

## Policy pointers

### Development

practitioners should recognise the importance of informal markets in providing livelihoods and food security for low-income people, and the unique opportunities for socio-legal empowerment (SLE) that lie therein.

### External actors should

not assume that formalisation is the best and only way to support SLE for small-scale producers. Understanding producers' circumstances and motivations for operating in the informal sector is key to supporting agency.

### Interventions should

build on producers' existing social capital and 'hotspots of energy', using, where possible, evidence from inclusive and participatory research to understand each context.

### Intervention design

should consider long-term sustainability beyond donor or partner support — for example, through skills transfer and regular monitoring and evaluation of the extent to which agency has been enhanced.

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

Informal economic activity is hugely important, providing food and income for some of the world's poorest people. But just as in formal trading relationships, some players in informal value chains — particularly small-scale producers — have comparatively less influence than others in the markets and the decisions that affect them. Socio-legal empowerment (SLE) that promotes producer agency (the processes by which individuals or collectives make more informed choices, take more effective action and bring about change)<sup>1</sup> has an important role to play in the informal sector. Cases from around the world, from Bolivia to Uganda, show that SLE approaches are varied and best led from the ground up. Development practitioners can support these efforts and help advance producer agency through flexible, long-term programming that understands context, nurtures existing social capital and puts producers first.

Informality is the norm for economic activity in most low- and middle-income countries. The informal sector is especially important as it provides livelihood opportunities and food security for poorer groups — and particularly women and young people. If agriculture is included, 90% of all women employed in sub-Saharan Africa are in informal employment.

As in formal markets, small-scale producers often find themselves at a disadvantage, with little control over trading arrangements and commodity prices. Meanwhile, policy is biased towards formalisation of trading arrangements, effectively ignoring the role of informal markets and the empowerment opportunities therein. Little is known about what types of producer support can empower and strengthen agency within informal sectors.

### Socio-legal empowerment and producer agency

In the context of agricultural value chains, socio-legal empowerment (SLE) is the processes through which small-scale producers can advance their vision of 'development' by making more informed choices, taking more effective action and more effectively bringing about change in value chains and public policies.

A useful framework sets out three interrelated spheres of action: (1) **understanding**, wherein producers acquire information and perform analysis to make more informed choices or influence policy actors; (2) **organising**, wherein producers develop organisational structures for collective or coordinated action; and (3) **engaging**, wherein producers engage with other actors (individually or collectively) to

## Development practitioners need to use evidence collected from meaningful, community-based research

strengthen their position relative to other value chain actors, including through policy change.<sup>1</sup>

This briefing highlights key findings from an accompanying research paper.<sup>2</sup> Using the three-part framework above, and drawing on seven 'cases' in which informal producers have sought to improve their opportunities and position in trading relations,<sup>3</sup> we illustrate what SLE looks like for producers in informal settings and

identify ways in which development practitioners can better enable SLE to promote producer agency and maximise the benefits of informality.

### Approaches to producer empowerment across the cases

The cases present examples spanning different geographies, sectors and commodities. In Bolivia, an association of producers, Indigenous Peoples and peasants enhanced their organisational capacity and conducted research to better influence policy. Producers in Cambodia and Kenya organised into groups based around produce collection centres, which allowed them to work more effectively with collectors, better access markets and meet demand. Producers in Kenya used digital tools to access price information and an app helped matched supply and demand. In Cameroon, timber traders scaled up their existing lending-based organisations and used participatory research to generate evidence with which to lobby government for change.

In a case in Uganda — without external support or intervention — *matoke* (plantain banana) farmers volunteered to be community informants, providing price information to other producers and negotiating better prices based on bulk supply. In another case in Uganda, an organised group of ware potato producers conducted a participatory study to identify new market opportunities and made organisational changes to meet the demands of a higher-value market. Also in Uganda, coffee, maize, sunflower seed, soybean and sesame producers organised into groups to work with newly recruited village agents to obtain transparent price information, bulk and sell their produce and access inputs and technical assistance.

### Understanding context, and informality's strengths and realities

Understanding to what extent and why producers choose to operate in the informal

sector is fundamental to sustaining or enhancing agency through SLE approaches. Practitioners and supporting agencies should not assume that formalising trading arrangements is the best and only option for SLE. Informal trading relationships can offer producers greater flexibility than formal arrangements and often better suit their economic realities and livelihood demands. For example, small-scale producers in informal trade have significant and urgent cash needs;<sup>4</sup> as demonstrated in the Kenya case, it is important that they receive frequent cash payments (which formal trade rarely accommodates). The success of the village agent approach in Uganda was partly due to reliable markets, which meant processors could pay village agents — and in turn, farmers — on time.

Several cases reveal the value of SLE interventions that build on producers' existing social capital and 'hotspots of energy',<sup>5</sup> such as producer associations which development practitioners can help strengthen (rather than creating unnecessary new groups). Ugandan plantain farmers scaled up existing field schools to form an association, as did '*tondines*' in Cameroon — local savings groups with an elected leader and strict membership rules (Box 1). In both cases, this helped farmers and traders improve their market performance and advocacy capacity. The Ugandan potato farmers already had many of the attributes important for positive collection action (aligned interests, interdependent relationships, shared norms, experiences and interests, and appropriate leadership). They were also clustered in small groups and were members of the local church, which further strengthened their networks.<sup>6</sup>

Understanding the broader political and economic context in which households and communities are situated is also key to effective support for SLE. In Cambodia's informal vegetable markets, the impact of SLE approaches has been hampered by competition from cheaper imported produce that is non-organic, and therefore has lower production costs. Non-governmental organisations supporting the informal producers have identified a lack of consumer demand for safe vegetables as a key constraint and producers are now trying to increase consumer awareness. Market structures in the informal sector can be particularly diffuse and complex. To fully understand barriers and enablers for SLE, development practitioners need to use evidence collected from meaningful, community-based research and context analysis, with researchers and local people participating in a process of mutual learning.<sup>7</sup> Some market factors are hard

to predict. In one of the Uganda cases, small-scale producers invested in chia production after it had shown great market potential but the market then slumped. Producers need to know the risks associated with producing for the global market and may wish to diversify their crop portfolio to manage risks.

### Enhancing producers' visibility and legitimacy through participation

Producers and rural actors should be placed at the centre of research planning and information collection. Inclusive and participatory research, communications and advocacy (both by supporting organisations and producers themselves) can aid visibility and provide legitimacy that producers need to overcome particular challenges. In Cameroon, local traders and their networks of timber harvesters collected data and undertook research, generating timely and relevant evidence that association members can bring to policy discussions. Here, and in Bolivia and in the case of the Ugandan potato farmers, participation in and co-creation of research has improved information accuracy and enhanced the capacity of producers and networks to manage their own research (Box 2). This reduces their reliance on external support and promotes the sustainability of SLE approaches. It also means that policy messages are locally owned and more likely to be seen by decision makers as legitimate. Several participatory tools are being used to facilitate inclusive research approaches — including the Farmers Advocacy Consultation Tool (Bolivia case) and the International Center for Tropical Agriculture's participatory area-based approach to agro-enterprise development (Uganda potato farmers) — and development partners should investigate their potential for broader application or adaptation.

Supporting agencies can help communities pursue policy change and enhance the legitimacy of informal actors by working with them to identify and engage with local or national government allies. In Cameroon, provincial ministry staff are helping to advance relevant topics internally and improve the experience of informal market actors. Formal or informal producer organising can often bolster policy engagement and legitimacy. It may even be a prerequisite: in Bolivia, for example, informal producers needed to establish a large, formalised institution to acquire the necessary legitimacy (and arguably resources) to propose and lobby for policy change. In informal sectors, lobbying and policy influence may be more achievable and effective at the local level, and large-scale or

### Box 1. Joining forces to give timber traders a louder voice in policy (Cameroon)

In Cameroon, the Association Nationale du Collectif des Vendeurs et Assimilés de Bois (ANCOVA) began with groups of timber market traders at the city level. The groups, which each consisted of 100–500 traders, were already formed as *'tontines'*. To strengthen their voice and influence on national policies related to high-profile initiatives, such as the EU's Forest Law Enforcement, Governance and Trade programme (which aimed to combat illegal logging), these groups joined forces with groups in other districts to form a national association. This was supported by the Center for International Forestry Research.

formal organisation may not be needed. But it is worth noting that marginalised groups may benefit from additional support (external or from within) to identify advocacy priorities and be heard by policymakers at all levels.

### Aligning rural actors' interests

Traders, brokers and downstream buyers may have a conflict of interest with farmers over the distribution of surpluses along the commodity chain.<sup>8</sup> But these intermediaries can be central in linking farmers or harvesters to markets; as in the cases of Cameroon and Cambodia. It is therefore important to identify opportunities to align producers' and intermediaries' incentives (rather than circumvent traders, as many development interventions often attempt to do). In Cambodia, collectors (who collect produce from disparate farmers to send to cities and district and provincial markets) were having to travel long distances. They had high transport costs and had to negotiate hard with buyers to make a profit. By bringing groups of farmers together and bulking produce at collection centres, transaction costs were reduced, and collectors had larger and more consistent volumes. This gave collectors greater negotiating power and incentivised them to work more collaboratively with producers.

### Box 2. Participatory research to understand markets and inform producers' decision making (Uganda)

The International Center for Tropical Agriculture and the Nyabyumba United Farmers Group in Uganda undertook a participatory market study to evaluate marketing opportunities for ware potatoes. The process involved identifying different market channels (eg local markets, Kampala wholesale market, small shops and higher-value outlets like restaurants), gathering information on buying conditions (eg price and quality requirements) and determining buyer interest in purchasing from the group. With this information, farmers worked with the team to develop a production and marketing plan, which they also discussed with buyers. The group drew up a purchase agreement that specified, among other things, volume, frequency of supply, quality and terms of payment, undertook a profitability analysis and developed an implementation plan. The work informed producers' decisions on what to grow, better aligning supply and demand, and ultimately increased farmers' revenues.<sup>6</sup>

It is also important for small-scale producers to develop or access effective, locally relevant accountability mechanisms so that they can better promote and protect their interests. For example, in the Kenya case, farmers see produce being harvested, washed and weighed using electronic scales and sign off on purchase receipts to ensure they are not cheated. Where traders are embedded in the community, social and community pressure can also help ensure accountability. In the Ugandan village agent approach, existing farmers or community members become the agents, rather than having external brokers who appear only at harvest time. Because they are part of the community, they can be held to account if they provide poor quality inputs. These agents also serve a dual role of buyer/trader and input supplier, meaning they are incentivised to maintain good relationships with client farmers by ensuring higher prices *and* good quality inputs.

### Developing skills and building resources to sustain agency

When designing interventions to support SLE, donors and supporting agencies should consider long-term sustainability, in anticipation of their withdrawal. This can be done through a transfer of skills — particularly in research (as already discussed in the Cameroon case), marketing and business management. Agronomic skills are also inevitably important: the Ugandan potato producers improved the storage life of their potatoes by adopting new harvesting techniques. Successful SLE-related interventions have measured the transfer of skills, as well as changes in income, as part of monitoring and evaluation efforts.

Investments in physical infrastructure, such as stores and collection centres (in the cases of

Cambodia, Kenya and Ugandan plantain farmers), have also been key to developing stronger negotiating positions, allowing producers to bulk commodities and reduce post-harvest losses, thereby improving quality and volume. Supporting agencies can help producers to access information and communication technologies, based on what is suitable and accessible in producers' own contexts. These technologies can help reduce producers' reliance on external organisations for information, and may be particularly important for women, who benefit over-proportionally from mobile phone technologies.<sup>9</sup> Ugandan potato producers use mobile phones to find new buyers and get price information; in Kenya and Cambodia, they use electronic price information boards. In the Kenya case, producers also use sophisticated data management tools and applications that capture production and marketing intelligence to match supply and demand.

Access to finance, either supported by external agencies or driven by producers can be a key enabler in advancing producer agency. In most of the cases, access to formal sources of finance or investment was limited, but alternative sources did contribute to progress in various SLE efforts. The Ugandan Nyabyumba United Farmers Group established a savings and credit cooperative. This not only helped members meet their household needs as they waited for payment for their produce (thereby ensuring the viability of their trading relationships), but also improved members' financial skills and helped strengthen their 'organising' by building social bonding and trust among the group.<sup>10</sup>

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## Knowledge Products

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## Notes

<sup>1</sup> Cotula, L, Polack, E, Berger, T and Schwartz, B (2019) Rural producer agency and agricultural value chains: What role for socio-legal empowerment? IIED, London. [pubs.iied.org/12607IIED](http://pubs.iied.org/12607IIED). This research was conducted as part of the Empowering Producers in Commercial agriculture (EPIC) project ([www.iied.org/empowering-producers-commercial-agriculture-epic](http://www.iied.org/empowering-producers-commercial-agriculture-epic)). / <sup>2</sup> Blackmore, E, Polack, E and Berger, T (2020) Socio-legal empowerment and agency of small-scale farmers in informal markets. IIED, London. [pubs.iied.org/12608IIED](http://pubs.iied.org/12608IIED) / <sup>3</sup> For more about the cases and the SLE approaches taken in each, see the research report (note 2). / <sup>4</sup> Kabwe, S, Mutambara, J, Mujeyi, K, Blackmore, E, Vorley, B and Weng, X (2018) Contract farming and informality: drivers and governance responses in Zambia and Zimbabwe. IIED, London. [pubs.iied.org/17617IIED](http://pubs.iied.org/17617IIED) / <sup>5</sup> Vorley, B, Guarin, A, de Toma, C and Mechielsen, F (2020) Agency and advocacy in the food systems of the majority: Food for thought from the 'Sustainable Diets for All' programme. IIED, London. [pubs.iied.org/16667IIED](http://pubs.iied.org/16667IIED) / <sup>6</sup> Kaganzi, E, Ferris, S, Barhma, J and Abenakyo, A (2009) Sustaining linkages to high value markets through collective action in Uganda. *Food Policy* 34(1) 23–30. / <sup>7</sup> Wu, B (30 October 2014) Embedding research in local contexts: local knowledge, stakeholders' participation and fieldwork design. Field Research Method Lab at LSE. <http://tinyurl.com/y5e6zxtw> / <sup>8</sup> Markelova, H, Meizen-Dick, H, Hellin, J and Dohrn, S (2009) Collective action for smallholder market access. *Food Policy* 34(1) 1–7. / <sup>9</sup> Trendow, NM, Varas, S and Zeng, M (2019) Digital technologies in agriculture and rural areas: status report. FAO, Rome. / <sup>10</sup> Aliguma, L, Magala, D and Lwasa, S (2007) Uganda: Connecting small-scale producers to markets: The case of the Nyabyumba United Farmers Group in Kabale district. Innovative Practice series. Uganda Agricultural Economics Association.

