

Theory and Practice of Participatory Action Research and Learning with Cluster Marketing Groups in Mindanao, Philippines

R.B. Murray-Prior, P.J. Batt and M.F. Rola-Rubzen
Curtin University
Perth
Western Australia

S.B. Concepcion, M.O. Montiflor, J.T. Axalan, R.R. Real and R.J.G. Lamban
University of the Philippines Mindanao
The Philippines

F. Israel, D.I. Aparara and R.H. Bacus
UP Strategic Research and Management Foundation
The Philippines

Abstract

Researching and developing new arrangements for marketing smallholder products in the transitional economies is complex and requires an agribusiness systems approach. One approach to addressing complex problems is for researchers to facilitate an action learning process with farmers and market intermediaries, while using an action research process to investigate the factors that enhance the chances of success for farmer groups. This paper reviews the literature on action learning, action research and participatory processes in an attempt to clarify some of the terminology and define the similarities and differences. It outlines research into a framework to improve the effectiveness and resilience of cluster marketing groups through the application of these processes to smallholder vegetable chains in Mindanao, the southern Philippines.

INTRODUCTION

Research, development and extension with smallholder producers is increasing in complexity because of factors such as: the need to increase productivity quickly to deal with increasing populations and rising food prices; increasing competition in global food markets; the increasing middle class in the transitional economies who purchase their food from institutional rather than traditional markets; the need to achieve better returns on investments in agriculture; and problems arising from climate change. While Viatte et al. (2009) and Nelson et al. (2010) have called for a greater investment in agriculture, to be effective these investments will require better coordination and a more integrated approach both upstream and downstream. In many transitional economies, improvements in production and productivity need to take place in the smallholder sector, since it manages a large proportion of the arable land and is a large part of the rural population. Concurrently, the performance of their supply chains must improve if they are to compete in the emerging institutional markets (Murray-Prior et al. 2006). Supermarkets in particular require large, regular deliveries of consistent quality products, produced and processed under an approved quality assurance system.

However, most smallholder farmers are used to supplying traditional markets, which seldom require these additional attributes. To supply modern institutional markets,

farmers must improve their productivity, volume, quality and consistency of supply, which requires them to combine, sort and collectively grade their product. An additional complication is that smallholder farmers have a range of internal constraints and external constraints that make it difficult for them to supply these emerging markets.

The issues facing development researchers and extension people are complex, because processes are required to facilitate the development of a range of skills. Simultaneously, research and development processes are required that provide relevant solutions to problems throughout the chains that are consistent with the natural, produced economic, human and social capital resources of the actors in these supply chains. We must use new, innovative and integrated approaches to meet these rapidly emerging challenges. Old paradigms will no longer suffice.

The purpose of this paper is to present an approach taken to facilitate and develop a process for establishing collaborative marketing groups and to suggest improvements to this process that may lead to the greater sustainability of these groups. The approach involves combining both Participatory Action Learning (based on the Catholic Relief Services Eight Step Clustering Approach to Agro-enterprise Development)(CRS-Philippines, 2007) and Participatory Action Research processes. The paper begins by reviewing the literature on action learning, action research and participatory processes in an attempt to clarify the terminology and define the similarities and differences between the approaches. It then presents the model used, describes some of its strengths and weaknesses, suggests improvements and outlines some of the experiences with it.

ACTION LEARNING AND ACTION RESEARCH – WHAT IS THE DIFFERENCE?

Recently, the terms Action Learning and Action Research have begun to be widely used in publications describing development work undertaken with farmers around the world. Jennings (2005) suggests it is important to clarify the distinction between Action Learning and Action Research because there is no common understanding of the terms, and people conducting quite different extension and research activities often use them interchangeably. This leads to confusion, scepticism, criticism, a lack of confidence in the processes and sometimes hostility towards the processes and the people using them. When dealing with complex agribusiness systems, Action Learning and Action Research processes can help integrate research, development and extension for supply chains, but there has to be clarity about their meaning and use if they are to be effective.

Action Learning and Action Research

Kolb (1984, p. 38) defines learning as the creation of knowledge ‘through the transformation of experience’. The Kolb cycle, which provides the foundation for many action learning and action research methods, has four steps: Planning, Acting, Reflecting and Cementing (Figure 1). The cycle implies a sequence of trials, each developing the ideas based on experience learnt from the previous cycle. However, in practice, the steps are not linear or separate. Also implicit is that the process occurs with a group or team of people.

The overlap between research and learning is where the confusion arises. If we consider scientific research as being the ‘diligent and systematic enquiry or investigation into a subject in order to discover facts or principles’ (Macquarie Dictionary 1990); that the results are published and subject to peer review, which can overturn or reject the theory if the evidence is sufficient, we can make a distinction between Action Learning

and Action Research. In Action Learning, the people are involved in helping each other learn, while in Action Research the team is conducting scientific research. In Action Learning, the focus is on the individual learning and experiences based on adult learning principles. Conversely, in Action Research, the focus is on developing new knowledge from collective research, which is validated by publication and peer review (Table 1).

PARTICIPATORY ACTION RESEARCH AND PARTICIPATORY ACTION LEARNING

The other problematic issue in Action Learning and Action Research occurs when the terms are linked with the word ‘participatory’ to produce Participatory Action Learning and Participatory Action Research. Arnstein (1969) pointed out that participation is quite often used to mean a range of levels of involvement by the participants in a particular activity. He articulated eight levels of participation starting from the lowest, which he termed manipulation, through the levels of informing and consultation and higher levels of partnership and delegated power, to the highest level of citizen control. In essence, he regards any participation below partnership as tokenism or non-participation. Hence, in Participatory Action Research and Learning, true participation implies at least a partnership. We use both farmer and researcher knowledge and experience to develop, implement and interpret the research and its results. Of course, this does not imply that each has the same role, or even responsibility, only that each has the right to have their views accepted.

A PARTICIPATORY ACTION LEARNING RESEARCH PROCESS FOR WORKING WITH SMALLHOLDER FARMERS

The methodology used to investigate the application of the CRS clustering approach involves an integrated Participative Action Learning and Action Research Process with over 30 cluster marketing groups (CMGs) in Mindanao.

The CRS Clustering Approach to Agro-enterprise Development

The CRS Clustering Approach to Agro-enterprise Development is referred to as the Eight Step clustering approach (CRS-Philippines, 2007)(Figure 2). It begins with identifying the project site, building partnerships with farmers and other stakeholders such as local businesses, local government and NGOs, forming a working group and providing a project and cluster orientation to farmers. Step 2 is a participatory process in which the farmers identify the community’s resources, products, and production and marketing practices during basic marketing training. From this they decide which product or products will be the focus of the cluster group. Step 3 involves the farmers undertaking a market chain study. Farmers are trained how to undertake market chain studies and conduct market visits in which they develop an understanding of the chains for their selected products and conduct negotiations with potential buyers.

Step 4 is the cluster formation phase, in which interested farmers form the cluster, select leaders and agree on a basic cluster agreement and objectives. Step 5, or cluster plan formulation, involves planning a planting and harvest calendar for the products of the cluster and deciding on the test marketing plan. The test marketing activities in Step 6 involve at least four trial product deliveries. After each delivery, meetings are held to assess performance and adjust the plan to enable improvements. After the test markets are judged successful, Stage 7 involves planning and conducting a scaling up process. Readiness for scaling up is appraised by the cluster members and facilitators against

criteria that assess cluster willingness, level of product supply, market performance, management performance and financial trends. Scaling up involves producing more products or additional products to supply existing markets or more diversified markets. The final step of cluster strengthening involves undertaking activities that expand cluster capacity and networks with other clusters and businesses. The objective is to improve cluster maturity.

Action Research on the CRS Clustering Approach

The University of the Philippines Mindanao through its UP Strategic Research and Management Foundation (Upstream) facilitated the establishment of several CMGs in Davao, Bukidnon and South Cotabato using the CRS Eight Step process. At the same time, research officers from the University of the Philippines Mindanao were involved in an Action Research process that documented each cluster group's activities and investigated issues as they arose (Figure 3). Surveys were conducted of farm household resources, production activities and the relationships between farmers, wholesalers and traders, farmers and the cluster, clusters and traders, wholesalers and institutional markets and back the other way. Case study reports were prepared for each cluster and on selected farmers within the clusters. Findings from these investigations, discussions between the researchers and field officers, and evidence from the literature and experiences of the researchers, field officers and farmers were used to identify and evaluate changes to the clustering activities and process.

ENHANCING THE CLUSTERING PROCESS

The research, which used Participative Action Learning and Action Research processes, has identified that an enhanced clustering process has to incorporate processes that overcome issues such as: input financing arrangements to replace loans from informal moneylenders and traders; risks associated with production failures and pest and disease problems; maintaining relationships with buyers; and building group resilience and independence so that donor agencies have an exit strategy (see Axalan et al., 2010; Lamban et al., 2010; Montiflor et al., 2010; Real et al., 2010).

Cooperatives and cooperative marketing arrangements have a poor record in the Philippines. Many of these cooperatives were set up for political reasons such as agricultural development, pacification of revolutionary activities and distribution of subsidised inputs. Most cooperatives failed when institutional supports were removed.

Outside support can enhance the chances of success of smallholder cooperatives (Murray-Prior, 2007), but it can encourage dependency, which means the groups are not sustainable once external support is withdrawn (Shigetomi, 2006). If cluster marketing is to be a successful alternative, processes have to be developed that develop resilience in the groups so that they can survive with minimal external support. This also implies building in an exit strategy as part of the clustering approach process.

Two key factors are important to the success of cluster marketing arrangements: (1) a comparative advantage over alternative marketing structures; and (2) trust in fellow cluster members and its management (Murray-Prior, 2007). The clustering approach addresses the first of these issues through its focus on developing a marketing plan and its test marketing activities. The group is unlikely to form unless the cluster farmers see a comparative advantage for cluster marketing over their existing marketing arrangements. The second issue is addressed in a number of ways (CRS-Philippines, 2007). First, the process is participatory and transparent, and considerable effort is devoted to activities

that involve cluster members in market chain investigations, the development of the production plans, and keeping records on deliveries and payments that are accessible to all members. A cluster agreement, cluster enterprise plan, review of test marketing activities, and business policies and systems are developed by members. Clusters conduct regular meetings and members elect the leadership team. Clusters are normally kept to 15 members or less so that trust can be maintained through group pressure. In addition, the clusters and their leaders receive training in group processes and leadership. Evidence from the trust measures collected by the research officers indicate that cluster members currently have high levels of trust in their cluster (Montiflor et al., 2010).

While comparative advantage and trust are essential to the successful operations of CMGs they are not sufficient, nor are they guaranteed in the long run. We propose a framework that builds on and enhances the processes outlined in the CRS Eight Step process. It incorporates three phases: Phase 1 - Establishment; Phase 2 - Building Resilience; and Phase 3 – Implement an Exit Strategy. Each of these phases is a type of Participatory Action Learning cycle and contains a series of steps that may be repeated depending on the maturity of the group.

Phase 1: Establishment

The Establishment phase follows the first six steps of the CRS process (CRS – Philippines, 2007) with minor modifications and takes from 1 to 2 years. In Step 1 (Site selection, partnership building and formation of working group), greater emphasis needs to be put on investigating input financing arrangements, both the existing informal lending arrangements and potential microfinance lenders if farmers are not involved with them already. Orientation needs to be provided on saving, loans and financing alternatives in addition to the orientation on marketing that is currently provided.

In Step 2 (Product supply assessment and product selection), potential crops and products should be ranked but not selected. Product selection should then be re-evaluated in Step 3 (Market chain study), which should be expanded to include an investigation of input requirements for particular crops, potential sources and costs of those inputs and the ability of farmers to finance these inputs. Financial institutions may help with the latter.

In Step 4 (Cluster formation), the Eight Step process of orientation on marketing basics and clustering needs to be broadened to include production issues, sources of inputs and the financial implications of particular crops. Step 5 (Cluster plan formulation) would then proceed according to the Eight Step process. The Test Marketing step (Step 6) would go through a number of stages including: (i) assess cluster commitment and capability of members; (ii) identify information and training needs and conduct training to overcome deficiencies; (iii) evaluate buyers and establish good working relationships; and (iv) make refinements to agro-enterprise plans.

Phase 2: Building resilience

The focus of Phase 2 is essentially cluster strengthening and capacity building – an expansion of Step 8 (Cluster strengthening). In our experience, groups will often go through periods of decline in activity, often caused by production or marketing problems. A lack of capacity and immaturity in the cluster can sometimes cause marketing problems, but buyers not paying or not complying with their agreements can also be a cause. Problems like these can cause the cluster to collapse, but if the donor agency is able to support the cluster in developing strategies to deal with these problems, the

clusters develop confidence in their own abilities and are in a better position to deal with future issues without assistance.

Kaganzai et al. (2009) argue that this ‘repair and maintenance’ support from donor agencies may be necessary in the scaling-up phase of collaborative marketing groups. In fact, one of two of these difficult periods can be part of the process of developing resilience. Clusters have overcome production problems by establishing links with seed companies to provide better quality seed and changing production practices with the assistance of local government advisers. Clusters have overcome marketing problems by identifying new buyers and markets, and subsequently diversifying their markets. In this Phase, the role of the donor agency is to provide assistance when the cluster is struggling, to help enhance cluster networks and to build cluster capacity. They provide less direct assistance and the group is encouraged to draw on their own resources. The steps in this phase include: (i) revisit the product supply assessment step and reassess training support needs; (ii) undertake a further market chain study with a view to re-assessing their performance in meeting the markets’ needs, identifying additional markets and selecting focal market chains; (iii) review cluster membership and structure; (iv) identify information, training and support needs which are addressed through training and capacity building activities; (v) formulate cluster and operational plans; and (vi) conduct and review marketing activities.

Phase 3: Implementing an exit strategy

Sustainability of cluster marketing arrangements is problematic as many groups have failed after the donor agency withdraws. Some reasons for this problem include: donor agencies taking control of marketing and hence replacing the intermediary; donor agencies providing too many gifts and creating a ‘handout mentality’; competition between donor agencies; donor agencies focussing on ‘favourite’ groups who have a ‘reputation’ for success; and the failure of donor agencies to develop exit strategies. Markelova and Mwangi (2010) call for donor agencies to develop viable exit strategies from the onset of their project to lessen dependency issues.

The CRS clustering process already includes a number of criteria for assessing cluster maturity, so the focus here is on how to incorporate these into a process for implementing an exit strategy for the donor agency. The specific steps in this phase could include: (i) a workshop to assess maturity for graduation or exit of the donor agency; (ii) training in business planning and the development of business plans; (iii) strengthen links with support institutions; (iv) formulate a business plan for the cluster’s afterlife; (v) participatory evaluation of the clustering process, the donor agency involvement in the process and the donor agency performance; and (iv) organise a graduation activity. It must be made clear to the farmers from the beginning of the establishment phase that the donor agency will provide support only for a finite period of time and that the CMG will need to build its resilience and become self-sustaining.

CONCLUSIONS

Participative action research and participative action learning with CMGs are complementary but have different functions, which when combined are an effective process for scientific research into complex systems.

Development activities of many donor agencies fail because they do not focus on an exit strategy from the initial planning stages. This paper outlines an expansion of the CRS 8-step clustering process to three phases: Establishment, Building resilience, and

Implementing an exit strategy, so that the focus will be on the cluster marketing group becoming self-sustaining. It also addresses access to finance from the formal lending sector, but this can increase risks for farmers, while the donor agency must ensure that farmers do not get the perception that the loans are a gift. Building long-term relationships between cluster marketing groups and institutional buyers in the Philippines is a difficult process. A donor agency will have to invest considerable time and effort in facilitating this process and organising activities that build capacity and relationships between the smallholder farmers and institutional buyers, so that the cluster can undertake these activities after the donor agency exits.

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Table 1: Key differences between Action Learning and Action Research

Action Learning	Action Research
<ul style="list-style-type: none"> • group of people help each other learn • people manage own activities & learning • participants become aware of and utilise/adapt knowledge • each person draws separate learning from separate experiences 	<ul style="list-style-type: none"> • team of people conduct scientific research process • team draw collective learning from a collective experience • new knowledge is generated & validated by peer review

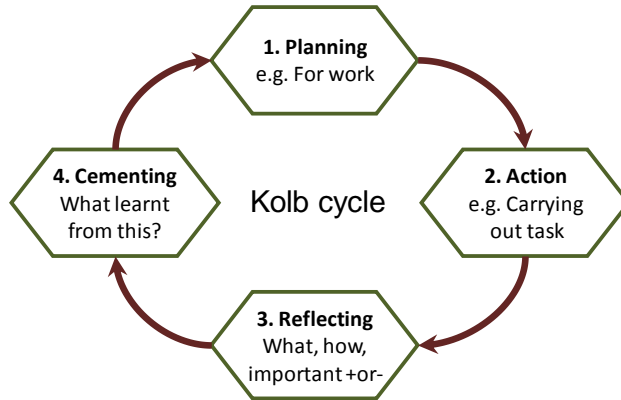


Figure 1: Kolb cycle (Kolb, 1984)

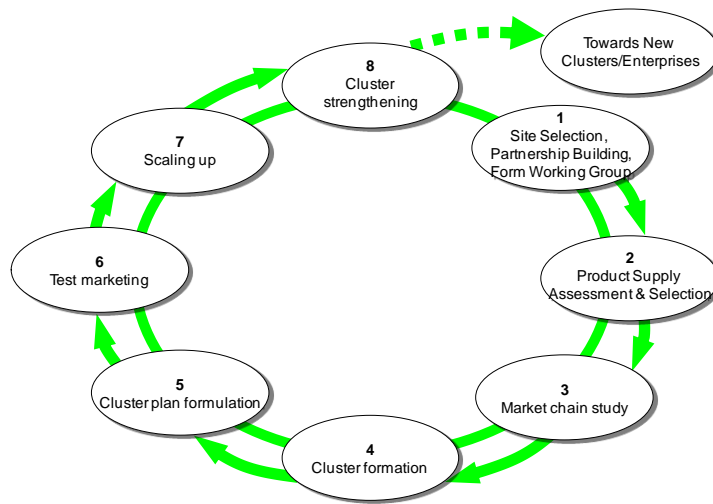


Figure 2: Eight-step process of the clustering approach to agro-enterprise development: An action learning process (CRS-Philippines, 2007)

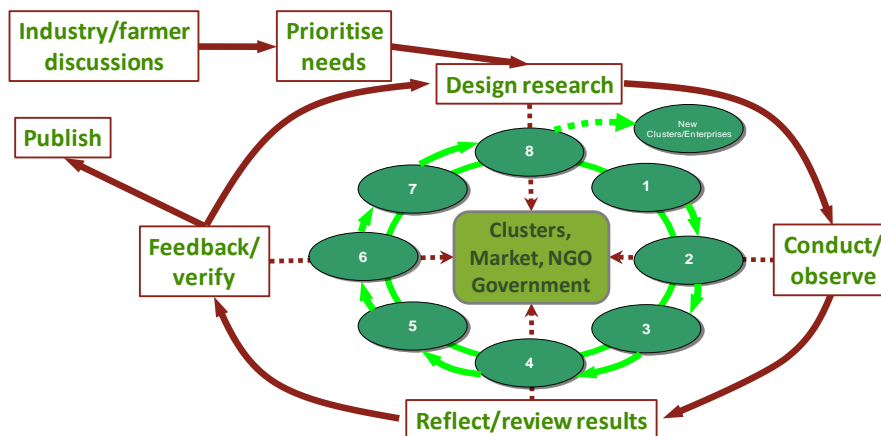


Figure 3: Participatory action research process integrated with action learning process for marketing clusters