

Farmer Business Schools (FBS) in local communities: How do FBS stimulate farmers' learning and social capital?



RESEARCH PROGRAM ON
Roots, Tubers and Bananas



Domenico Dentoni^{1,2}, Arjen Brak², Diego Naziri^{3,4}

1 COAST Chair, Montpellier Business School

2 Wageningen University & Research

3 International Potato Center

4 Natural Resources Institute, University of Greenwich

Introduction: What we know on FBS and what we need to deeper understand

Based on a small-scale investigation in Eastern Visayas (the Philippines), we seek to inform researchers, policy advisors, non-governmental organizations (NGO), and practitioners in both agricultural extension and agri-food value chain development on how Farmer Business Schools (FBS) engage local communities where they operate and how they influence them. As a participatory, action learning approach focused on product and business development,¹ FBS grounds itself in principles of farmer group-based experiential learning with trained local facilitators. With the support of these facilitators, farmers learn about value chains, entrepreneurship, product development, and marketing over (typically) an 8–10 month period.^{2,3} Based on its successful application

in multiple Asian and South American countries over the last 10 years,^{1,4} FBS has demonstrated high potential for scaling in support of farmer livelihoods and gender equity promotion.^{5,6}

While the recent literature describes in detail the partnership dynamics that underpin the scaling of FBS,¹ we still have only anecdotal evidence⁷ for how this approach stimulates entrepreneurial learning, business development and social capital within the farmer communities. To fill this gap, we address two primary questions: 1) How do farmers apply the learning from FBS participation in their business life? 2) How and when do FBS influence social capital in their communities? To

1 Prain et al. 2020

2 International Potato Center. 2017

3 Naziri. 2019

4 <https://www.rtb.cgiar.org/farmer-business-schools/>

5 <http://tools4valuechains.org/node/785>

6 <https://mel.cgiar.org/projects/370/439/130-farmer-business-schools-help-in-creating-and-diversifying-livelihood-opportunities-for-3500-women-and-men-farmers-in-four-asian-countries>

7 International Potato Center. 2020

address these research questions, we use data collected from one barangay (the smallest administrative unit in the Philippines) where FBS has been implemented, and we draw some implications for farmer resilience accordingly.

Given the small scale of this study, we generate more critical questions than empirical answers. These questions are presented in the last section and suggest new lines of research as greater depth of knowledge about FBS is necessary to foster further adaption and scaling of this approach in new agricultural development contexts, within CGIAR and beyond.

Background: The case of an Aqua-based Business School (ABS)

Over 14 days of ethnographic work in the Taytay barangay (Guiuan municipality) in early March 2020, we interviewed 16 former participants (of 25⁸) who had engaged in the locally adapted version of FBS, called Aqua-based Business School (ABS),⁹ in 2018. The name ABS was chosen because fish and seafood were the target commodities for product and business development in this coastal area and a critical source of food and income.

Along with receiving a set of ABS training modules covering topics ranging from marketing to pricing, networking, accounting, and business planning,¹⁰ the 25 participants were teamed in five business groups, each composed of five participants, which started operating their newly established micro-enterprises in May 2019. All

the participants were women between 38 and 66 years old, and all members of the TAKA⁹ people's organization.

Almost all the ABS participants were the wives of fishers and engaged in fish drying activities prior to ABS to add value in the form of staple food or income to their husbands' catch. Participants could choose their partners so long as they had five members in each group. TAKA and the facilitators encouraged the participants to keep the groups as business units after completion of the ABS and praised as 'successful' the participants continuing to do business with the group formed during the ABS process. Furthermore, part of the revenues earned by the ABS groups were expected to be shared with TAKA to support its work in the community.

During the ABS training cycle, each group practiced locally novel techniques of fish processing (Figure 1) with gloves, knives and bags received through the ABS program. The ABS program also subsidized the purchase of 90 kilograms of fresh fish, so that each group had sufficient raw material to experiment without needing to use their husbands' catch. With the support of the facilitators, the groups received market information (e.g., where to buy fish, at what price, and the options for selling with visits to nearby marketplaces and contacts with wholesalers). Finally, the internal dynamics within groups and among groups were facilitated by an external consultant hired through the program.¹⁰

Findings: ABS participants' lives, learnings, group participation are interconnected

We found that in the 10-month period after the end of the trainings (from May 2019 to March 2020), ABS participants varied widely in terms of:

- How they applied learnings from ABS training and facilitation;
- The extent to which they continued to engage in ABS-formed groups;
- The extent and nature of ABS effects on their off-season livelihoods.

Furthermore, we found that these variations causally related to their pre-existing lives.

The trajectories of learning and business development of the ABS participants were distinct and can be described as follows (Figure 2):

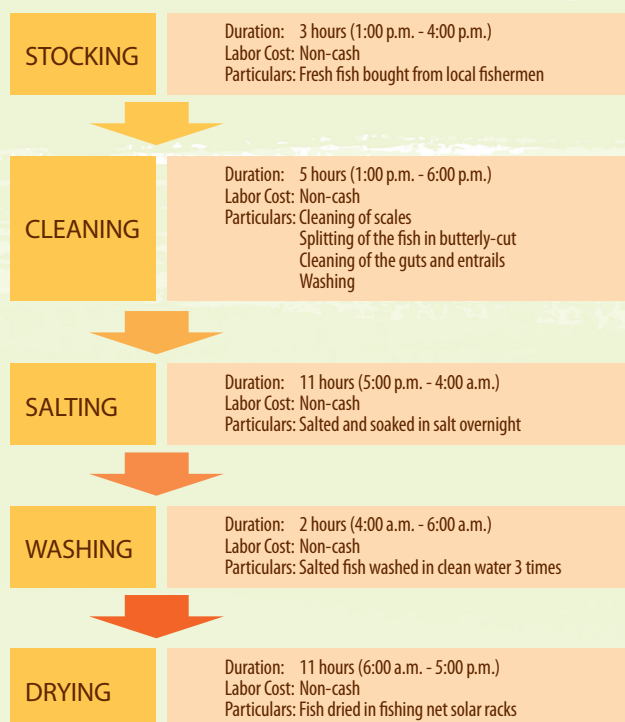


Figure 1. Fish processing in Taytay barangay.

8 Interviews were scheduled with all 25 participants, but the emergence of COVID-19 and the consequent travel restrictions limited the data collection.

9 Funded through the IFAD-supported Fisheries, Coastal Resources and Livelihoods Project (FishCORAL), ABS modules were implemented through the Bureau of Fisheries and Aquatic Resources (BFAR) of the Philippine Department of Agriculture in collaboration with the local people's organization, Taytay Abante Kababayen-an Association (TAKA).

10 FoodSTART+ (2018) and FishCORAL (2021).

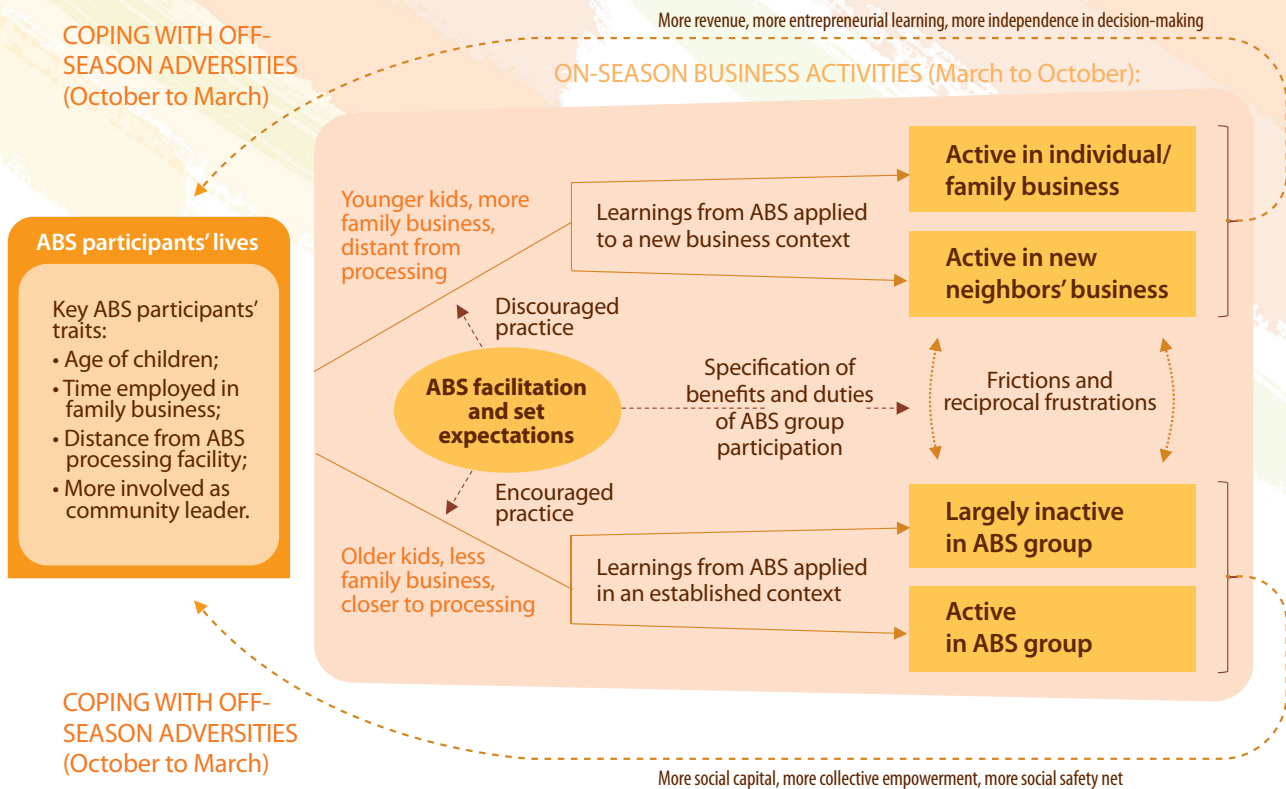


Figure 2. ABS participant trajectories of learnings from ABS trainings, ABS group participation and the effects on their livelihoods.

- 1. Participants still active in ABS groups.** Out of the five ABS groups, one continued to procure, process and sell fish throughout the whole on-season after the end of the ABS process (March-October 2019). The women participating in this group have older children, less family business, and some were formally part of TAKA leadership before and during the ABS. Based on the links built with the ABS facilitator, they established new selling channels for regular sales of processed fish. The members consider this step as critical to stabilize their income. The rest of the fish is sold straight from the drying racks in the village, as they have easy access to the processing and drying facilities at the center of the village and close to their homes.
- 2. Participants largely inactive in ABS groups.** Another ABS group progressively became inactive throughout the on-season. While very involved in TAKA, and predominantly composed of women with older children, this group did not have sufficient fish supply from their own families to process. They could buy, process and sell, but the profit margins were not sufficient to justify the time spent doing so (Figure 1). Also, some of them explained that generating a revenue above a certain threshold might lead them to lose education subsidies for their children. Nevertheless, instead of dissolving the ABS group, they continued to meet and provide moral support to the other active group (trajectory 1). They primarily valued the social aspect of being part of a group. Finally, some other participants, despite being largely inactive, formally remained in the group in the hope of receiving a share of the revenue from the sales of the initial ABS fish stock.
- 3. Participants active in individual/family business.** Many participants from the remaining three ABS groups shifted progressively back to their individual and family businesses after the end of ABS. The main justification was that they were too busy with their own business (processing fish caught by their husbands) to also process with the group. Also, many of these participants lived far away from the processing facility and had young children, so their ability to access the processing site was limited. Nevertheless, they

reported that the ABS training and facilitation was important to them and that they were applying the lessons learned to their own businesses. According to other ABS participants, their choice was also motivated by a desire to do business without sharing part of their income back to TAKA.

- 4. Participants active in (non-ABS) new neighbors' business.** Interestingly, some participants from the three ABS groups which stopped operating established two new business teams with other ABS participants. They chose their new business partners largely based on proximity. This feature allowed them to process the fish closer to their homes which made childcare duties easier to fulfill. They also did not wish to share part of their revenues with TAKA, and they were proud of working independently and being able to make their own business decisions based on what they had learned during the ABS training. At the same time, however, they were referred to as 'non-ABS groups' by the other active participants because they had formed new teams and interrupted their business endeavor with previous ABS teammates.

In conclusion, across these four trajectories, all ABS participants learned and benefitted from the training and facilitation. Yet, interestingly, they applied their learning in two fundamentally different ways during the on-season, which led them to see benefits in their off-season livelihoods in different ways. In particular:

- Some ABS participants (in trajectories 1 and 2) applied the lessons from ABS to their existing business groups. While being less entrepreneurial (i.e., less involved in recombining resources and re-organizing to create value), they oriented and motivated their behavior with the importance of building social capital as a safety net during the off-season. Simply put, these participants, especially those in trajectory 2, prioritized group ties over potentially higher income. They were confident that empowerment could be found *within* their TAKA community.
- Other ABS participants (in trajectories 3 and 4) applied the lessons from ABS on other business endeavors, that is, their own family businesses or new businesses formed with

neighbors. This activity was more entrepreneurial in terms of re-organizing their resources, social ties, and knowledge to find a new balance between their business and family lives (especially in trajectory 4). They motivated their choice in terms of business independence and need to prioritize their families. They were convinced that empowerment could be derived through some business independence from their TAKA community.

All in all, participants clearly noted the importance of their learning from this program and animosity among participants seemed to be minimal. Yet, these two ways of moving forward after completing the ABS process generated some frictions and frustrations among ABS participants. Some lack of clarity on the duties and benefits for participants regarding ABS group revenues, and how processing facilities should be cared for during the off-season (when fish is too expensive to be bought and processed, hence all groups are inactive) were two points of contention.

Implications for future FBS implementation and community engagement

Two key points synthesize the empirical findings from this small-scale investigation:

- 1. Two distinct pathways of entrepreneurial behavior and learning emerged in the community.** FBS participants benefited from trainings and facilitated business group formation in two primary ways: some benefitted from building social capital as they acquired business experience and knowledge with the rest of their community, while others benefited from gaining business independence from their community to accumulate more resources and know-how.
- 2. Along these two distinct learning pathways, some frictions and frustrations also emerged in the community.** These reciprocal misunderstandings and expectation misfits among FBS participants related to the divergence along these two pathways, as one was more community-centric and the other was more business-centric. Lack of clarity in the community rules to be applied after the end of the ABS process also contributed to these frictions.

In this specific case, the entrepreneurial learning and social capital benefits seem to have outweighed the frustrations with their community peers in their preparation for the off-season adversities. Nevertheless, generalizing beyond the specific case, these findings raise some interesting points of reflection for future implementation of FBS in community contexts. Addressing these points might support trainers and facilitators in fostering FBS participants' livelihood resilience:

- Narratives of entrepreneurial "success."** The way FBS outcomes are defined as "successful" by FBS facilitators and community leaders significantly influences community and business dynamics. Hence, these actors should reflect on the narratives of success that they are shaping. Should they praise only the participants who continue to work with their initially-established business groups? Or praise those who

share part of their business revenues with the community? Should they instead praise those FBS participants who become more independent from community support? From the evidence in the ABS case, our recommendation would be, at minimum, to avoid stigmatizing FBS participants undertaking pathways different from what might have been expected.

- FBS participant selection and grouping criteria.** People in different community leadership positions, family situations and geographical locations are likely to have different entrepreneurial trajectories at the end of FBS trainings and facilitation. Depending on the learning pathways that each FBS implementing organization and local community wishes to achieve, FBS implementers and facilitators can consider choosing only participants who are likely to be more community-oriented or more individual business-oriented. Moreover, they should consider these differences for grouping FBS participants into more homogenous business groups.
- Establishing early rules on community-business group relationships.** With the support of FBS training and facilitation staff, community leaders might want to establish common understandings (and, if necessary, a written set of rules) with FBS participants on how to regulate relationships between the business groups and the community after FBS conclude. For example, sensitive rules might involve the duty of sharing income back to the community, for how long this duty is expected, and in which situations. Other rules might focus on the right to use some FBS resources (e.g., processing facilities, drying racks, or raw fish supplies) even when the business continues independently from the originally established group. While adopting formal contracts with participants at the start of the FBS process might be intimidating to the participants, reaching, and maintaining a sufficient level of common understanding would probably mitigate the risk of reciprocal frustrations emerging between different businesses within a community.

We encourage FBS training and facilitation staff, as well as community leaders, to consider these points of reflection as they engage with FBS participants. Furthermore, we encourage researchers, policy advisors and non-governmental organizations to consider these lessons as they move forward with their own FBS plans.

Finally, we encourage fellow academics to conduct their own investigations into how participants learn and evolve in a FBS – during and after the training. In particular, the specific product development stemming from FBS trainings, and the technology brought to FBS participants relative to pre-existing ones, could sensibly influence future business-community relationships. For example, we hypothesize that a FBS training centered more on a value-adding and transaction-specific technology like shrimp chips might encourage the business groups emerging from the FBS to maintain stronger bonds with the community than what we observed in our case study. Therefore, this cross-case comparison of FBS participants' entrepreneurial learning and development trajectories would help expand and strengthen the lessons learned for future FBS implementation and scaling.

"This work has been funded by the Dutch Scientific Council (NWO)'s Senior Expert Program on the theme 'Entrepreneurial Learning in Inclusive Agribusiness' (ELIA), jointly with the CGIAR Research Program on Roots, Tubers and Bananas (RTB). We acknowledge the support provided by the Philippine Bureau of Fisheries and Aquatic Resources (BFAR) and are thankful to all people who participated in the survey"

Implementers:



Partners



Funders

