

SMALL-SCALE PRODUCER AGENCY IN THE GLOBALISED MARKET

A Global Learning Network at work

RESHAPING THE DEBATE

Globalisation and particularly the food crises of 2007-2008 and 2010-11 have renewed interest in agriculture and small-scale producers. Much of this interest has focused on connecting producers to markets. Governments, donors and the development community at large, as well as many in the private sector, have embraced the “pro-poor market” concept with the expectation that, through market inclusion, small-scale producers can survive and even prosper in the face of the major changes in agriculture and food markets that globalisation has ushered in.

In this new agenda, small-scale producers are being described as: key to reducing rural poverty and achieving the Millennium Development Goals; a pillar of global food security; a source of increased supply for agribusiness, and a new market for seeds and other inputs; stewards of biodiversity; part of the solution to climate change; and, beneficiaries of business, NGO and donor programmes for ‘inclusive business’ and ‘making markets work for the poor’.

A new **Global Learning Network** has been established to critically reflect on this agenda. The network provides a space that combines action research and learning on some of the critical challenges that small-scale producers are facing

in globalised markets. How do small-scale producers make good choices in the face of the new opportunities and risks associated with these powerful external agendas? How can they build the capacities to act on those choices – in other words, their **agency**? Has producer agency been overlooked in the push to ‘link them to markets’? How are producers engaging with pro-poor market interventions and how are they trying to get better deals? The network is a central pillar of the Knowledge Programme ‘Small producer agency in the globalised market’.

The Network was convened in April 2010 following regional processes during the preceding nine months. It brings together leaders and practitioners from the worlds of academia, farming and agribusiness, from Latin America, Asia and Africa, bringing added value through the sharing of insights across roles and regions. The Network has organised its work around three major themes. The intention is to bring new insights to reshape the debate by producing, integrating and disseminating knowledge on each of these three themes, through the lens of producers’ agency. This requires challenging our own ideas, assumptions and actions.

Regional and bilateral trade agreements are playing a major role in organising and regulating agriculture and setting the



Find out more at: www.iied.org/sustainable-markets/key-issues/market-governance/small-producer-agency-globalised-market, www.hivos.net/Hivos-Knowledge-Programme/Themes/Small-Producer-Agency, www.mainumby.org.bo/investigaciones/pequenos-productores-y-mercados/

Three global themes

1 Policies, regional trade agreements, and small producers' agency

objectives for the food and agriculture sector. Regional economic and/or political blocs are negotiating free trade agreements with individual countries or with other regional blocs, such as CAFTA in Central America with the European Union, and China with ASEAN in Asia. And the trend is growing fast.

The opening-up of trade presents opportunities for exports but also brings risks of losing domestic markets through competition from imports. Impacts differ depending on farm size, location and produce. The research on this theme will explore national policies and regional trade agreements in Africa, Latin America and Asia, policies and their domestic implementation to the benefit of small-scale producers.

Key questions to be addressed:

- **What are the new policies that foster or impede smallholder agency in competing in the regional and national arenas?**
- **How do these regional policies support or clash with national and/or existing regional policies or programmes?**
- **What space do smallholder organisations occupy in the policy-making process?**

In the last decade one of the major factors in reshaping food markets has been the expansion of value chains linking

2 Public and private institutional arrangements that promote small-scale producers' agency in their economic organisations and value chains

farmers to high-value national or international markets under different modalities and the intervention of new actors. Small-scale producers and their economic organisations have had to reposition themselves to deal with new requests and pressures from new markets, investors, standards and certifications, and other external actors.

This research will look at how small-scale producers have improved their agency in order to get better deals, and how they have improved their resilience in the face of market volatility and uncertainties. Through a series of case studies on the 'roots of agency', it will look at different institutional arrangements that have or have not worked for them. Sub-national policies through decentralisation processes will also be analysed.

Key questions to be addressed:

- **What institutional arrangements in cooperatives, producer associations and value chains are being promoted, reshaped and/or contested to enable small-scale producers to compete?**
- **Who are the new actors mediating between small-scale producers and markets, and what is their role in strengthening farmers' agency?**
- **What factors ensure sustainability in entering and succeeding in new markets once support institutions withdraw?**
- **How do support institutions design and implement their exit strategy?**

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3 The 'other markets': informality, economic rationalities and smallholder agency

Investment by governments, donors and businesses over the past two decades to 'make markets work for the poor', linking small-scale producers to modern high value markets, has diverted attention from the 'markets of the poor'. Domestic markets for low-income consumers and international markets for higher income consumers, whether for bulk products or exotic speciality products, are the markets for the majority of smallholders.

This research will look at markets based on informality and social networks in a globalised environment where small-scale producers are exercising their agency, and at the policies and public-private arrangements that are accompanying – or hampering – these initiatives. The concept of the 'market' has always formed part of society, and continues to do so in many different ways. Family-, ethnic- and culture-based initiatives have developed strategies to enter and succeed in markets that work for them under their own economic rationalities. Migration, remittances, decentralised governmental policies and donors' objectives of fighting poverty all contribute to linking rural to urban development, and local to national and international spaces. In the wake of the food crisis 'informality' appears to be growing, and the costs of formalisation appear even higher in a context of price volatility and uncertainty. Smallholder entrepreneurship is combining formal and informal policies and strategies that allow them to compete and enter formal and informal markets in a different way, locally, regionally and even internationally.

Key questions to be addressed:

- **How are small-scale producers affected by and how can they take advantage of growing urbanisation and the expansion of domestic markets - be they traditional open-air markets or modern supermarkets?**
- **How do informal and family/culture-based networks deal with new regulations to compete in national and international markets?**
- **What is the potential of 'geographic indication' products for small-scale producers in domestic and international markets?**
- **What enables or impedes formalisation of production and trading relationships? Does it work for small-scale producers? Under what conditions could it work?**

HOW THE NETWORK WORKS

Supported by IIED and Hivos, the Global Learning Network is led from Bolivia, and works in English and Spanish.

The Network was conceived as an open group welcoming all those wishing to bring new and challenging insights to the debate and exchange knowledge from a theoretical or a practical point of view. The research focuses on creating processes of reflection between academics, practitioners and businesses as much as it does on producing information products. Research here is understood as knowledge production, integration and dissemination, as a learning process in which participants not only challenge others' ideas and practices but in which they also reflect on their own contribution to and impact on small-scale producers' agency.

The main activities of the network are built around an agreed workplan: action research; convening national, regional and global events; producing video material; participating in a series of Provocative Seminars organised by the Knowledge Programme; and undertaking learning journeys.

Small-scale producers and agriculture are under the spotlight following the latest food crisis. The Learning Network invites all innovative thinkers and practitioners to contribute to reshaping this debate. Don't hesitate to contact us.

Further information
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The Network



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Mainumby Ñakurutú,

Director and Learning Network Convener.



Based in Bolivia, the Mainumby Ñakurutú Research Centre main objectives are:

- To consolidate a broad-based, flexible space for people from different walks of life and age groups to come together in research-based discussion forums, which seek to influence public policy formulation and implementation processes.
- Provide a sustainable platform that acts as a repository, channel and disseminator of accumulated experiences.
- Support the productive development of small-scale rural and urban producers.

As Learning Network Convenor, Diego has the global responsibility of facilitating the interaction among all the KN participants, ensuring a global perspective of the network. Together with IIED and HIVOS he develops and implements the Learning Network work plan; ensures the effective management and communication of the programme; ensures linkage with other related initiatives; bridges individuals and organisations across boundaries of culture, profession and others; ensures production of joint outputs and is part of the steering committee together with IIED and HIVOS.



Morrison Rwakakamba

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Previously worked for the Uganda National Chamber of Commerce and Industry and the Uganda National Farmers Federation.

In the Learning Network Morrison is working on two studies:

- Uganda and smallholder farmers' interaction with national and regional policies: examining the dilemma of farmer extension services policy and farmers access to gainful regional markets.
- Agency power: two groups running two enterprises. The story of Kumi and Busia Farmers' Associations' quest for rewarding and sustainable markets.



Caecilia Afra Widyastuti

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Former Senior Program Officer in Swisscontact and from 1 April 2011 will be working as an individual business development consultant providing services for small producers to enter markets.

For the Learning Network, from her experience as a practitioner, Caecilia will document how small-scale farmers' agency was strengthened and how they shifted from an advocacy organisation to a market organisation. The study will also examine the role of standards and certification, and the challenges smallholders face in dealing with them.



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Center for Agrifood Policy and Agribusiness Studies Padjadjaran University

Working on research specifically to improve food security for all and increase the welfare of small farmers in the more globalised market. In the Learning Network he works on three research projects:

- Business strategy of modern retail in response to ASEAN-China FTA regional free trade agreement
- Roots of agency: aggregating volume and technology, best practices of small producer agency development in the face of globalised markets
- The role of intermediaries in dynamic change in food market restructuring.



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Mesoamerican Information Service on Sustainable Agriculture (SIMAS)

SIMAS is a non-profit-making civil society association based in Managua, Nicaragua.

As a part of the Learning Network, SIMAS is carrying out studies in Nicaragua with a focus on small-scale farmers' agency, namely: influence of public policies and trade agreements; institutional arrangements and their impact on cocoa and fresh vegetable producers; farmers' markets and value chains.

The Network



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Rimisp – Centro

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Desarrollo Rural, Principal Researcher and Programme Coordinator 'Territorial Rural Development with Cultural Identity'.

In Rimisp, together with a large network of partners in Latin America but also outside the region, Claudia works particularly in territorial development processes which are based on valuing bio cultural diversities, under four perspectives:

- Action research
- Support to territorial strategies based on public-private partnerships
- Capacity building
- Platforms to influence public action.

In the Learning Network she is leading a study on 'Small-scale producers, products and services with cultural identity: the value of difference in globalised markets'. This work is being done on Argentina, Bolivia and Peru.



Mainza Mugoya

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Eastern Africa Farmers' Federation,
Programme Officer for Policy and Advocacy.

Mainza is based in Nairobi, Kenya. His main role is to lead the policy agenda for the organisation, through the implementation of various regional projects and programmes.

As a Learning Network member, he will focus on two broad areas:

- The policy-making processes at the regional level with specific reference to the Common Market for Eastern and Southern Africa (COMESA), and opportunities for small producers to engage in these processes.
- A policy for cooperatives in the region, by studying several model cooperative societies from selected countries.



Sanjeev Asthana

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National Skills Foundation of India, Founder and Chairman

NSFI is a not-for-profit foundation, focusing on skills development of youth in diverse sectors such as logistics, warehousing agriculture, rural distribution, retail and hospitality. Sanjeev is also on the Board of Directors of Ruchi Soya Industries Ltd, Ruchi Infrastructure Ltd and NCDEX Spot Exchange Ltd. Prior

to this, he was President and Chief Executive of Agribusiness and Food supply of Reliance Retail, a "farm to fork" agriculture supply chain business. Previously he was a member of the Board of Directors of Cargill (India) and Head of the company's grains and oil seeds business, the Country Head of ITC Global Holdings in Indonesia and Romania, and Head of the Food and Agribusiness Division of Britannia Industries. Sanjeev is currently a member of two National Committees, namely the Planning Commission of India and Group on Agriculture Marketing Reforms of the National Development Council.

As a member of the Learning Network, Sanjeev's present studies are centred on the following three themes:

- The macro picture of small-scale farmers in India; macro analysis of small farmers; Indian policy making
- Generation of new knowledge and improved debate on regional trade agreements and small producers' agency
- Generation of new knowledge and improved debate on policies that promote small producer agency in economic organisations and value chains.



Alberto Monterroso

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**Organización para la Promoción
Comercial y la Investigación
(OPCION), Director**



This non-governmental organisation works on rural development and the strengthening of organisational, productive and commercial capacities of small-scale farmers in Guatemala and Central America. It supports processes of certification that allow farmers to access markets such as hotels, restaurants and supermarket chains. It also provides advice to farmers' organisations on how to interact and negotiate with the government and other actors in Guatemala.

Alberto is the President of Comercializadora Aj Ticonel, a company that produces, packages and exports vegetables to the Central American, USA and European markets. Some time ago he founded and was the President of the Asociación Gremial del Empresariado Rural (AGER), an initiative which integrates rural entrepreneurs, farmers' associations and cooperatives.

In the Learning Network Alberto is working on 'Small-scale producers: competitiveness and participation in free trade negotiation processes in Guatemala, El Salvador and Costa Rica'.



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Kabarole Research and Resource Centre (KRC), Deputy Director and Head of programmes.

The Network

KRC is an indigenous non-governmental organisation that operates in the Rwenzori sub-region of Western Uganda.

In the Learning Network Mohammed is working on three studies:

- Policy and small producers: the role of small producers in the policy making process in Uganda. What are the challenges for small producers in the new East African Common Market (EACM) in relation to the COMESA bloc?
- Small producer organisations and agency: the role of small producer organisations in improving market access for small producers in Uganda? A case study of Nyakatonzi Cooperative Union and Bukonzo Joint Farmers Cooperative.
- Informality and formality of cross border trade: the opportunities and limitations of cross border trade in improving market access for small producers. A case study of Western Uganda COMESA and EACM.



Srikantha Shenoy TV

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Initiatives for Development Foundation (IDF), Founder and Executive Trustee

Srikantha with his colleagues founded Gramya TS Private Ltd, a marketing enterprise of small producers; IDF FSPL, a community owned micro finance institution; and S2S, a management consultancy firm in developmental sector. In the organisation he is leading innovations in small producers organisations, financial inclusion, sustainable livelihoods, farming and non conventional energy sector. He is also a practicing farmer, developing a biodiversified farm and was a developmental banker.

As a Learning Network member, Srikantha is focusing on action research on policies, programmes and delivery of financial services by private financiers, credit suppliers, microfinance institutions, credit cooperatives and public sector banks in all phases of production and business cycle. He is looking at how they enable or restrict small-scale producer agency with live cases of cooperatives and farmers collectives in select value chains of crops, having bearing on large number of small producers.



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Kabarole Research and Resource Centre (KRC), Head of Farmer Enterprise Development Unit.

KRC is an indigenous non-governmental organisation that operates in the Rwenzori sub-region of Western Uganda.

In the Learning Network Bihunirwa is working on three studies:

- Policy and small producers: the role of small-scale producers in the policy making process in Uganda. What are the challenges for small-scale producers in the new East African Common Market

(EACM) in relation to the COMESA bloc?

- Small producer organisations and agency: the role of small producer organisations in improving market access for small-scale producers in Uganda? A case study of Nyakatonzi Cooperative Union and Bukonzo Joint Farmers Cooperative.
- Informality and formality of cross border trade: the opportunities and limitations of cross border trade in improving market access for small producers. A case study of Western Uganda COMESA and EACM.

Luis Galleguillos

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Audita Consulting, Director

In the Learning Network Luis works on:

- State approach and processes, and the structure and functioning of the government in the development and implementation of public policies: the case of the Plurinational State of Bolivia.
- The proactive involvement of small-scale producers in the design and implementation of public policies: the case of the Plurinational State of Bolivia.



Lorenzo Castillo

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Junta Nacional del Café, Manager

In the Learning Network Lorenzo works on:

- Building strategic alliances for small-scale producer empowerment and access to regional and globalised markets and defence of the associative model as the key to development
- The building of alliances
- The cooperative model.

Henry Kinyua

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Technoserve, Deputy Regional Manager: East African Fruits Project

In the Learning Network Henry works on:

- Understanding the path in order to unlock the value: value chain analysis for income generation
- Case studies on the roots of agency: mango and passion fruit value chains.