with other value chain players (customers, traders/buyers, inputs or service providers), with donors/NGOs, and/or with local/national government.

Many of the cases (Uganda-1, Uganda-3, Kenya-1, Cambodia-1, Cameroon-1) reveal the central and persistent role of traders in linking producers to informal markets — a finding backed up by other research (Abebe et al., 2016; Mangnus and Vellema, 2019; Schoonhoven-Speijer et al., 2017; Walther, 2014). This is despite many development interventions insisting that middlemen should be bypassed and value chains shortened as the best way of connecting farmers to markets and ensuring maximum benefits for producers. In fact, engagement with traders/brokers/middlemen may result in their needs and incentives being better aligned with those of smallholders.

In some cases, organisational structures offer a network or ‘infrastructure’ through which producers can access additional services from other value chain players, NGOs or donors. In Cambodia-1, supporting NGOs believed farmers needed to form a cooperative to access support from donors (a legal requirement) and sign formal trading agreements with buyers, despite this going beyond the approach’s earlier aim of farmers organising themselves around collection centres and working more closely with collectors (informal traders) to better align supply and demand. In Kenya-1, additional donors have used existing farmer groups (organised around commodity collection centres) to deliver agricultural inputs and services such as microfinancing during monthly ‘Farmer Engagement Programmes’. In Uganda-2, smallholders engaged with service providers to collectively upgrade the quality of potatoes in order to reach higher-value local markets. Some of this upgrading involved access to new physical assets such as built stores to improve on post-harvest handling losses, and new harvesting techniques which involved cutting off the plants above the ground a few days before harvesting to reduce tuber moisture content and extend storage life (Aliguma, 2007).
More effective engagement with government in terms of claiming rights may also be an objective or outcome of organising, though a formal organisation may be a prerequisite to engagement with national government. In Bolivia-1, for example, a large formalised institution was needed for the purposes of acquiring the necessary legitimacy (and arguably resources) to propose and lobby for policy change. In Cameroon-1, members registered themselves as an association in order to gain credibility and better position themselves to have a voice in future policy discussions. While policy influence has not yet been achieved (discussions of relevant laws have been drawn out over years), formal registration has succeeded in establishing the association’s place at the table of many national government discussions.

More informal organisational forms have also facilitated closer engagement with local government representatives. In Uganda-3, ‘field days’ bringing together agents, processors and producers have facilitated discussions between producers and local government, for example in demanding government accountability on the use of levies (collected from sales of produce by processors, which producers were unhappy with). In Uganda-1, economic empowerment has led to socio-political and legal empowerment. Due to collective marketing and the associated financial benefits, producers have a stronger voice with which to demand local government further support the growing trade, for example in relation to building roads and loading bays to upgrade the trade in matoke. In such cases, engagement has led to enhanced agency.

While not a feature of the case studies covered in this research, engagement with local government can be very important to recognise, protect and, where relevant (such as in relation to hygiene), upgrade informal market channels (Githiri et al., 2016).

Engagement can also take the form of engaging with downstream value chain players. In Cambodia-1, forming a cooperative has allowed farmers to engage more closely with consumers (though direct sales to consumers via weekend markets), and in doing so inform them of the positive health and safety attributes of their products compared to competitors. Going forward, it also allows them to sign formal contracts with buyers.

The forms of engagement in informal markets can be different to those in formal settings. For example, by the very nature of the context in which informal producers operate, seeking redress in court is unlikely to be an option. Here, customary processes and mechanisms for addressing grievances and offering redress are likely more relevant and therefore more widely and effectively used, though the research team were unable to find any well-documented examples of such processes being used to resolve trading issues (rather than just land). In addition, the level and intensity of producers’ engagement with government may be different in informal settings. Rather than taking place at the national level or being driven by consistent and well-planned lobbying, it may operate at the local level through
ad hoc conversations or dialogue. Even so, such engagement may still be effective in reclaiming rights, addressing imbalances of power, enhancing agency and bringing about better outcomes for producers.

Finally, in line with the findings of Cotula et al. (2019), the cases demonstrate the complementarities or interdependencies between the spheres of action defined by the framework. Indeed, organising seems to underpin all external engagement approaches. Effective organisation can also ensure that evidence gathering is relevant and fit for purpose by influencing what information is gathered, and how (Cameroon-1). Additionally, engagement with external actors generates particular types of potentially helpful information. In turn, organising offers a mechanism for the effective use of new information when engaging with NGOs/CSOs, donors, market players or government.

### 3.2.3 Summary of outcomes

The cases included in this research demonstrate a range of positive outcomes for producers and other value chain players, including higher prices for commodities; larger profits due to lower costs of doing business/transaction costs; and more secure and stable markets. In some cases, organising has enabled producers to extract greater value from the supply chain (for example, by engaging in processing) or to minimise costs (for example, by making group purchases of trucks to take over transportation roles often played by extractive brokers). In many cases, capabilities (such as agricultural practices and marketing knowledge) have been enhanced due to increased access to — among other things — inputs and technical assistance, which has in turn led to rises in productivity and/or improved access to more secure/valuable markets. For some producers, SLE approaches have resulted in improved resilience to shocks (for example, through access to financial services); greater voice in influencing policy or holding policymakers to account; and increased access to donor and government support. This has involved tackling structural factors in the form of the policies and power relations between value chain actors that determine levels of representation in agricultural sector decision making.

Almost all cases demonstrate a degree of enhanced agency, with producers/traders better able to make informed choices and effect change according to their own priorities, often by renegotiating or challenging the power balance with other players in the value chain. In Uganda-1, farmers are in a better position to make demands of local government, and in Uganda-3 of local government and processors. In a large number of cases, farmers are now better placed to negotiate more strongly with traders and brokers (Uganda-1, Uganda-2), or the approach has involved incentivising traders and brokers to act in ways beneficial to producers as well as themselves (Cambodia-1, Uganda-3). In Bolivia-1, producers are claiming their right to a voice in policymaking. In doing so, they have asserted their members’ agency in shaping policies that will affect their lives.
While some structural issues are too great to overcome entirely, agency can still be applied within these constraints. In Cameroon-1, for example, there is strong resistance within government — often based on vested interests — against enacting policies that would recognise/legitimate artisanal harvesters and their associated trade. Traders, though, have been able to strengthen their power through weight of numbers, and in turn partly tackle corruption-related challenges.

It should be acknowledged, however, that the empowerment process may not play out equally within producer groups, with some producers potentially able to exert their agency more strongly than others. Given it is possible to choose which producers and geographies external support is channelled to, the promotion of agency and scaling work aimed at tackling structural challenges (for example, public policy or dominant narratives) is highly relevant to social inclusion. SLE processes can reinforce existing inequalities, leading to benefits for some but not others. In Uganda-1, despite the absence of any formalised rules regarding who can enter the collective marketing scheme, unwritten rules exist as to who can become a member of the system — they must be producing a certain volume of matoke, which normally translates into a minimum acreage. This is so the scheme can provide minimum market volumes, which allows for efficiency in marketing and bargaining power in price negotiations. This effectively excludes the smallest of producers.

In Uganda-3, donors regard the scheme as community-wide, yet selecting lead farmers to act as agents (based on such criteria as pre-existing farming success, minimum asset size and having respect in the community) is likely to compound rather than lessen social differentiation. In addition, the selection of 'successful commodities', oriented towards local and export markets — rather than subsistence — may mean benefits accrue to the least poor and vulnerable producers.

Efforts to address social differentiation and agency for the benefit of marginalised groups — whether women, youth, disabled, landless, tenant farmers, labourers or lower castes — may require more intensive targeting/support. In Uganda-3, a donor has been involved in retrospectively documenting the business case for inclusion of women, and looking to recruit them as village agents. Analysing drivers of inclusion — particularly market system interventions — from the outset will likely minimise exclusion of, among others, those with fewer assets, while also addressing related issues, such as location, information access, risk aversion, and the exclusiveness of some producer organisations (Vorley et al., 2015). Support targeted at those in marginalised groups (who may not be farmers themselves but are linked to farms, such as labourers) to identify their rights and the relevant duties of government may enable them to mobilise resources from policy commitments that exist on paper but not in reality. This would help ensure equitable, not merely equal, access to new
opportunities. Finally, agency may go unnoticed or undocumented in everyday forms of resistance. In Ethiopia, for example, farmers have resisted externally designed agronomy-oriented projects that do not fit their economic, social or cultural realities, by reverting to traditional practices (such as planting techniques) when donor and government eyes are averted, or under cover of darkness.

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3 In Nepal, for example, government guidelines approved in 2014 provide for land leasing and subsidised inputs and technical support to marginalised groups involved in establishing commercial agriculture. The policy has yet to be implemented in any local government. The guidelines do not, however, deal with specific market linkages. EPIC Nepal is exploring the mobilisation of landless groups to demand delivery of these policy opportunities, while at the same time linking those who secure new land for commercial agriculture with agricultural cooperatives that are receiving support to strengthen their operations, social inclusivity, and collection centre and marketing functions.

4 Personal communication with Nina de Roo, Wageningen University, May 2020.
4. Key enablers for effective SLE and agency in informal markets

Processes of change may come about from the bottom up or with external facilitation, and in the case of the latter, agency may be determined by the extent to which the pre-existing conditions are understood and recognised, and to which producers are able to lead the process. In the context of informality, understanding whether producers have chosen to exist in the informal sector is also fundamental to establishing the degree of ‘agency’ associated with particular actions.

The cases reveal great diversity in how much agency is exerted in deciding to take a particular action or be part of an approach introduced by an external actor — that is, the extent to which approaches emerged due to the initiative/effort of communities themselves or were driven by the agenda/resources of outsiders. Some, more externally driven, cases resemble traditional development projects, while others appear to have emerged entirely due to the energy and agenda-setting of producers themselves. A number exist somewhere between these two ends of the spectrum, with external support playing a key role in strengthening local capacity while at the same time working with the priorities, energy and organisational forms already existent in local communities.

Virtually all cases have involved some external support. This reflects the methodology used for the research (which required existing documentation or cases being mentioned online or in the literature) rather than the fact that empowerment in the informal sector always necessitates external support. The intensity and nature of external involvement depends on a number of context-specific factors. This research did not carry out a detailed assessment of the pros and cons of different external engagement intensities, nor how the support provided sustained/promoted agency from the perspective of producers. It does, however, provide some insights into how external support may better enable SLE and thereby sustain, promote or avoid undermining producer agency.

With this in mind, external organisations should consider the following key enablers of effective SLE in the context of promoting producer agency in informal markets.

4.1 Understanding the context in full

- The context in which SLE-related interventions in informal markets are proposed must be fully understood, including at the household level and taking into account social differentiation dynamics. What are the key issues faced by communities (as identified by those communities) they may need help addressing? What are the common threats they may require greater strength to counter?
As well as the challenges faced, the opportunities/benefits already provided by informal markets should be understood. In other words, **how are informal markets already meeting local livelihood needs?** Informal markets can perform effectively — or less effectively — in unexpected ways. For example, in Uganda-3, the success of the approach to date has in part been due to reliable markets, which allow offtakers to pay agents/brokers and, in turn, farmers, on time. Kenya-1 also demonstrates the relevance of timely payments, while other research on the informal economy reveals their importance for small-scale producers with significant and urgent cash needs (see Kabwe et al., 2018). Cameroon-1 shows the importance of traders in connecting informal timber harvesters to markets, while other research also points to the importance of independent traders in connecting smallholders to markets. Vorley et al. (2015) demonstrate how trader channels can be dynamic and more inclusive of smallholders than formal channels. They recommend that rather than excluding the ‘middlemen’, practitioners and support agencies should look at all options for inclusive trade, including informal routes and investigating options for upgrading the performance of trader channels rather than circumventing them as a default approach.

Understanding the broader political and economic context in which households and communities are situated is essential. What are the challenges and opportunities presented by potential SLE strategies, and what might be the trade-offs? While some structural barriers may be hard to shift, analysing such factors is key to strategic action. In Uganda-1, changes in East African trading rules led to an opening up of matoke markets beyond the borders of Uganda, thereby growing the size of the market. In addition, infrastructural development has stimulated increased business in the area and allowed it to be sustained over time. In Cambodia-1, the impact of the approach has been challenged by competing vegetables grown by neighbouring countries that have not invested in safety and quality, and have lower costs of production. Lack of consumer demand for safe vegetables has been identified by supporting NGOs as a key constraint, and producers are therefore trying to increase consumer awareness. While some market factors can be anticipated, others are hard to predict — in Uganda-3, large investments were put into inputs for chia production, which had shown great market potential but then slumped. Producers need to know the risks associated with producing for the global market and may wish to ensure a diversified portfolio of crops in order to reduce market risks.

Any attempt at better understanding contextual factors will likely require **qualitative and flexible research methods, and a systems approach.** This involves looking beyond the immediate trading relationships between producers and their subsequent trading partners to take into account interactions with employees/labourers, buyers, consumers and policymakers. Only then will it be possible to fully understand what is working well, or not so well, within informal trading relationships.
4. Key enablers for effective SLE and agency in informal markets

4.2 Recognising the strengths and realities of local and informal context

- As stated above, external organisations should seek to understand the value of the informal economy, understanding through meaningful research and consultation with those they are looking to empower how it provides for producers’ (and others’) livelihoods. Ultimately, in terms of SLE approaches, external actors should not assume that formalisation is the best and only option for producers.

- Interventions should build on producers’ existing social capital and the ‘hotspots of energy’ where they already exist, using evidence collected from meaningful research. For example, do groups of producers already exist that can be strengthened? In Uganda-1, existing farmer field schools were scaled up to form an association, as were tontines in Cameroon-1, allowing farmers and traders to increase their market performance and/or capacity for effective advocacy. In Uganda-2, farmers already possessed many of the attributes important for positive collection action (they were clustered in small groups and had shared norms and past successful experiences, appropriate leaders, interdependence among group members, and homogenous interests) and were members of the local church, which strengthened their networks further (Kaganzi et al., 2009). In Uganda-1, the collective marketing arrangement benefitted from a well-connected and homogenous community that held similar values, attitudes and approaches, as well as a shared vision for development.

- Where external agencies are promoting or supporting the establishment of a new organisation, it is important to explore whether a new organisation is really needed in the eyes of producers/potential members, and what its precise purpose is. The appropriateness of each organisational structure should also be fully assessed with members and communities. For example, do the benefits outweigh the transaction costs and it is fit for purpose?

4.3 Asserting the visibility and legitimacy of producers in informal markets

- Inclusive and participatory research, communications and advocacy by both external organisations and producers themselves can help in asserting the visibility and legitimacy needed to overcome particular challenges. Producers and rural actors should be placed at the centre of research planning and information collection, thereby enhancing producers’ own research capacities and allowing associated policy messages to be locally owned and regarded as legitimate (internally and externally). In Cameroon-1, Bolivia-1 and Uganda-2, this underpinned both the accuracy of research and the sustainability of approaches when it comes time for donors or other sources of support to withdraw. Markets are dynamic, which means that evidence generation
processes should also not be one-off processes. In Kenya-1, despite the founder’s understanding of key market issues at the outset of the approach, market complexities continue to challenge its viability. Market structures in the informal sector can be particularly diffuse and complex. In Cameroon-1, continued data collection and research means the association’s members are ready to bring timely and relevant evidence to the policy table at a moment’s notice. The approach has enhanced the capacities of members and their networks to manage their own research, reducing reliance on the NGO. Tools such as the Farmers Advocacy Consultation Approach (Bolivia-1) and CIAT’s participatory area-based approach to agro-enterprise development (Uganda-2) are worthy of further attention.

- External organisations can help communities identify and use allies within government in order to pursue effective policy engagement and enhance the legitimacy of informal actors. In Cameroon-1, provincial ministry staff helped push relevant topics internally and tried to improve the situation on the ground for informal market actors. Depending on the level of intended policy change, these allies need not exist at the national level. In informal sectors, lobbying and policy influence may be more achievable and impactful at the local level, for which a large-scale or formal organisation may not be required. Informal actors may therefore benefit most from increased local-level government support and legitimisation. Marginalised groups may benefit from additional support (external or from within) in identifying advocacy priorities and securing legitimacy and a voice with policy actors at every level.

4.4 Aligning interests of rural actors to promote mutually beneficial outcomes

- Traders, brokers and downstream buyers are particularly likely to have a conflict of interest with farmers over the distribution of surpluses along the commodity chain (Markelova et al., 2009). It is therefore important to identify opportunities to align incentives and benefits for intermediaries with producers. In Cambodia-1, the job of a collector normally involves collecting agricultural produce to send to large cities, as well as to district and provincial markets. These collectors were having to travel long distances to collect produce from disparate farmers — meaning their transport costs were large — and then had to negotiate hard with buyers to make a profit. By bringing groups of farmers together and bulking produce at the warehouse, transaction costs were reduced and collectors had larger and more consistent volumes. This gave collectors greater negotiating power with buyers, incentivising them to work more collaboratively with producers.

- Where SLE approaches involve market-based activities, it is important to ensure there are effective, locally relevant accountability mechanisms in place. In Uganda-1, farmers are present during marketing activities at the collection
centres, offering an opportunity for monitoring. In Kenya-1, meanwhile, farmers — who can see produce being harvested, washed and weighed using electronic scales — sign off on purchase receipts. Social and community pressure can be used where traders are embedded in the community to help ensure accountability. In Uganda-3, village agents are existing farmers or community members, rather than brokers who just appear at harvest time. Due to their physical locality, therefore, they can be held to account if the quality of inputs is poor (many developing countries struggle with counterfeit products). In addition, the agents serve a dual role of buyer/trader and input supplier. As a result, they are incentivised to maintain good relationships with client farmers through ensuring higher prices and good quality inputs.

4.5 Capacity building and resourcing for autonomy and sustainability

As far as is possible, long-term sustainability should be taken into consideration when designing interventions, in anticipation of donors/external organisations eventually withdrawing their support or involvement. This can be done through a transfer of skills, rather than just assets — for example, research skills (as mentioned in relation to Cameroon-1 above), as well as marketing, management or business-savvy skills. Agronomic skills are also inevitably of importance, as evidenced by the benefits of new harvesting techniques adopted by producers in Uganda-1, which improved the storage lives of potatoes.

However, in a number of the cases investments in assets — physical infrastructure such as stores and collection centres (Uganda-2, Kenya-1, Cambodia-1) — have also been important to facilitate bulking of produce or reduce post-harvest losses to ensure higher quality and volumes. This has allowed producers to negotiate their terms of trade with buyers from a position of greater strength.

Successful SLE-related interventions have measured the transfer of skills, as well as changes in income, as part of monitoring and evaluation efforts, although such skills may be more relevant to other actors in the market system rather than farmers themselves. In Uganda-3, donors ensured meaningful partnerships with the private sector (for example, processors) were in place from the outset, thereby facilitating mutual experimentation and cost sharing. The private sector can be risk adverse, so having a donor available to minimise such risks will potentially encourage its involvement in the early stages. Uganda’s government appears to be planning to scale up the approach in order to fill the country’s current gap in extension services.

External agents can support producers to access information and communication technologies, based on what is suitable and accessible in producers’ own contexts. These technologies will become increasingly relevant as their delivery costs continue to decrease and as mobile phone coverage
increases (Trendov et al., 2019; World Bank, 2017). Technologies can range from mobile phones used to find new buyers or obtain price information (see USAID, 2013), electronic price information boards (Kenya-1) to sophisticated data management tools/applications that allow for production and marketing intelligence to be collected in order to effectively match supply and demand (Kenya-1), as well as financial transactions using mobile money (‘MPESA’) (see also Malabo, 2019). In Uganda-1, smartphones have been a key resource, allowing CIs to communicate easily with multiple buyers and farmers to validate/cross-check that prices offered are competitive. One popular messaging service was reported as being particularly useful, with CIs able to send information on volumes and matoke sizes to buyers at minimal cost. A local radio programme also provides an additional source of information on prices, which farmers can check prices against. These technologies can help reduce producers’ reliance on external organisations for information provision, and can be particularly important for women, who seem to benefit over-proportionally from mobile phone technologies. This is likely due to the fact that women are often particularly constrained in their access to markets and information (Trendov et al., 2019). A gender gap of 34% in the use of mobile internet in Sub-Saharan Africa (Malabo, 2019) suggests equitable access to ICTs would be important. Emerging evidence corroborates this potential of ICTs to help overcome geographic, social and economic isolation of rural producers (Malabo 2019). Digitalisation also holds potential for data-driven policies (ibid). From an agency perspective data ownership may require specific attention.

- **Access to finance, either supported by external agencies or driven by producers** themselves — including innovative models of self-financing — can be a key enabler. In many of the cases, this has been critical to establishing and/or sustaining the approach. While access to formal sources of finance/investment were limited in most cases, alternative sources of finance enabled many approaches to progress. In Uganda-2, the group’s members were able to borrow from family and friends, then over time established a savings and credit cooperative into which members contributed. Governance and management of the group was effective, thereby improving members’ financial skills and helping build social bonding and trust (Aliguma et al., 2007), which in turn further strengthened the ‘organising’ sphere of the approach. The cooperative assists members with money to meet household needs as they await payment for their potatoes — this has likely been key in ensuring the viability of the trading relationship.
5. Conclusions

There are many examples of SLE in informal markets, the vast majority of them almost certainly undocumented. Though some of the approaches included here involve a degree of formalisation (such as upgrading production, selling to formal buyers or developing formally recognised organisations), many do not. Context-specific factors — including the nature of the commodity, market forces, farmer skills levels, pre-existing social capital, organisation, or the historical reputation of cooperatives in a region — all play a role in the extent to which formalisation is suitable or beneficial. Much of the trade originating from small-scale producers will likely remain informal for the foreseeable future. Thus, in order for an approach to be considered a success, it does not follow that formalisation and/or national level policy change must be the ultimate outcome. Within such contexts, a rebalancing of power, claiming of rights and greater collective agency at a much more local level (for example, traders collectively determining the terms of engagement with local government) or within value chains (for example, a more organised group of producers using price information to better determine terms of trade with brokers) has the potential to deliver livelihoods benefits.

SLE that aims to promote or sustain producer agency in informal markets requires specific conditions or deliberate strategies to do so. Namely, when external support is involved, empowerment and agency must feature in an approach’s design and implementation, as well as reflected in monitoring, evaluation and learning. The degree to which this is done is likely to be a key determinant of the impact and long-term sustainability of approaches.

5.1 Reflections on the framework and its relevance to informality

The EPIC framework presented above is a useful analytical framework when it comes to documenting approaches to tackling injustices and power imbalances among value chain actors. The three interlinked spheres of action are both detailed enough to offer helpful guidance and broad enough to capture the diversity of possible approaches. As such, the framework appears to work well for approaches that operate in the informal sector, with the cases further demonstrating the interconnectedness of the three spheres as discussed by Cotula et al. (2019).

This research has demonstrated the relevance of the EPIC framework to informal markets. In terms of SLE, there are a number of distinctions that set the informal and formal markets apart. Features specific to the informal sector include the likelihood that:

1) **local-level government engagement and lobbying are of greater relevance than mobilising international advocacy campaigns.** Further, engagement may tend towards ad hoc conversations and dialogue rather than the
consistent and well-planned lobbying that tends to be a feature of national and international advocacy efforts. In the context of the informal sector, such forms of engagement can be very effective in addressing imbalances of power, claiming rights, enhancing agency and bringing about better outcomes for producers;

2) **the types of laws and policies engaged with — as well as other structural factors — are different.** Relevant laws and policies may even be completely absent for some informal producers or markets, meaning they effectively operate in a regulatory vacuum. Further, in most cases, customary processes/mechanisms of addressing grievances and providing redress are more relevant than pursuing justice through the courts, which is unlikely even to be an option. SLE should therefore encompass engagement with all local and traditional rules, norms and conflict-resolution mechanisms, as well as all attempts to secure and negotiate rights from the local through to the national level; and

3) **the organisational forms that deliver most benefits — economically and/or politically — are smaller and less formalised,** as they tend to be better suited to the diverse trading relationships, skills and needs of informal actors.

The EPIC framework (specifically the understanding sphere of SLE) may be misinterpreted as suggesting that it is small producers who are most prone to issues of understanding — a problem that constrains their agency. However, lack of knowledge, information or understanding is as — if not more — common among policymakers, and indeed external agencies. For example, policymakers at the national level may lack understanding of how informal actors and markets operate, as well as which parts of these sectors perform well (or otherwise) and why — all of which could inform more effective policymaking. A key element of a number of the approaches documented in this report is evidence collection conducted with the aim of ensuring policymakers and/or buyers better understand producers. Consequently, ‘gathering evidence or information’ may be a better way of framing the understanding sphere. This fits better with an agency perspective, which challenges external interventions and policies that assume an understanding of people’s priorities or that producers lack knowledge (Vorley et al., 2020).

### 5.2 Recommendations for future research

While the cases explored in this report have revealed a number of important insights and lessons, further research is needed to generate deeper learning on enabling conditions. In particular, research is required to uncover and document cases of producers in informal market settings taking action to strengthen their position vis-à-vis other market actors. It may also be valuable to examine the current status of some of the cases included here, particularly those that date further back. In both instances, primary qualitative research is needed — this involves researchers dedicating sufficient time to becoming embedded in local communities and placing
the voices of informal producers at the centre of analysis. Policymakers and donors should therefore consider commissioning and funding such research.

Further research should interrogate how and why approaches are designed and emerge in informal sectors; their impact; the role of external support; and the link between these factors and levels of agency. Such research should explicitly focus on approaches that involve less support and/or are more informal in their design, in order to understand how and under what conditions these more bottom-up approaches are effective in securing producers’ agency in informal settings. In terms of applying the EPIC framework, relevant questions might include: What are the information sources or evidence-gathering processes? What forms of organising are used or developed? What facilitates the type of engagement that strengthens voice and action?

This search for locally rooted processes and innovation could be achieved by maintaining regular contact with researchers already embedded in local communities; priming local NGOs to be on the lookout for examples; reaching wider audiences through social media or radio; and putting out calls to local community leaders. The implication here is that such research would need considerable lead-time.

Also valuable would be deeper knowledge of potential monitoring processes that put empowerment and agency at the heart of externally led interventions, and regard them as outcomes in their own right. Empowerment and agency remain hard concepts to define and measure, though significant efforts have been made in measuring women’s empowerment. Kabeer (2005), however, suggests the three closely interrelated dimensions of agency, resources and achievements as a means of exploring empowerment. Agency is the process by which choices are made and put into effect; resources are the medium through which agency is exercised; and achievements are the outcomes of agency. This framework provides a basis for co-developing monitoring indicators with communities based on their goals and ambitions.

5.3 Recommendations for supporting organisations

In order to enable effective SLE, supporting organisations should:

- **acknowledge that SLE for rural producer agency is relevant to informal as well as formal settings.** As such, programmes that support commercial agriculture must take informal markets seriously, and understand that SLE for stronger producer agency in the informal economy has the potential to generate substantial and sustained benefits. In addition, supporting agencies should avoid bias towards incorporating smallholders into formal value chains, despite the complexity posed by informal settings;

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5 See the updated Women’s Empowerment in Agriculture Index (A-WEAI), http://weai.ifpri.info/versions/a-weai/.
• **place agency at the heart of any intervention.** Supporting agencies should not assume they know what producers and rural communities need, and should regard enhancement of agency as an outcome in its own right;

• **look for existing hotspots of energy and social capital.** These should be nurtured by dedicating time and energy to trust building and mutual understanding (Vorley et al., 2020), rather than immediately looking to develop new organisational forms, which may be costly and hard to manage;

• **build understanding of the political and economic context, as well as the livelihoods and lived realities, of informal producers.** Research and context analysis should be ‘community based’, with researchers and local people taking part in a process of mutual learning, communication and interaction (LSE, 2014). Here, external researchers play the role of learner, editor and intermediary, while local communities form part of the research team. Producers should be involved in planning research (including defining its purpose/setting the research agenda); collecting, analysing and/or offering feedback and validation of data; and discussing the scope the research has for influencing the design of subsequent SLE approaches;

• **consider all three pillars of the EPIC framework when supporting SLE.** The cases in this research demonstrate the complementarities and interdependencies between the framework’s spheres of action, with organising seemingly underpinning all external engagement approaches. In turn, organising and improved understanding through participatory data collection offers an effective mechanism for using new information when engaging with NGOs/CSOs, donors, market players or government;

• **support participatory policy strategising processes.** Supporting organisations should consider using established tools that have shown signs of success to support participatory processes, such as the FACT approach,⁶ which contains four components: 1) consultations (for example, with farmers); 2) participatory research; 3) writing SMART proposals; and 4) stakeholder mapping and analysis for lobbying and advocacy. During stakeholder-mapping processes, allies (as well as key targets) should be sought within local or national government;

• **understand the incentives for each value chain player to support or undermine SLE processes,** particularly where the SLE approaches are based on enhanced marketing. Checks and balances should be built in to ensure accountability throughout trading chains, particularly when it comes to more powerful players who have better access to information (such as traders or downstream buyers);

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⁶ See https://participedia.net/method/5648.
5. Conclusions

- focus on the transfer of marketing, management, research and advocacy skills (in addition to agronomic skills) and capacities that, in the absence of outside intervention, can deliver benefits to producers in the longer term;

- support practical interventions such as investment in storage, rural infrastructure and ICTs, which can help farmers acquire greater autonomy, expand options, and thus negotiate from a position of greater strength;

- build in monitoring and evaluation of agency and empowerment, alongside more conventional measures of success, such as income changes (EPIC, for example, is testing participatory self-assessments as a means of exploring SLE and agency from the perspective of producers);

- pay specific attention to marginalised groups in order to avoid processes of empowerment exacerbating, or failing to correct, social differentiation; and

- invest time in SLE and maintain flexibility in approaches. Many cases show the length of time it may take for producers, other value chain players and donors to see meaningful change. In addition, given political and economic contexts are ever-changing, approaches may need to be revisited and adapted to ensure continued support for agency, or to address new challenges. Donors and development practitioners cannot assume that supporting communities through developing SLE approaches will be a short-lived process. As such, they should regularly assess the extent to which agency has been enhanced, and whether this is sufficient for supporting organisations to withdraw from their role. Efforts should be made by the development community to further develop and test relevant guidance and indicators.
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Seville, D, Buxton, A and Vorley, B (2011) Under what conditions are value chains effective approaches for pro-poor development? IIED, London. pubs.iied.org/16029IIED
Table A1. Summary of understanding, organising and engaging features of each case

<table>
<thead>
<tr>
<th>Case study</th>
<th>Understanding features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia-1</td>
<td>Participatory workshop to strengthen CIOEC’s capacity to formulate policy proposals and strategies. Research to support policy proposals.</td>
</tr>
<tr>
<td>Cambodia-1</td>
<td>Information on market demand enables co-creation (farmers and collectors) of planting schedule to meet demand to maximise market opportunities. New village-level, market-price information boards and price information provided by collector. Technical assistance on agro-ecological farming techniques and management skills (for cooperative).</td>
</tr>
<tr>
<td>Cameroon-1</td>
<td>Evidence collection/generation (eg, how the sector operates).</td>
</tr>
<tr>
<td>Kenya-1</td>
<td>Price information published on electronic boards at collection centres for producers (both market prices and competing prices at central markets). Data management system used to map and match supply and demand. Technical assistance on good agricultural practices.</td>
</tr>
<tr>
<td>Uganda-1</td>
<td>Community informants (CIs) use mobile phones to scan matoke market (eg, calling buyers in Kampala and Fort Portal) and collect information from buyers on prices. CIs also survey farmers on what is being grown (to understand what they can offer buyers in terms of volumes and sizes).</td>
</tr>
<tr>
<td>Uganda-2</td>
<td>Participatory market study to evaluate marketing opportunities for ware potatoes, thereby identifying market channels. Production and marketing plan made with farmers and discussed with buyer. Technical assistance on good agricultural techniques and marketing skills.</td>
</tr>
<tr>
<td>Uganda-3</td>
<td>Information provided to farmers via village agents (trusted community members who pay dual role of input and service provision, and trading) and field days (meetings of farmers, agents, processors/offtakers and local government). Technical assistance.</td>
</tr>
<tr>
<td>Case study</td>
<td>Organisational features</td>
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<tr>
<td>------------</td>
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<tr>
<td>Bolivia-1</td>
<td>CIOEC: existing apex organisation comprising more than 250 economic grassroots organisations, organised around collective marketing and processing through nine departmental organisations and seven sectorial organisations. Strategic planning process (workshop) undertaken to strengthen CIOEC’s internal operational structure and services to members.</td>
</tr>
<tr>
<td>Cambodia-1</td>
<td>Poor farmers organise into producer groups around collection centres/warehouses to facilitate bulking of produce and delivery of technical support, and then come together to form a cooperative.</td>
</tr>
<tr>
<td>Cameroon-1</td>
<td>Association formed, based on scaling up from existing <em>tontines</em>.</td>
</tr>
<tr>
<td>Kenya-1</td>
<td>Producers organised around collection centres.</td>
</tr>
<tr>
<td>Uganda-1</td>
<td>Informal structure for collective marketing: farmers establish two collection centres and designate days to bulk their harvest. On these days, CIs conduct final negotiations and oversee collection of matoke by buyers.</td>
</tr>
<tr>
<td>Uganda-2</td>
<td>Nyabyumba Farmers United Group comprises five sub-groups with a current membership of 120 (in 1998, it formed as a farmer field school and had 40 members), 60% of whom are female. A constitution stipulates the rules and regulations by which members must abide. Management committee set up, with members receiving basic training in record keeping and accounting. Various committees established, with members elected to the posts of chair, secretary, treasurer, marketing officer and lead farmers (who take part in marketing and monitor production).</td>
</tr>
<tr>
<td>Uganda-3</td>
<td>Bulking produce for processors/oftakers, based on farmer groups, organised by village agents or farmers themselves. Some groups emerged around provision of services (e.g., tilling) by village agents.</td>
</tr>
<tr>
<td>Case study</td>
<td>Features of engagement</td>
</tr>
<tr>
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</tr>
<tr>
<td>Bolivia-1</td>
<td>Advocating for government policies that better recognise and support organisation’s members.</td>
</tr>
<tr>
<td>Cambodia-1</td>
<td>Better engagement — through information provision — with traders (collectors) and downstream buyers. Cooperative — formed from producer groups — offers a platform for closer engagement with provincial and national government by providing legitimacy and a degree of formalisation. Members can raise concerns and express their views in formal meetings with government.</td>
</tr>
<tr>
<td>Cameroon-1</td>
<td>With government to try to influence policy. With local government actors to change the terms of payment of ‘fees’.</td>
</tr>
<tr>
<td>Kenya-1</td>
<td>Twiga partners with agricultural and financial service providers to provide farmers with value added services, such as access to credit and agricultural inputs. Offers an infrastructure and network through which producers can access services offered by other donors. Collection centres offer a physical infrastructure for training offered by Twiga staff.</td>
</tr>
<tr>
<td>Uganda-1</td>
<td>Economic empowerment is intertwined with socio-political empowerment, with producers better placed to make demands of local government.</td>
</tr>
<tr>
<td>Uganda-2</td>
<td>Engagement with service providers (eg, production trials — micro-irrigation, spacing, etc.) to ensure year-round supply of potatoes for buyers; training on market chain analysis; business planning; and using local community for loans.</td>
</tr>
<tr>
<td>Uganda-3</td>
<td>Field days: brings input suppliers, processors and local government closer to the community; and provides space for discussion on key issues and community projects (eg, health centres, water sanitation projects).</td>
</tr>
</tbody>
</table>
Producers trading in informal agricultural markets in low- and middle-income countries make daily choices concerning their livelihood and marketing strategies. Different contexts present varying degrees of market power and knowledge asymmetries across value chains and trading relations. In general, however, producers face the greatest risks and downstream players reap the greater rewards.

Recent decades have seen increasing recognition of the role played by informal agricultural markets in sustaining rural livelihoods, and corresponding public policy aimed at strengthening and supporting these markets. Even so, there remains a policy bias towards formal markets, with empowerment efforts and research typically focused on formal organised value chains and formal institutions. This is despite the size of informal markets and the central role they play in smallholder livelihoods. As a result, little is understood about how to address imbalances in informal trading relations between smallholders and downstream value chain players, as well as how external actors can best support empowerment processes that will enhance producer agency.

This research — part of the Empowering Producers in Commercial Agriculture (EPIC) project — provides insights on what socio-legal empowerment (SLE) looks like for informal agricultural producers, and how it might be utilised to strengthen producer agency in relevant contexts.

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