

Quitting the Race to the Bottom?
Small Farmer Empowerment in Alternative Banana Trade
in the Philippines

Renee Tila

14th Next-Generation Global Workshop

September 15, 2021

1. Introduction

Bananas are among the most consumed fruit in the world. Its global production and consumption trend is projected to reach 136 million tons by 2025 (Intelligence 2021). Despite the predicted increase in demand, producing bananas has become a race to the bottom, threatening farmers' livelihood (Voorra, Larrea, and Bermudez 2020). The race to the bottom observed in the international banana trade is the manifestation of Multinational companies' (MNC) control in the global banana supply chains. ¹ MNCs have made price the main competitive factor for capturing market share, thus putting pressure on competing retailers to cut banana prices to attract consumers. Small farmers who cannot compete with cheap bananas continue to be squeezed out of the market (Parker, Harrison, and Catering 2004). Since 1999, the price war among banana exporting countries has adversely affected the livelihoods of around 50,000 small- and medium-scale producers (EUROBAN 2006).

Inspired by the struggles of small banana farmers in the Philippines and the race to the bottom issue, this paper aims to understand if and how the involvement of small farmers in different trading relationships empowers them. Empowerment is the accumulation of social, political, and psychological capacity that enables the dis-empowered to help themselves (Friedmann 1996, 162). Using Friedmann's empowerment criteria (1996) and Dorward's livelihood strategies (2009) to frame the analysis of small banana farmers' empowerment in conventional and alternative banana trade systems in the Philippines, this paper shall answer the following questions:

1. What happens to a small farmer's social, political, psychological capacities when they engage in alternative or conventional banana trade?
2. How do small farmers' social, political, psychological capacities influence their livelihood strategies?

Qualitative data for this study is from two existing case studies and semi-structured interviews with one trade partner and eleven small farmers. The interviews were carried out in April-June 2021 during the COVID-19 travel restrictions. Essentially, the initial inter-

1. Five banana exporting companies – Chiquita, Dole, Del Monte, Noboa, and Fyffes collectively control 75 percent of the international banana trade.

views with trade partners and producer organizations were conducted online via Zoom, then a commissioned local field researcher carried out the interviews with small farmers in person. The interview subjects were selected based on their accessibility and availability to establish communications remotely. There was difficulty gathering interviews from actors involved, particularly the trade partner and producer organization from the alternative marketing sector. Therefore, the analysis of the trade relationship will be based mainly on the case study by Sekine (2017), whose field research was conducted in 2014.

1.1. Background

The Philippines is the second top global banana exporter and the primary supplier in the Japanese market. Approximately 37.3 percent of Philippine bananas, valued at US \$562 million, are exported to Japan under the global brands of Dole, Del Monte, Chiquita, and Sumitomo (Santiago 2021). The production of bananas in the Philippines is concentrated in the island of Mindanao, where MNCs operate on plantations through growership or contract farming with small farmers. Small farmers produce bananas either as (1) Individual Contract Growers, (2) Individual Non-Contract Growers, (3) Cooperative Non-Contract Growers, or (4) Cooperative Contract Growers. Small farmers who are not associated with MNCs suffer from inefficient cost structures and unequal access to logistic facilities, adversely affecting their livelihoods. Individual non-contract growers incur higher logistics costs such as co-loading fees and additional hustling fees to use the MNCs' facilities and chartered vessels. Cooperatives under contract with MNCs have relatively higher profitability due to lower production and logistics costs (NAPP 2020). However, OXFAM's Ripe for Change report ² reveals how representatives of MNCs lured farmers into signing contracts and led farmers to incur massive debt. The financial schemes and unfavorable terms ³ written into the contracts make small farmers utterly dependent on the buyers. Unfortunately, the government has failed to effectively regulate the contracts and empower

2. Published in 2018, this report exposes the root causes behind human suffering in food supply chains and to mobilize the power of people around the world to help end it. Source: (Willoughby and Gore 2018)

3. Permit the buyer to impose a set price on the bananas, regardless of production costs and actual market rates, allow for increases in production costs without the farmers' approval, and enable contractual restrictions on property rights that prevent farmers from planting other crops for additional income.

farmers to negotiate their terms from a position of strength (OXFAM 2018). This results in “dis-empowerment” where “the process create/exacerbate a sense of powerlessness, alienation, or helplessness is taking place” (Hölscher et al. 2019, 3). Dis-empowerment may also present “a paradoxical effect that occurs through a new dependency relation” (Hardy and Leiba-O’Sullivan 1998, 469).

In response to the well documented unfair practices of MNCs and unsustainable production methods of the conventional system, civil society organizations and consumer groups in Japan such as the Pacific Asia Resource Centre (PARC)⁴, Alter Trade Japan (ATJ)⁵, and Alternative People’s Linkage in Asia (APLA)⁶ jointly launched a campaign for “Ethical Bananas” to promote environmental protection and social justice for the Filipino farmers (Lievens 2018). ATJ and its partner groups have set up a unique fair trade system for bananas through People-to-People (P-to-P) trade. This social movement sought to facilitate sustainable livelihoods for small banana farmers (Gee 2000). P-to-P trade directly takes an interest in producers’ production and welfare programs and emphasizes the face-to-face interaction between producers and consumers. Thereby facilitating the cooperation between producers, NGOs, and environmental and human rights defenders to secure small farmers’ livelihoods (Cabilo 2009). They have been advocating for consumer awareness of the adverse effects of conventional banana production and the actual conditions of small farmers in plantations (ATJ 2018). However, its merits as a form of resistance to the conventional trade system are limited since the banana production, distribution, and consumption remains market-based and in direct competition with mainstream MNC produced bananas (Sekine 2017). Nevertheless, the alternative trade initiative is about changing the unequal relationship between primary producers and the market.

4. PARC is a non-profit organization committed to international social and economic justice. Established in 1973, PARC has been working with a variety of people’s movements in Japan to facilitate the development of solidarity links with people in countries mainly in the Asian Pacific region. Source: <http://parc-jp.org/english/>

5. ATJ is a grassroots trading company established in 1987. It was jointly funded by co-ops, organic agricultural product sales groups, and citizen groups to create “alternative” social structures and relationships through trade that connects production and consumption. Source: <https://altertrade.jp/aboutus/history>

6. APLA is a non-profit organization established in 2008 that aims for “regional independence centered on agriculture. Source: <https://www.apla.jp/aboutus>

2. Conceptual Framework

Alternative trade initiatives advocate for the development of the poor and marginalized (Barrientos and Dolan 2012). One characteristic of the poor is powerlessness due to the ignorance of their rights in the face of exploitation by the elites and the lack of access to legal advice and employment opportunities, which reduce their capacity to bargain effectively (Robert 1983, 104). Poverty is defined as the lack of access to options and entitlement; thus, impoverishment limits the livelihood options for the poor (Titi, Singh, et al. 1995, 2). Empowerment in the development perspective means dealing with issues related to access to internal and external power, powerlessness and social change. Therefore requires developing coping and adaptive strategies based on the extent of the presence or absence of empowerment elements, such as access to knowledge and skills, access to income, assets, and credit facilities, and access to entitlements over land (4). As such, Friedmann views empowerment as the accumulation of social, political, and psychological power in the form of capacity that enables the dis-empowered to help themselves (Friedmann 1996, 162).

2.1. Empowerment

Social Capacity

According to Friedmann's empowerment model, small farmers need access to bases of social power to maintain their livelihoods. The combination of bases accessible for them determines the overall quality of the livelihood resources at their disposal. In general, small farmers prioritize access to resources and secure their struggle for land, followed by acquiring financial resources, developing knowledge and skills, and participating in community-based organizations. Therefore, gaining access to resources is essential in establishing small farmers' social capacity.

Political Capacity

In addition to the bases of social power, Friedmann adds the "rights to livelihood". He argues that the right to livelihood honors the rights of citizens to access the resources that offer support for the struggles for livelihoods. The Magna Carta of Small Farmers recog-

nizes small farmers' rights⁷ outlined in the Philippine Republic Act 7607. The act declares that smallholders are to be regarded as equal partners in development. Therefore, they should be wholly supported in their economic endeavors. Friedmann argues that the disempowered must take the initiative to claim their rights to resources by using the voices of the poor to be heard in democratic deliberations through organizations of their own. This argument resonates with Bornemann and Weiland 2019, who define political power as related to democratic principles, such as participation, deliberation, and representation. Hussein 2001 argues that being part of a producer's organization enables small farmers to collaborate with policymakers, development organizations, and service providers, thus, empowering its members. Empowerment enables producer groups to develop their objectives and dynamics, gain access to financing activities, and gain the power to request or demand agricultural services that are appropriate to their needs. This means that small farmers are taking control of the development process

Psychological Capacity

Friedmann defines psychological empowerment as "a consequence of participating in collective action and in gaining greater control over the means of one's livelihood." Carney suggests that collectively working together enables small farmers to identify each other's needs, consolidate demand, aggregate economic power, and address market failures. Collective action may induce small farmers' empowerment. However, it depends on the concrete collective activities pursued. Sekine 2015 suggests that gaining the power to establish independence and self-determination is essential to improving the position of small banana farmers in trade relations to sustain their livelihoods.

7. The small farmers' rights are categorized as follows: be supported by price program, be ensured with the market, be covered with social security, avail themselves of a credit system, avail themselves of farm inputs, be heard and represented in the government, be updated on market price and demands, policies and farming practices, benefit from natural resources, be able to assume processing and marketing functions, be able to pursue educational and skills development, and avail themselves of technical assistance. Source: (Catacutan and Duque-Piñon 2009)

2.2. Sustainable Livelihoods

Scoones 2009 states, “a livelihood comprises the capabilities, assets, and activities required for a means of living”, and “all livelihoods, resources, strategies, and outcomes are influenced by the forces of globalization and the power of MNCs in terms of trading relationships, including the patterns of ownership of land, labor, and capital” (175). Thus, sustainable livelihoods can be achieved when disempowered communities have the capacity to deal with the socio-political changes that affect their livelihoods . Dorward argues that small farmers face technical, institutional, and market opportunities and constraints to livelihood. Addressing these opportunities and constraints depends upon access to assets and the social, economic, and natural environment. These elements constitute small farmers’ livelihood strategies which can be categorized as hanging in, stepping up, and stepping out. These livelihood dynamics show how small farmers are forging alternative livelihood outcomes.

1. **Hanging in:** the capacities held and activities farmers engage in are directed towards maintaining the existing livelihood levels
2. **Stepping up:** the capacities held and activities farmers engage in are directed towards expanding livelihood activities to improve livelihoods.
3. **Stepping out:**the capacities held and activities farmers engage in are directed towards moving into different activities with initial investment requirements leading to higher or more stable returns.

2.3. Empowerment Criteria

Using the key concepts from Friedmann (1996) and Dorward (2009), Figure 1 illustrates the empowerment criteria used to analyze small farmer empowerment. Small farmers’ capacities are defined as social - the ability to access resources and capacity-building activities; political - the ability to express voice and exercise rights; and psychological - the ability to demonstrate collective action and self-determination.

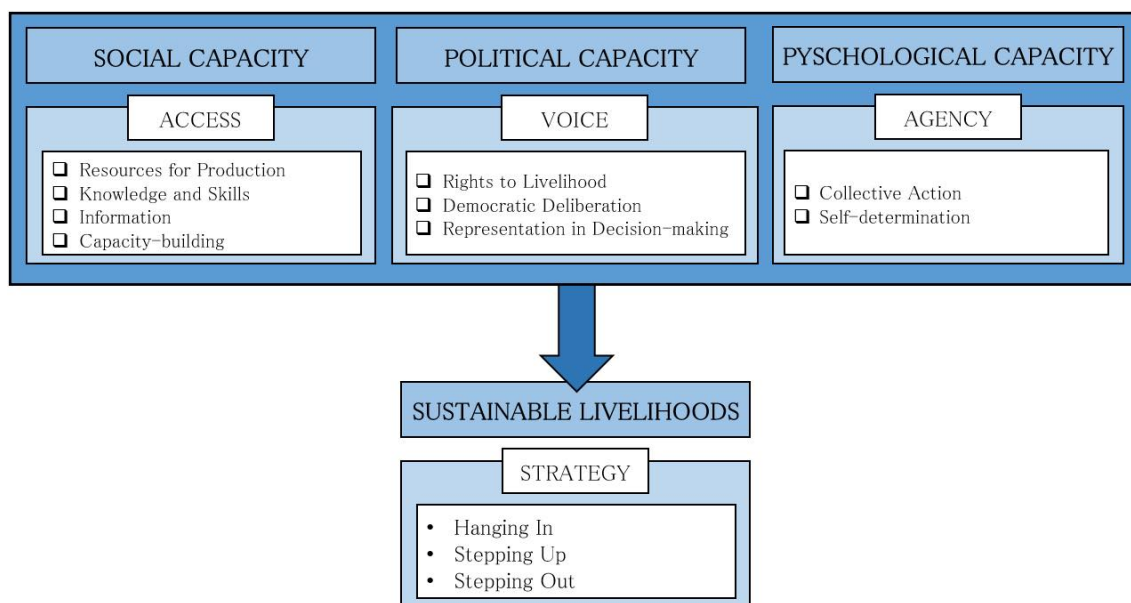


Figure 1. Empowerment Criteria

Source: Based on the author's elaboration

3. The Impact of Trading Relationships on Small Farmer Livelihoods: Case Studies

3.1. Trade Relationships in Conventional and Alternative Banana Trade

This section provides an overview of the trading relationships in conventional and alternative trade. The information presented in this section is based on data from existing case studies and the findings collected from the interviews carried out from April – June 2021. The interview subjects are presented in Table 1.

Table 1. Interview Subjects

Trade Relationship	Trade Partner	Producer Organization	Product
Conventional	Dole - Stanfilco	Maragusan Growers Multi-Purpose Cooperative (MAGROW MPC)	Cavendish banana
Alternative	Don Bosco Foundation for Sustainable Development (DBFSD)	Arakan Organic Banana Growers Multipurpose Cooperative	Balangon banana

3.1.1. Conventional Banana Trade: Cavendish Banana

The Cavendish banana value chain is characterized by growing arrangements between banana cooperatives or family-owners of banana plantations with MNCs as their business counterparts, as illustrated in Figure 2. Small farmers are engaged in the conventional banana trade through their cooperatives, such as Maragusan Dole Banana Growers Multi-Purpose Cooperative (MAGROW) banana growers.

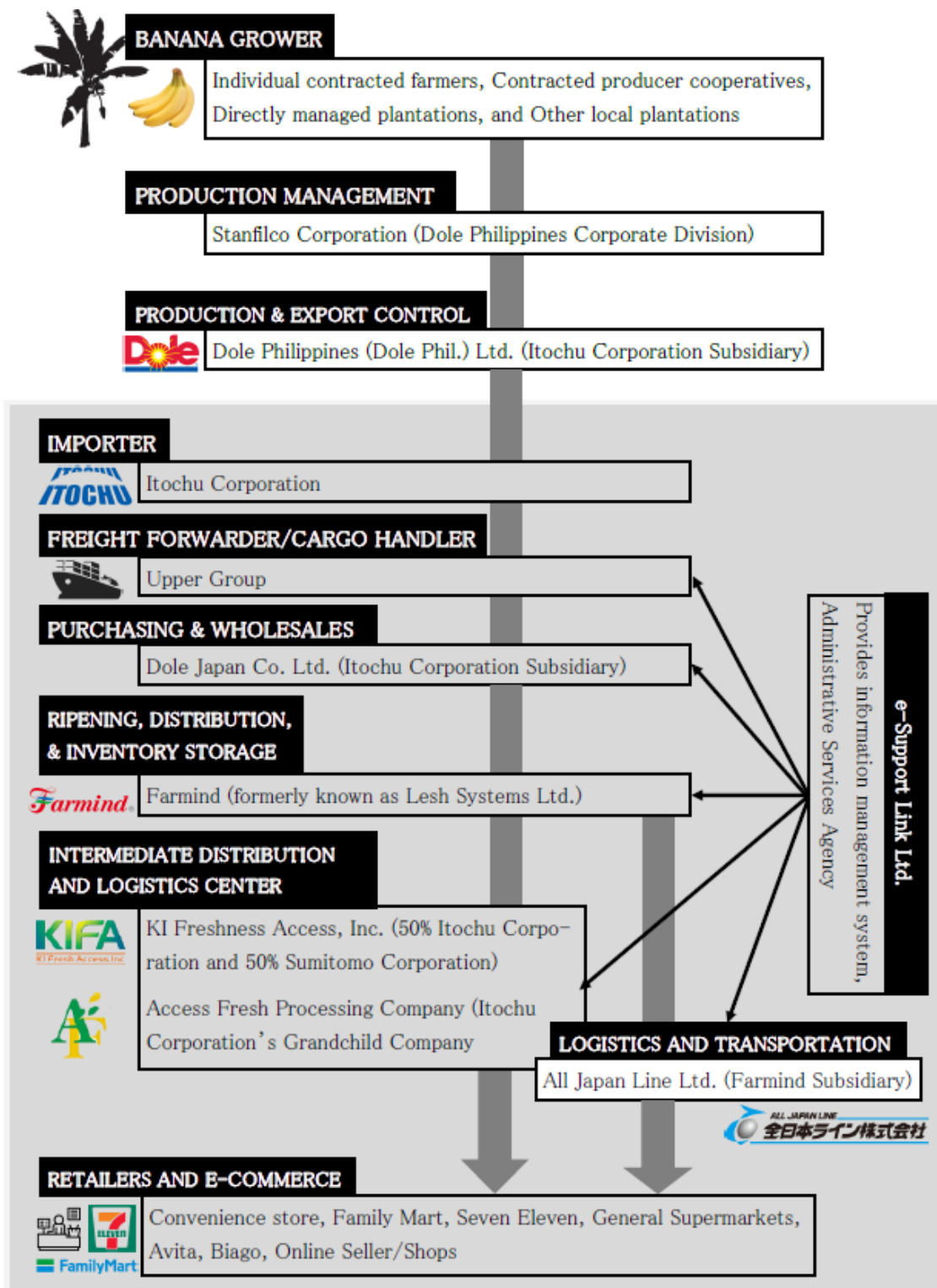


Figure 2. Cavendish banana supply chain under DOLE
Source: Translated from Ishii et al. 2020, "Summary of Itochu banana supply chain", *The Bitter Reality of Sweet Bananas*, p.296

Maragusan Dole Banana Growers Multi-Purpose Cooperative

Maragusan Dole Banana Growers Multi-Purpose Cooperative (MAGROW) was established on February 14, 1994, with 79 banana growers. They have been growing Cavendish bananas under the DOLE brand since 1994 based on a Memorandum of Agreement (MOA).⁸ In September 2001, the land reform changes prompted the MOA revision to a Banana Production and Purchase Agreement (BPPA).⁹ The cooperative maintains ten business centers serving over 3,000 members and employs over 50 staff members. MAGROW views its relationship with DOLE-Stanfilco and farmer members as a business partnership, as illustrated in Figure 3. In terms of the banana trade, they can negotiate with DOLE-Stanfilco as a group.

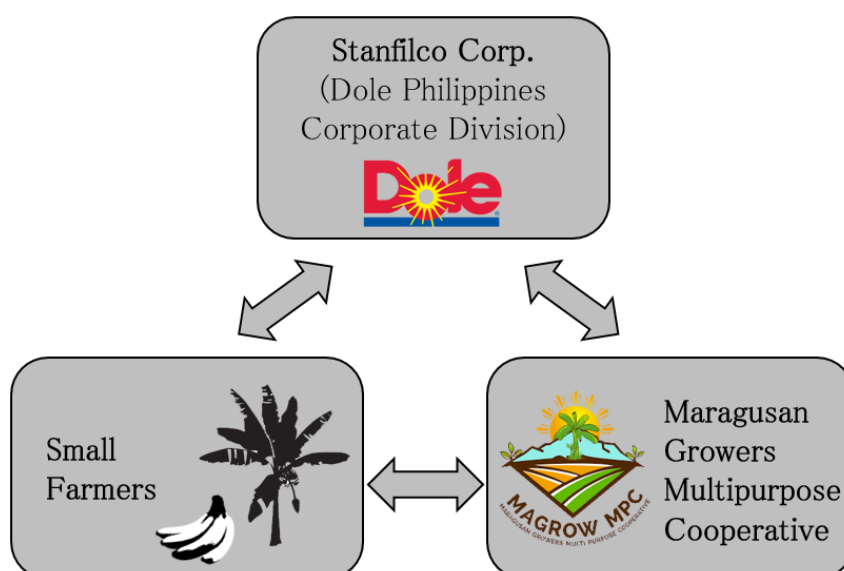


Figure 3. The trade relationship in the conventional banana trade

Source: Interview with MAGROW representative conducted on June 3, 2021

3.1.2. Alternative Banana Trade: Balangon Banana

The alternative banana trade is characterized by the People-to-People trade between the producer and consumer. Balangon bananas are imported to Japan under the Teikei sys-

8. DOLE-Stanfilco is the contracting firm and will provide financial and technical support for the development of banana farms.

9. This is similar to an Ex-patio contract where the growers are responsible for growing, harvesting, and packing, while the contracting firm cover the logistics operations. Bananas are sold exclusively under the DOLE brand. DOLE-Stanfilco will provide technical support in producing the bananas, however, will cease to finance the development of the contract farms.

tem¹⁰. Figure 4 illustrates the Balangon banana supply chain. Small farmers are engaged in P-to-P trade through partner groups such as The Don Bosco Foundation for Sustainable Development (DBFSD).



Figure 4. Balangon banana supply chain

Source: Translated from Sekine 2018, “Commodity chain of popular trade of Balangon banana”, *Bananas and Filipino Small-Scale Farmers*, p.79

The Don Bosco Foundation for Sustainable Development (DBFSD)

DBFSD partnered with ATJ in 2013 and joined Balangon trading in 2014. Since then, DBFSD and the local government have been actively supporting the small banana farmers. The relationship between DBFSD and small farmers is illustrated in Figure 5. The relationship can be described as a partner for development. DBFSD has been actively supporting small farmers who lack capital for farm development

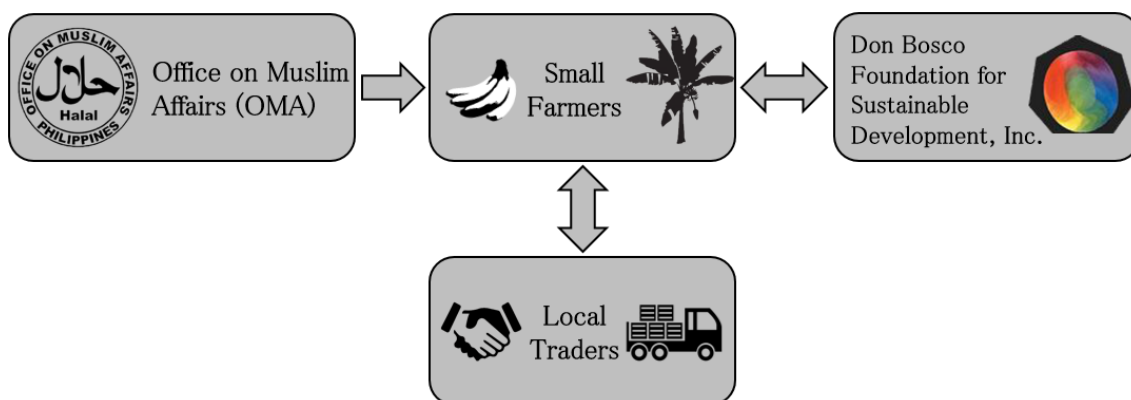


Figure 5. The trading relationship in the alternative banana trade

Source: Correspondence with DBFSD representative conducted on May 17,2021

10. A Japanese guaranteed scheme to ensure the integrity of organic foods without using certification.

3.2. Small Farmer Empowerment and Livelihood Strategies

3.2.1. Small farmers engaged in Conventional Banana Trade

Figure 6 shows the cases of five small banana farmers in Davao whose primary livelihood is based on the Cavendish banana trade. The results indicate that all these producers have: 1) ownership of their land; 2) several sources of on-farm income by cultivating other crops and non-farm income from businesses and salaries; 3) access to resources essential for banana production, and 4) participation in several capacity-building activities organized by the cooperative, DOLE-Stanfilco or the local government agencies.

CONVENTIONAL BANANA FARMER'S PROFILE	A	B	C	D	E
Age	50	48	55	50	52
Sex	Female	Female	Female	Male	Male
Association	Maragusan Growers Multipurpose Cooperative	Maragusan Growers Multipurpose Cooperative	Maragusan Growers Multipurpose Cooperative	Maragusan Growers Multipurpose Cooperative	Maragusan Growers Multipurpose Cooperative
Trade Partner	DOLE- Stanfilco	DOLE- Stanfilco	DOLE- Stanfilco	DOLE- Stanfilco	DOLE- Stanfilco
Farm Location	Maragusan, Davao de Oro	Maragusan, Davao de Oro	Maragusan, Davao de Oro	Maragusan, Davao de Oro	Maragusan, Davao de Oro
Farm Area (hectares)	4.8	2.7	7	2.7	1
Tenurial Status	Owned-Purchased	Owned-Inheritance	Owned(4) /Rented (3)	Owned-Purchased	Owned-Purchased
Crop Diversity	Cavendish Banana	Cavendish Banana	Cavendish Banana	Cavendish Banana	Cavendish Banana
Farming Practices	Conventional	Conventional	Conventional	Conventional	Conventional
Start Year (Banana Trade)	1994	2019	1994	1994	2008
Main Source of Income	Cavendish Banana	Cavendish Banana	Cavendish Banana	Cavendish Banana	Remittance from Overseas work
Other Sources of Income	Cacao Coffee Lakatan Banana	Income from Business	Cacao		Cavendish Banana Sari-sari store Business Salary
ACCESS TO RESOURCES					
Land	Owned	Inheritance	Inheritance / Rented	Owned	Owned
Water	Natural Spring	Community water system	Natural Spring Stream	Community water system	Community water system
Farm Inputs	MAGROW	MAGROW	MAGROW	Nearby Store	MAGROW
Finance	Income from farming MAGROW	Income from Business	Income from Farming MAGROW	Income from Farming MAGROW	Remittance and Salary MAGROW
Information	MAGROW, DA DOLE- Stanfilco	MAGROW DOLE- Stanfilco	MAGROW	MAGROW DOLE- Stanfilco	MAGROW DOLE- Stanfilco
Technology	MAGROW, DOLE- Stanfilco	Personal Connections	MAGROW	MAGROW	MAGROW DOLE- Stanfilco
Laborers	MAGROW	Community	Community	Community	Community
CAPACITY BUILDING ACTIVITIES					
Activity	Organic Farming Financial Literacy Training Organic Farming for HVC	Organic Farming	* Participated in capacity building activity but cannot remember the specifics	Organic Farming	Trainings for Banana Farming Business Management Seminars
Facilitator/ Organizer	MAGROW, DA, PAGRO	MAGROW	MAGROW	MAGROW DOLE- Stanfilco	MAGROW DOLE- Stanfilco

Notes:

DA - Department of Agriculture

PAGRO - Provincial Agriculture Office

Figure 6. Small farmers engaged in the conventional banana trade

Source: Interview conducted on June 3, 2021

Social Capacity

In general, small farmers access resources for Cavendish banana production through their cooperative. They have access to farm inputs and consumer goods provided by the cooperative trading center. Small farmers generally have enough financial resources to support their banana production, and they also have access to the cooperative's savings and

credit operation when needed. Farmers primarily rely on information and technology¹¹ from DOLE-Stanfilco and MAGROW on producing bananas. This information exchange mainly updates the practices for mitigating pests and diseases (in terms of the volume and frequency of the chemical application). Due to the number of staff members (i.e., coaches, farm technicians, and inspectors from DOLE) visiting the farms, farmers get confused as to whom they should address their farming concerns. The confusion has now lessened since DOLE-Stanfilco has streamlined its personnel and has established feedback mechanisms. Access to technology may be limited at times since it is shared among farmers. The labor supply is sufficient in Carmen. However, several farmers state the challenging working relationship with workers: thus, often requiring supervision. Several farmers mentioned that farmworkers are sometimes “lazy” and “mishandle” the application of chemicals, thereby affecting the quality of bananas. Capacity-building activities are initiated by DOLE-Stanfilco and facilitated by MAGROW. Farmers generally participate in these activities to gain knowledge and improve their banana production. They regularly exchange farming strategies, especially with top-performing farmers with high-yielding farms.¹²

Political Capacity

Farmers generally have a good relationship with their trading partners. They believe they have equal rights and freely and comfortably express their voice during meetings. They usually have open forums after sessions, especially when it concerns decision-making on activities regarding investment. They also conduct an annual meeting concerning the management of the cooperative’s operations, the election of the new board of directors, and financial reporting. Women are active in these decision-making processes. During meetings, several disagreements were raised, especially on the strategies to mitigate pests and diseases. This concern was addressed through collaboration between DOLE-Stanfilco, MAGROW, and farmers. MAGROW has pilot areas to test the interventions.

11. Farmers refers technology to farm rehabilitation equipment (hauling truck and tractor) and other land development activities (road rehabilitation)

12. A farm should produce at least 2,300 boxes of bananas to be considered as a ‘productive farm’ and will qualify for incentives

Psychological Capacity

Small farmers view their livelihoods as stable after the first phase (road development and land preparation). Farmers are currently facing challenges with pests and diseases often attributed to the mishandling of farm-workers and non-compliance to the implemented farm protocols and guidelines. The COVID-19 related travel restrictions limit their mobility but do not severely impact their livelihoods.

Livelihood Strategies

Farmer livelihood strategies are often related to investing in activities that could improve their farming activities and hopes to succeed in the future. Improvement in farming activities is often associated with mitigating pests and diseases. All the farmers interviewed state that they use their training and financial resources to improve their banana production. Farmer D believes that diseases are natural, but they are also caused by the quality of seedlings and the fertilizers being applied. In general, small farmers in conventional trade exhibit “stepping-up” strategies to improve their production and actively invest in non-farm activities through MAGROW. Several farmers relate success to when they are: (1) able to overcome the challenges they encounter, (2) help others by providing technical advice and know-how to fellow farmers, and (3) retired. Farmers C and D state that their success is relative to the cooperative’s success.

3.2.2. Small farmers engaged in Alternative Banana Trade

Figure 7 shows the cases of five small banana farmers in Cotabato whose primary livelihood is on the Balangon banana trade. Similar to the farmers whose primary livelihood is on Cavendish bananas (explored in Figure 6), the producers of Balangon bananas also have 1) ownership of their land; 2) several sources of on-farm income by cultivating other crops and non-farm income from salary; 3) access to resources essential for banana production, and 4) participated in several capacity-building activities organized by the Don Bosco Foundation for Sustainable Development (DBFSD) and the local government agencies.

ALTERNATIVE BANANA FARMER'S PROFILE	F	G	H	I	J
Age	60	51	56	34	56
Sex	Male	Male	Female	Male	Male
Association	Arakan Organic Banana Growers Multipurpose Cooperative	Arakan Organic Banana Growers Multipurpose Cooperative	Arakan Organic Banana Growers Multipurpose Cooperative	Arakan Organic Banana Growers Multipurpose Cooperative	Arakan Organic Banana Growers Multipurpose Cooperative
Trade Partner	DBFSD	DBFSD	DBFSD	DBFSD	DBFSD
Farm Location	Arakan, Cotabato	Arakan, Cotabato	Arakan, Cotabato	Arakan, Cotabato	Arakan, Cotabato
Farm Area (hectares)	3	1.5	3	3	17.5
Tenurial Status	Owned - Purchased	Owned - Purchased	Owned- Inheritance	Owned- Inheritance	Owned - Purchased
Crop Diversity	Balangan banana Rubber Coconut	Balangan banana Palm Oil Coconut	Balangan banana Rubber Coconut Corn	Balangan banana Rubber Cacao Cavendish banana	Balangan banana Coconut Cacao Coffee Cardava Banana
Farming Practices	Mix - Traditional and Organic Farming	Organic Farming	Organic Farming	Organic Farming	Organic Farming
Start Year (Banana Trade)	2020	2018	2014	2021	2020
Main Source of Income	Balangan banana Rubber	Balangan banana Dry Coconut	Balangan banana	Salary Cavendish banana	Balangan banana Salary
Other Sources of Income	Palm Oil	Palm Oil	Livestock	Rubber	Cardava Banana
ACCESS TO RESOURCES					
Land	Owned	Owned	Inheritance	Inheritance	Owned
Water	Natural Spring	Natural Spring Rainwater	Natural Spring Rainwater	Rainwater	Natural Spring Rainwater
Farm Inputs	DBFSD, OMA Local Traders	DBFSD, OMA, DA	DBFSD, OMA Local Traders	Salary, DBFSD, OMA	OMA
Finance	Business person	Income from banana sales	Local Traders Business person	OMA	OMA
Information	DBFSD, OMA	DBFSD, OMA	DBFSD	DBFSD, OMA, DA	DBFSD, OMA, DA
Technology	DBFSD, OMA	DBFSD, OMA	DBFSD	DBFSD, OMA	DBFSD, OMA
Laborers	Community	Community	-	-	Community
CAPACITY BUILDING ACTIVITIES					
Activity	Organic Farming Cooperative Management	Organic Farming	Organic Farming	Organic Farming Quality Control Training	Sustainable Agriculture Land Technology (SALT) Do's and don't's of macro propagation
Facilitator/ Organizer	Livestock Training DBFSD, OMA	DBFSD, OMA	DBFSD, OMA	DBFSD, OMA	DBFSD, OMA

Figure 7. Small farmers engaged in the alternative banana trade

Source: Interview conducted on June 3-7, 2021

Social Capacity

Small farmers have been engaged in the Balangan banana trade because they have been convinced through the lectures conducted by OMA and DBFSD that organic farming requires fewer inputs than conventional methods. Thus, they have lower production costs. In general, they have access to resources necessary for Balangan banana production. Farmers typically rely on financial support from local traders or loan programs from the government. They access farm inputs, information, and technology through the local government and DBFSD. However, the distributions of farm inputs and technology are constrained by the poor road conditions and the lack of transportation. Farmers receive information on organic production practices in seminars and lectures, but some cannot attend regularly and have a limited understanding of the terms used. Access to technology is limited due to insufficient crates and other tools and equipment used for harvesting and transporting the bananas. There are limited laborers in the community; therefore, farmers typically need to pay higher fees or hire young adults when necessary. Farmer G states that during the cropping season, there could be a shortage of laborers. On the rare occasion when he cannot find laborers, he hires teenagers (15 years old and above) to clean and weed the

farm area. Farmers have participated in several capacity-building activities conducted annually, which the local government and DBFSD initiate. Farmers apply organic farming techniques and practices, such as organic fertilizer, to lessen the cost of farm inputs.

Political Capacity

In general, farmers describe their relationship with their trading partners positively. Farmer I states, “I feel valued as a member and enlightened by organic farming.” Most of the members are women, and anyone can pitch their ideas or express their disagreements during the decision-making process. They further mention that “we practice democracy here. Majority wins”. Farmers consider the ability to vote as a democracy. Several disagreements about capital share and the cooperative service charges have been resolved through discussion and voting processes. All farmers agree that voting is the best choice for decision-making and resolving any disagreements.

Psychological Capacity

In general, farmers believe that their livelihoods are sufficient. Farmers describe sufficient as being able to afford day-to-day expenses, meeting their basic needs (food and utilities), and supporting the family when facing hardships (for example, Farmer J has a sick son). Farmers also prefer organic farming practices because of lower input cost. However, they face challenges with poor road conditions and limited resources to expand their banana production.

Livelihood Strategies

Farmer livelihood strategies are often related to investing in activities that allow them to maintain their day-to-day life. Farmer H states, “I am satisfied with living simply. I can afford my everyday expenses. I do not have to spend too much on organic farming”. All farmers actively use their acquired skills and training to sustain their livelihoods (i.e., making fertilizer). Several farmers express the desire to expand their Balangon banana production. However, they are constrained by the lack of resources, such as limited seedlings (Farmer G), limited financial resources (Farmer F and H), and raw materials to make organic fertilizer. Farmer I, on the other hand, expresses, “I do not have enough time to focus on my banana production because of my job. I have difficulty looking for animal waste to use as an organic fertilizer because I do not own any livestock.” The strategies

described by farmers are directly related to the land area they own and their ability to expand their farming activities. Farmer J is considering expanding and diversifying his farm activities using his resources. Whereas Farmers G, F, and H may rely on external support (local traders, the local government units, or NGOs). The interviews reveal that the livelihood strategies of small farmers engaged in alternative banana trade are proportionate to their available resources.

4. Discussion and Conclusion

This study aims to assess if and how the involvement of small farmers in different trading relationships allows them to be empowered. The conditions for empowerment were discussed by examining the small farmers' social, political, and psychological capacities and assessing what kind of livelihood strategies they employ to sustain their livelihoods. Social, political, and psychological capacities were described as their ability to access resources and capacity-building activities, express their voice, and ability to demonstrate collective action and self-determination. Although operating at different scales, small farmers engaged in conventional and alternative banana trade systems are able to “step up” their livelihood strategies because they are empowered.

Dorward et al. 2009 identifies stepping up and stepping out strategies that allow small farmers to take advantage of opportunities. These strategies are evident in conventional and alternative trading relationships since small farmers have developed their social, political, and psychological capacities. However, the degree to which they are able to step up varies with the available natural resources, market opportunities in the area, and the assets (land, livestock, skills (i.e., financial management), and social relationships) they have.

Small farmers engaged in conventional trade established a long-term collaborative relationship with MNCs through their cooperative. This relationship provides opportunities for small farmers to accumulate skills and resources for stepping up. Having developed their social, political, and psychological capacity, small farmers have the potential to increase their agricultural productivity and strengthen linkages to support their on-farm and non-farm investment activities. This strategy may lead to small farmers stepping out of

the race to the bottom. However, the interviews suggest that even when small farmers are aware of the negative consequence of excessive chemical and fertilizer use, the financial incentive from MNCs is a strong motivator for small farmers to follow the conventional farming practices. This may lead to further questions about the relationship between empowerment and financial capacities and its implications on small farmers' livelihood strategies.

On the contrary, small farmers in alternative trade recently established their trade relationship, recognizing the benefits of organic farming. To some degree, small farmers aspire to stepping up or stepping out in their livelihood activities (i.e., P-to-P trade and trade with local markets for their other crops). However, due to limited resources and lack of infrastructure they concentrate on "hanging in". This contradiction does not mean that they are inferior to conventional farmers. The interviews suggest complex trade relationships with the alternative banana trade, which were not clearly expressed. Therefore, further research should describe the relationship of small farmers with other actors who are related to their livelihoods. The actors identified by small farmers who enabled them to improve their social capacities were government institutions (i.e., Office of Muslim Affairs (OMA), Department of Agriculture (DA), Office of the Provincial Agriculturist's Office (PAGRO)) and local traders. Their narratives and views on alternative banana trade may further enrich the analysis of small farmer empowerment and livelihood strategies.

In summary, involvement in contrasting trading relationships empowers small farmers to different extents. Small farmers have developed their social, political, and psychological capacities, expressed in varying degrees when trying to "hang in," "step up," or "step out." Small banana farmers experience livelihood issues differently and are empowered in trading relationships that enable them to take the initiative and satisfy their idea of fair, stable, successful, and sustainable livelihood. Overall, the interviews suggest that they value the same things and employ different livelihood strategies to achieve them.

In conclusion, the ability of small farmers to step up their livelihood strategies opens the possibility of small farmers quitting the race to the bottom. The analysis of this study was derived from a broad understanding of empowerment. Perhaps, an in-depth study should be considered for future research and analyze the long-term aspirations of stepping out,

how these aspirations may be pursued, and how they affect current livelihood activities. This analysis may provide more insights on livelihood strategies and expand the possibilities for small farmers to quit the “race to the bottom.”

Bibliography

- ATJ. 2018. 報告書「フィリピン、ミンダナオと私たちの今を考える」, June. <https://altertrade.jp/archives/16594>.
- Barrientos, Stephanie, and Catherine Dolan. 2012. “Concluding reflections on the future of ethical sourcing.” *Ethical Sourcing in the Global Food System*, 179–185.
- Bornemann, Basil, and Sabine Weiland. 2019. “Empowering people—Democratising the food system? Exploring the democratic potential of food-related empowerment forms.” *Politics and Governance* 7 (4): 105–118.
- Cabilo, Zuraida Mae D. 2009. “From north to south: campaigning for fair trade in the Philippines.” *Localizing and Transnationalizing Contentious Politics: Global Civil Society Movements in the Philippines*, Lexington Books, Plymouth, 137–180.
- Catacutan, Delia C., and Caroline Duque-Piñon. 2009. *A closer look on the Magna Carta of small farmers in the Philippines*, June. <http://hdl.handle.net/10919/68763>.
- Dorward, Andrew, Simon Anderson, Yolanda Nava Bernal, Ernesto Sánchez Vera, Jonathan Rushton, James Pattison, and Rodrigo Paz. 2009. “Hanging in, stepping up and stepping out: livelihood aspirations and strategies of the poor.” *Development in practice* 19 (2): 240–247.
- EUROBAN. 2006. *Towards a Multi-stakeholder Forum on Bananas.*” *Second International Banana Conference*, January. http://www.fao.org/fileadmin/templates/banana/documents/IBC2_TowardsAmultistakeholderForumOn%20Bananas_en06.pdf.
- Friedmann, John. 1996. “Rethinking poverty: empowerment and citizen rights.” *International Social Science Journal* 48 (148): 161–172.
- Gee, Robert. 2000. “Viewing Bananas as Global Issues.” 椋山女学園大学研究論集 人文科学篇, no. 31, 201–210.
- Hardy, Cynthia, and Sharon Leiba-O’Sullivan. 1998. “The power behind empowerment: Implications for research and practice.” *Human relations* 51 (4): 451–483.
- Hölscher, Katharina, Julia M Wittmayer, Flor Avelino, and Mendel Giezen. 2019. “Opening up the transition arena: An analysis of (dis) empowerment of civil society actors in transition management in cities.” *Technological Forecasting and Social Change* 145:176–185.
- Hussein, Karim. 2001. “Producer organizations and agricultural technology in West Africa: institutions that give farmers a voice.” *Development* 44 (4): 61–66.

- Intelligence, Mordor. 2021. *Banana market size, share, analysis, trends, and forecast 2021-2026*. <https://www.mordorintelligence.com/industry-reports/banana-market>.
- Ishii, Masako, Alyssa Paredes, Hideo Ichihashi, and Kae Sekine. 2020. *The Bitter Reality of Sweet Bananas*. Common Press.
- Lievens, Paul. 2018. *Japanese consumer groups campaigning for ethical bananas from the Philippines*, August. <https://www.bananalink.org.uk/news/japanese-consumer-groups-campaigning-for-ethical-bananas-from-the-philippines/>.
- NAPP. 2020. *Cavendish Banana fairtrade extended summary*. <https://fairtradenapp.org/wp-content/uploads/2018/05/Cavendish-Banana-Fairtrade-Extended%20-Summary.pdf>.
- OXFAM. 2018. *Land but no freedom: Debt, poverty and human suffering in the Philippine Banana Trade*, June. <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/620492/cs-land-but-no-freedom-philippine-bananas-210618-en.pdf>.
- Parker, Liz, James Harrison, and Tobacco Catering. 2004. *Bananas: Differentiating Tariffs According to Social, Environmental and/or Economic Criteria*.
- Robert, Chambers. 1983. *Rural development: Putting the last first*.
- Santiago, Danny. 2021. *Philippines bananas exports by country*, April. <http://www.philippinesaroundtheworld.com/philippines-bananas-exports-by-country/>.
- Scoones, Ian. 2009. "Livelihoods perspectives and rural development." *The journal of peasant studies* 36 (1): 171–196.
- Sekine, Kae. 2015. バランゴン民衆交易の今と未来, October. <https://altertrade.jp/download/BFPreportWeb.pdf>.
- . 2017. "Resistance to and in the Neoliberal Agri-Food Regime: A Case of Natural Bananas Trade Between the Philippines and Japan."
- . 2018. "ミンダナオ島における民衆交易の事業拡大とその課題." In *バナナとフィリピン小規模零細農民：バランゴンバナナ民衆交易の現状と課題*, 75–104. 埼玉大学教養学部リベラル・アーツ叢書.
- Titi, Vangile, Naresh Singh, et al. 1995. "Empowerment for sustainable development: Toward operational strategies."
- Voorra, Vivek, Cristina Larrea, and Steffany Bermudez. 2020. *Global Market Report: Bananas*. International Institute for Sustainable Development.

Willoughby, Robin, and Tim Gore. 2018. *Ripe for change: Ending human suffering in supermarket supply chains*, June. <https://oxfamilibrary.openrepository.com/handle/10546/620418>.