

VALUE CHAIN INTEGRATION, CLUSTER COOPERATION, AND SUSTAINABLE LIVELIHOODS:
BRIDGING SMALL FARMERS TO HIGH VALUE MARKETS

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ABSTRACT

This study explores the conditions for the possibility of an effective participation of small vegetable farmers in the modern value chains and the effects of this participation on the farmers' livelihood sustainability. Taking a confluence of ideas from the literatures on value chains, clustering, and sustainable livelihoods, it examines how market relationships could be shaped through structures of producer-buyer reciprocity and horizontal cooperation among farmers that could mediate impacts on farmer households. Markets constantly evolve and may thus be re-engineered to favor relationships that potentially benefit both the upstream vegetable producers as well as the downstream end-buyers. Based on an examination of the processual dynamics engaged in by the small farmers in supplying a fast-food company with assistance from external agencies, I generate a number of generalized observations about the possible conditions through which participation in the modern value chains improves the prospects of livelihood sustainability of the small farmers. I argue that attaining sustainable livelihoods through participation in modern value chains is challenging and difficult, involving a continuous and arduous process of innovative learning on the part of small farmers and an unremitting assurance from the side of the end-buyers to integrate small producers in their supply chain. The role of external development agencies proves critical in establishing the reciprocal and redistributive patterns of relationships between producers and buyers. In the final analysis, a value chain vision of external interventions helps facilitate the inclusion of small farmers in the modern markets and promotes their competitive advantage in the long run.