

CALL TO ACTION

- ✓ Allow farmers to choose their network as they see beneficial to them.
- ✓ Help strengthen the linking network that play a crucial role, not only in providing farming and trading needs but also when the farmers’ and traders’ livelihood is at stake.
- ✓ The trading areas are recommended to help protect the farmers and traders from opportunistic behaviors by developing a database that includes the complete profiles of farmers and traders. This will help the stakeholders go after unpaid debts and other unscrupulous practices.
- ✓ The trading areas are also recommended to monitor unregistered stakeholders. They should have an efficient ID system to monitor the entry of farmers and traders. There should be a gate to enclose the trading areas for easier monitoring of people.

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ABOUT THE MATERIAL

Informing Policy and Practice is published quarterly by the Institute of Social Research and Development and R & E Publications Office of Benguet State University. It synthesizes findings from research and development activities, or presents results of quick survey and opinion poll on social, economic, and policy issues and concerns affecting the Cordillera region. It also distills the key messages and provides recommendations for the information and consideration of relevant stakeholders and policymakers.

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(This issue was developed with the editorial and creative consultants of Pansigedan Advocacy Cooperative.)



INFORMING POLICY AND PRACTICE

Policy Brief Series No. 2022-7

Leveraging the Networks in Vegetable Trading in Benguet

By Rachele de Guzman-Bambico

HIGHLIGHTS

- ✓ The farmers’ network is characterized by a small network size that show greater intimacy and frequency of transactions with their *ga-it* (bonding network).
- ✓ The traders reflect a bigger network size, composed not only of *ga-it*, but also of bridging and linking types.
- ✓ The networks afford the farmers benefits such as sharing of resources for farm and personal needs, convenient trading transactions and protection from breached agreements. However, the farmers remain dependent on traders in negotiation, participation, influence, and control.
- ✓ Traders benefit with a good source of vegetables from *ga-it* but they are financially incapable to compete with big time traders and remain vulnerable to price fluctuations and breached agreements.

INTRODUCTION

The vegetable industry is the major source of livelihood in Benguet and it continues to expand due to increasing demand. However, it remains fairly traditional as farmers prefer to sell through a chain of different traders (Reyes, 2017; Piadoza, 2013; Milarosa, 2007; Piadozo et al., 2007, and Lewis, 1991) whom they personally trust. Further, trading is characterized by regular transactions in a *suki* system or a network of loyal buyers and sellers (Milagrosa, 2007 and Lewis, 1991).

Networks are categorized as bonding, bridging and linking types. Bonding networks are a group of people with similar characteristics, or people who belong to the same family, ethnicity or a social group (Putnam, 2000). The individuals belonging to the bonding network are referred locally as *ga-it* by the dominant ethnic group in Benguet – the Kankanaeys.

Bridging networks are composed of heterogeneous groups (Gomez-Limon et al., 2012) or strangers. Strangers, as used in this study are those who are not family members, friends or kailyan but have repeated transactions with the farmer or the trader. They are usually known by name or by face only. Meanwhile, linking network refers to members of authority or power (Megyesi et al., 2010). The cooperatives and associations where farmers and traders belong are their linking networks.

There are resources or benefits that networks provide (Godwyn and Gittell, 2012); which determine the strength of the network (Sengupta, 2010 and Burt, 2000). At the same time, networks could also be harmful (Dasgupta, 2000). The patterns and consequences of networks in vegetable trading in Benguet were identified in order to determine how to maximize their advantages or benefits to stakeholders.

DATA AND SOURCE

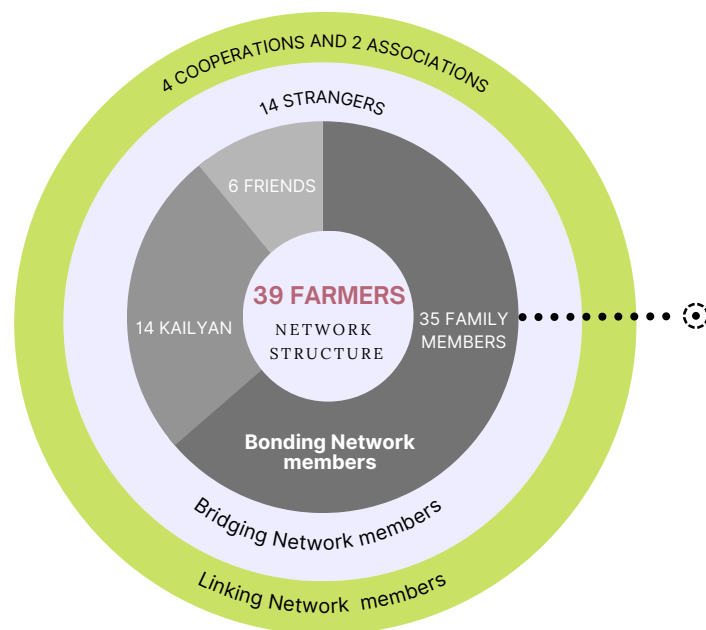
A case study research design was used with 39 farmer-respondents and 36 trader-respondents purposively chosen based on the following criteria: minimum of five years experience in farming or trading, above 21 years of age, and willing to be interviewed. Network analysis and concentric circles were used to illustrate types of networks and analyze network data. The experiences of respondents were also captured and narrated to get greater insights and understanding.

The theoretical saturation concept was used to achieve analytical generalization (Polit and Beck, 2010). Key informants from local government units and prominent players in Benguet vegetable trade were interviewed and were continually contacted to provide and verify information. Secondary data was obtained from monthly and annual reports, brochures, and related studies.

The Farmers' Network Structure

The farmer-respondents' network structure shows a small network size, limited to only a few traders. In terms of strength of ties, they show greater intimacy and frequency of transactions with their *ga-it* (bonding network); but they can also develop strong ties with unfamiliar people or strangers if they are trustworthy.

In the figure below shows the members of all farmer-respondents' networks. Using concentric circles, the core circle represents the 39 farmer-respondents. The ring surrounding the core shows the members in their *ga-it*, while the third and fourth rings show the members of their bridging and linking networks respectively.



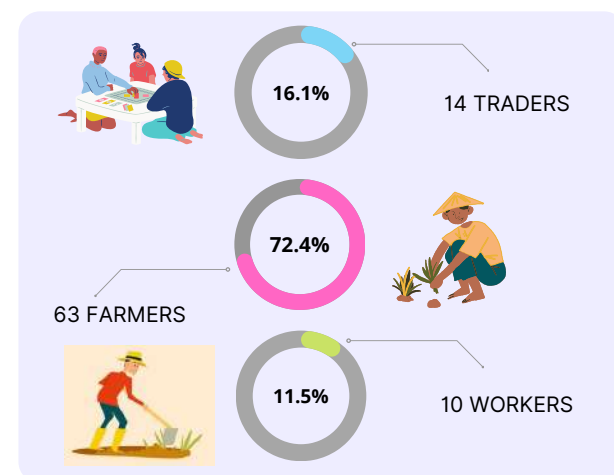
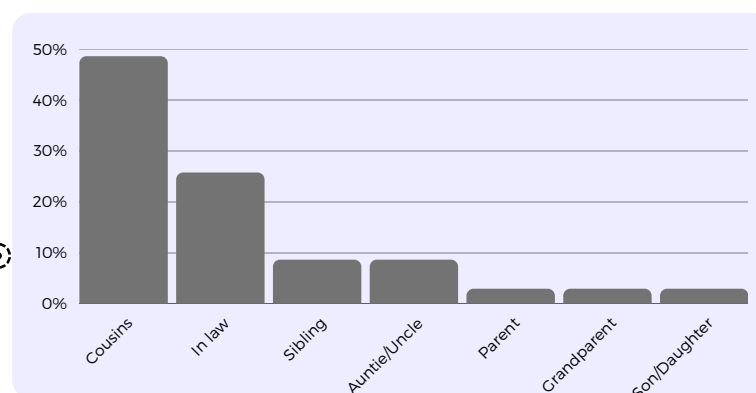
The Traders' Network Structure

The traders' network structure shows to have a bigger network size, compared to the farmer-respondents. There is dominance of *ga-it* especially with the farmer groups. The strength of ties is defined by intimacy as they relate mostly with people they have regularly transacted in the past (*suki*). In this way, traditional practices are perpetuated as transactions are maintained within their circles.

What composes the *ga-it* network of trader respondents are 87 family members, 54 friends, and 23 *kailyan*. There are 151 *suki* strangers and an indefinite number of strangers that compose the bridging network of traders. There are 11 associations mentioned by 31 trader-respondents to which they are members.

It is ideal for farmers and traders to expand their networks for greater economic and social well-being (Megyesi et. al., 2010; Pretty, 2003; Putnam, 2000). However, *ga-it* dominates the networks of farmer-respondents. Rarely do the farmer-respondents transact with strangers; however, they can transact with strangers if they are trustworthy.

Most of the trading partners of farmer respondents (48.57%) are their cousins. There are a number of farmer respondents whose trading partners are their aunts or uncles (8.57%).



This figure shows the composition of family members in the trader respondents' *ga-it*. Included in the network of the traders are those who work for them as porters, packers or washers.

FINDINGS

PERCENTAGE OF FAMILY MEMBERS

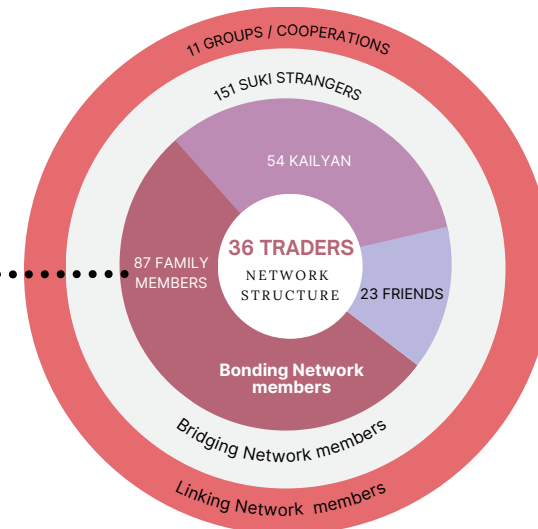


The trader respondents' *ga-it* network is composed mostly (51.72) of farmers who are their cousins. Some (10.34%) of the farmers in their network are their aunts or uncles. Russel (1989) narrates that the purchasers who are wholesalers to lowland markets are of lowland ethnicities. Today, these purchasers are also developing along *ga-it* lines. In fact, the *ga-it* network of traders shows to be expanding to other connections in Benguet vegetable trade.

Consequences of the Network Structure of Farmers and Traders

Empowerment

Access to resources. Financial resources of farmers are largely made possible by their *ga-it*. The *ga-it* network provides loans which the beneficiaries use not only for farm inputs or trade needs, but also for personal or household needs. In terms of transportation needs, *ga-it* networks practice *pao-it* (to send goods through people who will travel to the same destination where the goods are intended). Siblings and cousins perform the task of farmer and trader respondents when they are unable to do so. Hiring paid workers is also prioritized for *ga-it* to help them earn money for their personal or household needs.



For traders, their financial needs are mostly accessed through loans in banks and cooperatives. Traders need sufficient amount of capital to pay the farmers in cash and to roll while waiting for postdated payments to be due for encashment or while waiting for installments to be paid in full. Big-time traders use their capital to win institutional buyers by allowing them debts and even discounts that small traders cannot afford to give. *Ga-it* networks are also sources of credit.

Price information. Another important resource is price information. The farmer-respondents mostly get price information from the local trading areas and the associations or cooperatives that they are members of. The *ga-it* of the farmer-respondents is not the major source of price information; but rather the linking network. For the traders, price information is taken from trading areas as solicited from the price offers by buyers.

Ability to negotiate, participate, influence and control. Farmers lack the skill to make face-to-face negotiation; hence negotiate using non-confrontational means. They are also risk averse; thereby inhibiting their confidence to negotiate. Meanwhile, traders are expected to be good negotiators as farmers who lack the negotiation skills to sell their vegetables expect them to be. However, there are uncontrollable circumstances that inhibit empowerment. This includes price fluctuations, demand for vegetables, perishability of vegetables, and weather conditions.

Social cohesion. The farmers and traders developed a high sense of togetherness because they are from their circle of friends and family relations. They have freedom from social obligations or debt of gratitude because there is no written contract and they are not bound to any obligations. Nevertheless, they hold to their belief system of *inayan* and resolve disagreements through *tongtongan*. They are open to transacting with different types of people. There is however exclusion of other network types as they show preference for bonding networks on sharing resources and making transactions.

In times of calamity or emergency, the *ga-it* shares resources to cope with loss. They also participate in protests against decisions and events that endanger their livelihood. They warn network members of people who they heard or have encountered unscrupulous deals. However, the linking networks initiate collective action during calamities, emergencies, or instances when their livelihood is at stake.

Other consequences. The other consequences experienced by both farmers and traders include faster transactions, lower transaction costs, and a decrease in opportunistic behaviors. Cost is lowered because of the resources, such as transportation, labor, and information that are shared mostly by *ga-it*. Only less than 50% of the respondents said that the structure of relationships in the Benguet vegetable trade decreases opportunistic behaviors as there are erring traders and farmers within their bridging, as well as *ga-it* members.