Market Networking and Trading: Transforming Women's Lives in Southern Philippines

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Abstract

An informal group of rural women residing in a Southern Philippine watershed community demonstrates that networking and market participation are viable means for self-transformation amidst limited opportunities. Based on network analysis and qualitative interviews, this article delineates the women's marketing ties and experiences as vegetable *biyahidors* (traders) who hurdle constraints like capital shortage, losses incurred from grading and transporting perishables, increasing market competition, and lack of organized response to problem solving, through marketing practices established individually as well as collectively. The article underscores the necessity of institutional support through responsive market policies and programs to ensure the sustainability of the women's entrepreneurial endeavors.

Keywords: Rural women, market network, trading, Philippines

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Introduction

Studies often point out that rural women in developing tropical countries suffer from many gender-based inequalities and world trade policies that adversely affect their rights and control over natural and productive resources as well as their access to educational or training opportunities, agricultural financing and extension services, technologies, and commodity markets (Holmes and Slater, 2008; Chiong-Javier, 2007; AsiaDHRRA 2007; Derrien, 2004; Oliveros, 1997). These women are thus not only hindered from realizing their fundamental role of providing food security and ensuring the continued survival of their families, but also from addressing their overall personal wellbeing. Agricultural or farm women often have meager options for addressing their most basic concerns. However, for an increasing number of them, the most viable option to help negotiate their family's way out of hunger and poverty is to enter the domestic sphere of micro agricultural marketing (Garcia, 2004; PPI, 2004).

It has been also favorably noted that women tend to be more heavily represented in the local markets for food and perishable goods (Baden 2008). Particularly in Asia, women are said to play a predominant role in marketing (AsiaDHRRA 2007). In rural Philippines, married women have long engaged in independent income generation so much so that "a long and distinguished tradition of empirical research attests to the prominent role of women in the household economy, both by direct involvement in income-earning activities and as managers of household economic resources" (Eder 2006).

Recent findings derived from the marketing and gender studies conducted by De La Salle University-Social Development Research Center (DLSU-SDRC) in Songco, a vegetable-producing upland community located in the southern province of Bukidnon, provide additional evidence and explanations for women's active market involvement.[1] These findings (Chiong-Javier 2008) revealed that the marketing of high-value vegetables was an "open access" livelihood source that easily provided cash income to small farmers, especially women, as practically no family was barred the chance to bring their vegetables to the urban markets. Women in the community enjoyed a comparative advantage in marketing and market participation because the wives there were popularly regarded and especially esteemed for their business acumen and trading skills. Moreover, the male spouses generally trusted their wives to bring home the family's market earnings

[1] The DLSU-SDRC studies are part of a 4-year (2006-2010) project entitled "Agroforestry and Sustainable Vegetable Production in Southeast Asian Watersheds" headed by the North Carolina Agricultural and Technical State University (NCAT) and which involved multiple research partnerships. Undertaken in three countries (Vietnam, Indonesia and the Philippines), the project is funded by the United States Agency for International Development (USAID) through the Sustainable Agriculture and Natural Resource Management Collaborative Research Support Program (SANREM CRSP) managed by Virginia Tech in the U.S.A.

intact or wisely spend this on farm and household necessities only. Women's entry in vegetable marketing or trading was facilitated by the services offered by informal market channels dominated by different types of middlemen, particularly the owners of warehousing facilities (*bodegas*) who were themselves mostly women from the same community. But engaging the services or help of middlemen diminished the women's net profits or limited their earnings from marketing activities.

The DLSU-SDRC studies further indicated that because socio-cultural perceptions favored women's marketing practices, many small women farmers in Songco were encouraged to become vegetable traders or *biyahidors.* Although engaged in individual trading operations, the women biyahidors were bound to a network of peers for support. In the study site, the biyahidor is anyone who engages in the business of buying-and-selling vegetables. Based on the volume of trade or business, there are two classes of biyahidors: (1) large-scale biyahidors who usually transport their goods to far-away markets and transact business through *bodegas* (literally, warehouses, but which are market stalls with a warehousing function and serving as outlets for mainly non-local wholesale buyers), and (2) small-scale biyahidors who tend to bring their goods to nearby markets for sale to other small traders or vendors and household consumers. Biyahidors are usually engaged in micro trading and vending enterprises, hence they belong to the second category. Most of these micro entrepreneurs are coincidentally women.

This paper presents the case study of a social network of six women biyahidors in Songco. The objectives of the case study were to (1) understand why farm women turn to market trading, (2) describe the features and challenges of their micro-trading enterprise, and (3) determine the social benefits of their market alliance network. Data for the case study were gathered through two qualitative methods, that is, social network analysis and key informant interview. The social network analysis was also initially used to select the biyahidors who were to be included in the case study. This was done by asking all the biyahidors interviewed in the larger market study to identify who their partners were in the trading business. From the responses, the most mentioned partners were drawn and their network was plotted. The partnership or alliance had to be mutual: partners claimed by the biyahidors also had to own the biyahidors as partners. To get at the core network, one-sided or non-mutual alliances were excluded in the analysis (Figure 1).

Social Network of Women Biyahidors[2]

Social network is a social structure comprising of *nodes* or actors who may be either individuals or organizations, and *ties* or relationships between or among the actors which may involve different types of dependency like kinship, friendship, financial exchange or trade, values, ideas and even dislike or conflict (Freeman 2006). It maps out all possible ties between the nodes being studied. Social network operates on many levels; it results in a complex web of relationships; and it determines the social capital of the actor.

[2] Pseudonyms were used in place of the women's names to respect their right to privacy.

Based on the network analysis, the informal core of women biyahidors is comprised of six members who congregate around Pacita, a central figure who has named the most number (five) of allies in the core group that has acknowledged her in return. Elenita appears next in terms of popularity with four mutual allies, followed by Wendy and Donna who each have three mutual allies and Catalina with two mutual allies. The last member, Florencia, is somewhat of a social isolate in the analysis, as she has only one mutual ally in the person of Pacita.

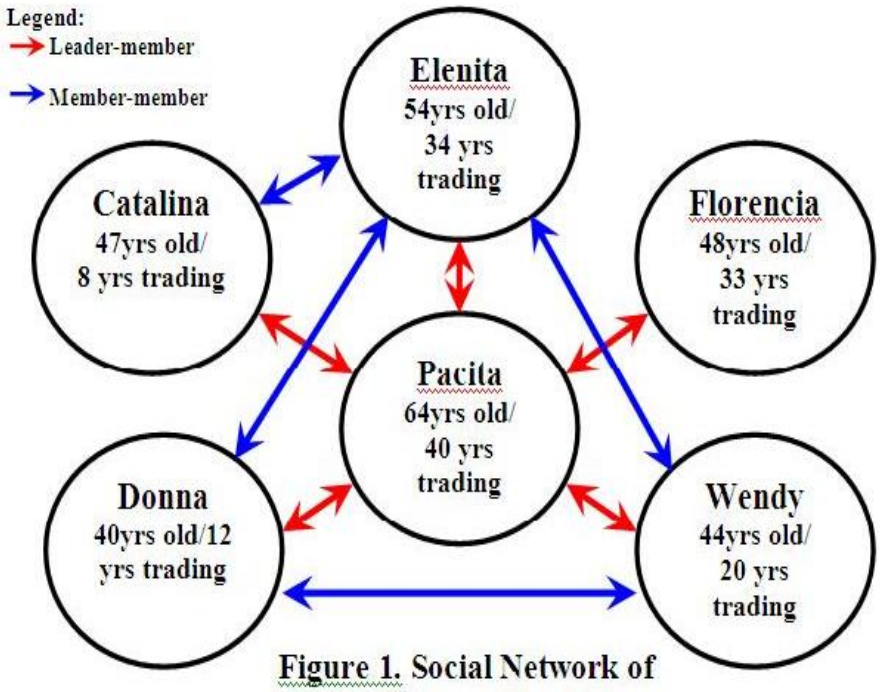

Figure 1. Social Network of Songco Women Biyahidors

Known to the biyahidors and other villagers as "Nanay" (mother) Pacing, Pacita provides informal leadership in the group as the oldest and most experienced among them. At 64, Pacita is thrice widowed and has borne 10 children. Notwithstanding her limited formal education (elementary undergraduate), she has acquired the necessary skills to sustain over 40 years of vegetable trading experience. Although once married to a farmer, she has never owned a farmland. However she prides herself as the first one in Songco to become a biyahidor, along with three women from different villages who are now retired. Today she is noted to be the most senior and seasoned vegetable trader not only in her own village but also in Loverslane Market, where she has been doing business for the last three decades.

Next in seniority of age and trading experience is Elenita, 54, who likewise completed some elementary grades, was twice married, and is a mother of five children. She and her

husband both tend a backyard garden planted to some vegetables and rootcrops mainly for subsistence use. Having started when she was just out of her teens, Elenita has been a small-scale vegetable entrepreneur for the past 34 years and has spent the last 15 years in Loverslane and in the company of the group. Unlike her peers, she brings goods to the market only once a week and stays for the business for half a week. Nevertheless, she manages to maintain a substantial stock of vegetables for sale and for augmenting the temporary shortages of fellow biyahidors.

Wendy, 44, is married to Florencia's brother who earns a livelihood by driving a *habal-habal* (motorcycle for ferrying people). She had stopped schooling while at the elementary level and entered the vegetable business when she was a mere teen-ager as she needed to earn after her father had abandoned his family. To date, she has spent almost half her lifetime (20 years) in this occupation which has helped her provide for her own eight children, the youngest of whom is just a year old. Her trading base since 15 years ago is Loverslane Market. Her family no longer possesses a farm for this was mortgaged (*prenda*) to meet the children's increasing financial requirements, including the college education of three children. Until recently, Wendy's elder sister Nena was among the core group of Songco biyahidors but she had to quit owing to family circumstances.

Donna is married to Pacita's son who is cultivating a farmland they rented. At 40, she is the youngest biyahidor in the group but the second to the youngest (12 years) in trading experience. She obtained 10 years of this experience in Loverslane while in the company and under the tutelage of her mother-in-law who was instrumental in her entry into vegetable trading. Pacita continues to be influential in Donna's business decisions and operations. Thus far Donna has the fewest number of children (four in all) among her fellow biyahidors, but this number could be expected to increase considering that she is still of reproductive age. Among her group mates, she is the only elementary graduate.

The most junior biyahidor is Catalina, with only a total of eight years of entrepreneurial work experience. In terms of age, however, she is at 47 just a year younger than Florencia. Like most biyahidors, Catalina was unable to complete her elementary education; she is likewise married and has six children. Her husband raises vegetables on the farm they both own. She and a younger sister named Hilda were initiated as biyahidors by their older sister Lucita who was an experienced small-scale vegetable trader in Loverslane long before they joined the business. Hilda is a good friend of Elenita.

The last member of the group is 48-year-old Florencia, also married and mother to a large brood of 10 children. Florencia ranks third in terms of age and seniority of experience (33 years) as small-scale vegetable trader in Songco and Loverslane. She claims to be part of Pacita's group all this time and acknowledges the latter as their leader and the price-setter for their vegetable goods. She is no different than most of her fellow biyahidors in terms of educational attainment. But unlike them, Florencia sometimes engages in peddling fish from house to house for additional income. Her husband grows subsistence crops on a rented farmland located in another village.

By their own account, these six women biyahidors have demonstrated individual grit and group strength as micro vegetable entrepreneurs. For several decades now, they have established themselves in one section of Loverslane, a marketplace in adjoining Valencia City, where the vegetable goods they procure from Songco farmers are resold to wholesale or retail buyers and household consumers. They have long confronted the challenges of survival by empowering themselves as micro vegetable entrepreneurs in the village and market settings and by forging a binding social capital among their kind. In Loverslane, the six women form a cohesive band of Songco biyahidors, each with her business partners but all sharing some common set of allies among the market's biyahidors. Although they operate individually and independently, as a group they are interdependent.

Motivations for Engaging in the Micro Enterprise

The women biyahidors, except for one, are either presently or once married to vegetable farmers who are popularly known as "gardeners" in Songco. As partners in the family endeavor of vegetable production or "gardening," they inevitably experienced failures in gardening which related mostly to lack of farm capitalization, poor harvest, slumps or fluctuations in market prices, and unprofitable income from a small farm. These disappointments have motivated and spurred them first to try selling their own produce in the marketplace before turning into small-time capitalists (biyahidors or *compradors*) who buy and market vegetables procured largely from the farms of friends, neighbors, and kinsmen. Moreover, engaging in the trading business seems to the women like a logical or natural alternative to gardening. Other motivating factors are the women's desire to augment their husband's farm income, their need to meet their family's growing expenses, and the encouragement or assistance they received from siblings, in-laws, and/or friends who are engaged in the same micro enterprise.

The profitability of vegetable marketing is what sustains the biyahidors' involvement in this economic venture. Elenita articulated it best when she said:

> "It is far better to trade in vegetables than to plant them because the economic return from trading is automatic once you have disposed of the goods. If you are into gardening, you cannot control the price of your produce but if you buy-and-sell, you can somehow dictate the price. If there is an oversupply of one type of produce and market demand for it is low, as a trader you can simply choose not to buy it while as the grower, you have no recourse but to sell at a loss. In the vending business, the risk of failure is minimal."

Features of Their Micro Trading Enterprise

Most of the women biyahidors carry four to five varieties of vegetables in their stocks. Chinese cabbage (*umbok*) and cabbage are everyone's favorite, followed by carrots and potatoes and to a far lesser extent tomatoes, cauliflower, eggplant, beans, bell pepper (*atsal*), chayote (*sayote*), broccoli, and squash. The biyahidors purchase their goods from an average of six regular (*suki*) farmer-suppliers. But while a third of them rely only on Songco farmers who are friends and/or neighbors (that include relatives), the majority depends on additional farmer-suppliers from two or more barangays apart from Songco. These suppliers often deliver the goods to the biyahidor's house. In some instances, goods are also acquired from fellow traders met in the course of business.

As a common practice, the biyahidors go to the suppliers' farms when the vegetables are being harvested to ensure that they have a choice in the quality and handling of the procured goods. Proximity of the farms to their homes permits close and easy monitoring of suppliers' harvesting schedules. Even for distant suppliers who deliver goods to her doorstep, every once in a while the biyahidor visits the suppliers' farms to check on the quality of the procurement. However, in cases when there is a high demand for certain vegetables (like potatoes) that cannot be procured in the vicinity, the biyahidor travels to far away barangays and to Cagayan de Oro City to acquire them.

At the farm, the biyahidors help in sorting or classifying and in overseeing the packing or sacking of the vegetables they have chosen. To fail to be present during harvest time is tantamount to risk losing potential stocks as farmers eager to handle cash might decide instead to transact with other onsite traders or bring the goods to the market themselves.

Goods are purchased at farmgate prices on a bi-weekly basis or every Sunday and Wednesday, except for Elenita who purchases her goods only every Wednesday. These are immediately transported to the market in the morning of the following day—i.e., every Monday and Thursday, in time for the *tabu* (market day) every Tuesday and every Friday to Sunday of the week. Biyahidors stay in the market from Monday morning to Tuesday afternoon and from Thursday morning till Saturday afternoon. In Elenita's case, however, she resides in the market from Thursday morning till Sunday afternoon only.

The biyahidors' weekly revolving capital ranges from as low as P1000 more or less in the cases of Pacita and her daughter-in-law Donna, to as much as P6000 in Catalina's case. In one month, therefore, the smallest capital outlay is P4000 ($85 at P47/dollar) and the largest is P24000 ($511); on the average it is about P2500-3000 ($53-64). For biyahidors, the capital is inclusive of the cost of the vegetables, hauling fee (P5/sack), trucking fee (P35/sack), and market stall rental (formerly P500/month; now P5/sack).

The actual volume of goods purchased and added on to existing stocks is normally small, averaging about 1-2 sacks per kind of vegetable per supplier or roughly around 8-10 sacks for four to five types of vegetables. The weight of each sack varies with the type. For example, *umbok* and cabbage weigh between 75 and 80 kilos/sack while carrots and potatoes vary from 60-70 kilos/sack depending on the sizing standards. For *umbok* and

cabbage only, the biyahidor is entitled to crop off reportedly "less than 25%" of the cost per kilo to account for spoilage after transporting but the actual percentage is negotiated with the supplier.

The gross return on investment is generally almost 100% for lower priced vegetables (below P10/kilo) based on November 2006 price monitoring figures. To illustrate, *umbok* is purchased at supplier's price of P6/kilo and sold by the biyahidor at P12/kilo while cabbage is bought at P6/kilo and sold at P10/kilo. The purchasing prices for carrots range from P8-22/kilo (from extra small to small, medium, and big sizes) and their selling prices range from P16-30/kilo. This reveals that vegetables requiring larger capitalization do not generally earn as much profit as those priced lower. Other examples are potatoes which are bought at P30-45/kilo (small, medium, and big sizes) and sold at P35-50/kilo; cauliflower and *atsal* (buying prices of P25 and P20, respectively) each turn in a P10/kilo net of capital cost, whereas beans (P12/kilo) net only P4/kilo.

Business Problems and Strategies

Every one agrees that vegetable trading is indeed a lucrative venture although Pacita qualifies that "it is no longer a rare job because anyone with some capital can get in, making it tough and competitive to stay in business today." But having enough capital, according to all biyahidors, is still the key to sustaining their small trade. In this regard, every one's greatest difficulty is how to recover capital that has been extended as credit to *suki* buyers who are market retailers in Valencia. For instance, four suki-buyers of Catalina owed her from P1000 to P5000 ($21-106, averaging P2500 or $53). In Wendy's case, the buyers' indebtedness was smaller, from P250 ($5) to P1000 ($21) but their number was greater. Biyahidors avoid extending further credit to such buyers and are in a quandary as to how to collect the bad debts. Other difficulties encountered as micro entrepreneurs pertain to: (a) being forced to dispose of remaining stocks at a loss rather than have them spoiled, (b) lack of capital and having to borrow from usurious lenders, (c) inability to increase prices owing to the lower "grade" or quality of their vegetables and presence of competition from non-Songco farmer-biyahidors who sell vegetables they produce at lower prices, (d) poorer quality of goods resulting from repeated loading and unloading which happens when transport trucks resort to trip-cutting, and (e) incurring additional expenses at the marketsite for use of toilet and bathroom.

To keep their small scale business afloat in spite of limited or small capitalization, the biyahidors observe the following strategies:

- Stretch one's capital by going to the supplier's farms to purchase at farm gate prices and to ensure that only the best quality of vegetables is bought.
- Buy in bulk and sell in bulk.
- Cultivate *suki* relationships with both suppliers and buyers.
- Keep selling prices low to attract buyers.
- Choose cash buyers who pay promptly over those who buy on credit.

Social Benefits from the Network

Over so many years, the biyahidors have often traveled together to Loverslane Market while transporting their goods in the same jeepney or vehicle. At the marketplace, they eat together, chat during slack selling periods, exchange jokes and share problems. They enjoy each other's company and nurture a reciprocal relationship within the group. "Tulungan kami sa lahat ng bagay," (we help each other in all the ways) they articulate. When one of the members has to leave her market stall (*pwesto*) for an errand somewhere or to eat out, she can count on another member to tend to her stall. This favor is likewise returned to any member in future. Another social benefit enjoyed is "sharing" of buyer: this happens when a biyahidor cannot provide the goods required by her buyer and refers buyer to groupmates who can. Or, in order not to lose face with buyers, a biyahidor can borrow goods from co-biyahidors to augment her stocks. Borrowing is also needed to be able to present a well-stocked stall that is attractive to customers.

Members of the group are bound by unwritten norms concerning the pricing of vegetable goods. Anyone with an oversupply of goods should sell to fellow traders at acquisition cost. Moreover, anyone who gets to Loverslane first and/or completes display of stocks ahead of others may set the standard prices. For the sake of *pakikisama* (a Filipino value placing premium on willingness to be one with the group in its opinions and decisions and to conform to group standards and expectations), the other biyahidors adopt the standardized prices. Anyone who attempts to deviate will be frowned upon, construed as selfish and "*walang* (no) *pakisama*," and gossiped by the group. Therefore, every biyahidor conforms to the norm to remain in the group's favor and to continue enjoying the benefits of interdependence. Among the biyahidors, Pacita often gets to set the prices of the group's goods because she is always early in the marketplace.

Their Needs and Aspirations

All women biyahidors look forward to continuing their small scale vegetable marketing venture. Most of them feel that this would be better accomplished if they were formally organized or could join an organization that functioned to hear their problems, address their collective concerns, and mediate with proper authorities or external groups. Donna and Wendy wish that a defunct market association that once served the biyahidors could be revived especially to provide micro financing for their business and counsel on how to collect the debts of delinquent buyers. Next to having an organization, some biyahidors expressed their alleged collective desire for a *bodega* to be set up in Loverslane Market to function in much the same manner as those found in Cagayan de Oro City's market. The *bodega* shall serve as their marketing outlet, a place for delivering their goods and attracting wholesale buyers. It is also envisioned to serve as their intermediary or another tier in marketing, as the *bodega* and not the biyahidors shall directly transact sale with buyers. Only one member of the group wishes to have her own means of transport like a truck for marketing vegetables; this is expected to improve her efficiency as a biyahidor and free her from the woes of depending on public conveyances.

Summary and Conclusion

This particular group of Songco women biyahidors is not known by any collective name but its members are distinguished by shared common traits. They are married, have a large family size, had obtained a low level of formal education, had turned to vegetable trading due to poor returns from vegetable production, and now possess a remarkably long track record of micro vegetable entrepreneurship. While members of the group operate their small trading business independently of one another and cultivate their own business partners, they are nevertheless linked in an informal web of socioeconomic ties that have flourished through the decades and amidst fluctuations in market demand for their goods. While there is no visible hierarchy in the group, members gravitate toward the oldest and most senior in business acumen and experience.

Immediate cash income from the trade has drawn the biyahidors to market rather than grow the vegetables. Earning it in an agricultural setting propels them to the position of major provider for the family and gives them a greater voice in household decision making. The biyahidors' spouses show support but hardly interfere in the trade they have mastered. The closeness of suppliers' farms to their homes eases the procurement and pre-market transport and storage of goods. Hence balancing the necessities of business and home care becomes convenient for the biyahidors.

Micro vegetable entrepreneurship has boosted the women's economic power at home and enhanced their social capital at work. Though it has not made them well off, they will not have the trade-offs for self and family any other way.

What is truly remarkable about the women is their tenacity at holding on to their trading business in spite of the many challenges encountered. Baden (2008) refers to trading as a "value addition opportunity" that can move women "up the value chain" into new, more profitable market sectors. With this tenacity, the Songco women biyahidors could accomplish far more if given the appropriate support from government agencies to strengthen their leadership and decision making skills, learn about product quality assurance or consumer preferences, and build a formal organization that could create direct links with bulk buyers and consumers from institutional markets to broaden their access to new markets. The case study findings imply that it becomes quite imperative for government to prioritize the support policies and program investments that could further empower the many women agricultural traders represented by the case study subjects. These policies and programs should be those that provide women traders access to credit or financing for their micro-enterprises, as well as to capability building or trainings on simple agribusiness strategies, managing finances particularly recording and balancing income and expenditures, product packaging and quality control, organizational leadership and membership development, and the institutionalization of market alliances or networks.

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