Towards a Better Understanding of Low-Income Producers’ Organisations

The FAO/IDRC Project, “Urban and Peri-urban Agriculture: Towards a better understanding of low-income producers’ organisations” aims at identifying concrete solutions to the difficulties faced by urban producers’ groups in achieving sustainable livelihoods for their members. In this article some preliminary results are provided, regarding the groups’ capacity to attain self-reliance and sustainability; and the role of mayors, local authorities and city executives in promoting a politically friendly environment for civil society participation, farmers’ entrepreneurship and capacity building.

In June 2005 the International Development Research Centre (IDRC) and the Food and Agriculture Organisation of the United Nations (FAO) launched a joint project on “Urban and Peri-urban Agriculture: Towards a better understanding of low-income producers’ organisations”, to be implemented over an 18-month period in ten cities in developing countries. The purpose was to generate knowledge that would lead to a better understanding of the types and performance of existing formal and informal urban and periurban producers’ organisations working in the food and non-food chains, and to prepare specific guidelines for strengthening their effectiveness and sustainability and improve their access to natural resources, funding and knowledge.

The cities were selected according to their potential for developing a long-term strategy for strengthening urban producers’ organisations in collaboration with the major stakeholders including the municipalities, local authorities, local research institutions and NGOs. The selected cities are Phnom Penh and Hyderabad in Asia; Accra, Antananarivo, Dakar, Nairobi, Kinshasa, Harare and Cairo in Africa and Caracas in Latin America. A Local Task Force on Urban and Periurban Agriculture –including representatives of local authorities and city planners, UPA experts, NGOs, producer organisations’ representatives, etc. – was established in each of the cities, in order to ensure participation and strengthen multi-stakeholder dialogue on UPA issues at municipal level. This article is a first analysis of the project’s initial reports. Further systematisation will be done at the project’s final workshop in Rome on 29-31 January 2007. Results of this workshop will be available on the FAO Food for The Cities web-site.

CONSTRAINTS OF URBAN PRODUCERS

In their efforts to improve their livelihoods and food security and to overcome poverty, urban producers face many constraints. Some of the more important constraints identified by previous studies are:

• lack of legitimacy and security of land tenure
• an adverse policy and legal framework
• lack of access to resources; credit and other agricultural inputs
• lack of technical knowledge and information due to lack of extension and support by line ministries of agriculture
• lack of access to viable markets and a transport infrastructure.

The experiences of the ten cities in the study show that there is a need for a policy and legal regulatory framework to stimulate and regulate the development of urban and periurban agriculture in the world’s cities, which would allow low-income producers’ organisations to operate in a secure and effective environment. Such a framework rarely exists and, where it exists, often lacks effectiveness in terms of compliance. This is the case in Accra, where enforcement of the existing legislation is inadequate. In Nairobi the lack of a regulatory and policy framework is the single most important constraint faced by the producers’ organisations: as a result, both formal and informal organisations and institutions can only offer limited services.

Where urban and periurban agriculture is considered an illegal activity, producers have no means to protect their rights: for example, in cases of non-payment for services rendered, the producers’ organisations have no means to seek redress. In Kinshasa, where the urban development plan is currently being drafted, it is not possible to develop long-term activities, because a land use plan is still lacking. The demarcation of a Green Belt, like the one agreed on in 1991 within the Accra-Tema Metropolitan area, could be useful although delays in promulgating the necessary legislation and lack of governmental controls have undermined the Green Belt initiative, and land owners have started selling some of the land to estate developers.

In Phnom Penh the price of a square metre of residential land in the city rose from USD 250 in 2000 to USD 700 in 2006. Due to a similar trend in Dakar, agricultural
activities are being relocated from urban to periurban areas. In Hyderabad major agricultural activities – green fodder, dairy and perishable vegetables production – are threatened by escalating land prices and loss of agricultural land, reoriented to residential purposes.

The preliminary results of the study show that urban producers are more successful in overcoming the many constraints when they are well organised. It has been observed that a lack of institutional and organisational capacity deprives low-income producers of the necessary power to bargain and negotiate with the authorities and other better-organised and more powerful groups in society. This reduces their access to resources, inputs, services and markets and is a major reason for their economic and social marginalisation.

Social formation and organisation are critical for interest groups wishing to secure recognition, legitimacy, representation, access to resources and to influence outcomes through direct participation as stakeholders in the formulation of public policies and strategies affecting their well-being. This is particularly true in an urban context, where the majority of small urban and periurban producers in developing countries operate today at the margin, often with an illegitimate, or illegal, status.

**URBAN, PERIURBAN AND RURAL GROUPS**

Differences between urban, periurban and rural groups are not found in their structure and dynamic, in their participation procedures, in the effectiveness of information sharing, or in their degree of independence. Differences are found, however, in the context in which they operate, and in the opportunities that such a context offers to their members. Thus, to understand the differences among rural, urban and periurban groups, attention should be focused on the characteristics of the environment surrounding the groups, in the specific ways the groups interact with such an environment, and on the influences the environment exerts on the groups in terms of constraints and opportunities.

Even if some typical characteristics can be often observed in urban and periurban groups (i.e. most of the members have more than one job; food processing and street food vending are important among the various value-adding activities, etc.), such characteristics are not exogenous, but depend on the characteristics of the spatial system in which the group is rooted. A thorough group analysis, using a systemic approach, cannot ignore the external environment surrounding the group, its history, properties, dynamics and goals.

The urban environment is characterised by strong, diversified and growing pressure on the available resources, led by rural-urban migration and increasing demand for food, water, shelters, infrastructure, energy, services, etc. Adequate planning - based on a participatory and multi-level approach - is a fundamental requirement for the promotion of sustainable urban development. However, many institutional, social, and cultural constraints still affect city management and planning systems. Regarding UPA issues, it has been observed that agriculture is often considered an illegal activity, and is not adequately regulated. In most cases urban plans do not even mention UPA activities. In such a context, any initiative aiming at strengthening UPA producers’ groups would clash against the lack of political and institutional will. The promotion of producers’ groups rooted in an urban environment requires that particular attention be paid to the establishment of multi-stakeholder relations involving the groups themselves, local authorities, urban planners, private entrepreneurs, etc. Such relations should be conceived as multi-sectoral and multi-level, like formal/informal platforms for the composition of diverting and often conflicting interests, the promotion of synergies, the voicing of participants’ needs within the central government, and the organisation of lobbying initiatives. Local NGOs and international donors have a key role in supporting the attempts of local municipal authorities to attain the goals mentioned above. NGOs are particularly well situated to work extensively at the ground level with groups, providing training and support in participatory planning programmes, organisation of micro-credit schemes, participation in multi-stakeholders platforms and networks, etc. International donors have a competitive advantage in the dialogue with local authorities and central governments for the establishment of a favourable policy enabling environment, which is responsive to the urban and periurban groups’ needs, and provides adequate room for multi-stakeholder dialogue and decision making in a democratic, participatory and sustainable approach.

**The Story of Ablekuma Grasscutter Farmers’ Cooperatives, Accra**

“...Mr. Adu of the Animal Research Institute, Pokuase, encouraged me to form an association so that MoFA could assist us with our training and other needs. Then we will be able to train others as master trainers...Six of us started in Pokuase and later formed the Awoshie group. I received an Award from MoFA in 2002...membership in a group was also the only way to increase my credit-seeking ability so I have worked hard to sustain this group...now Heifer Ghana, an NGO, is helping and we have two projects from the metropolitan assembly. We have been given a grant to establish a learning centre and are processing members for individual loans....” (Ocansey, AGFCS, Accra).

**THE ADVANTAGES OF BEING ORGANISED: SOME EVIDENCE FROM THE CITIES**

Numerous advantages of being organised have emerged from the case studies. Some groups have managed to gain better access to land and to have security of tenure by using their political clout and negotiating with the municipal and local authorities. In Accra, where there is a long tradition of organising groups into associations or cooperatives, pig farmers formed a group before 1960 that enabled them to acquire a piece of land in their current location, Ablekuma sub-metro. In Hyderabad the Uppal Raithu Sangam association established in 2005 is currently seeking registration under the Societies Act, in order to represent the interests of farmers affected by land acquisition processes and to negotiate with the government to exempt their land from the acquisition process (see box).
Other groups have organised themselves to improve their skills and knowledge and share experiences. Grasscutter farming is a new phenomenon that caught on a decade ago. As most of the farmers have less than 5 years' working experience in grasscutter production, in Accra they are organised into an Association with the hope of improving access to information and other resources (RIAF, 2006).

More recently, a group promotion initiative for micro-scale yoghurt making, a growing phenomenon among low-income women processors in Accra, was endorsed by the Ministry of Food and Agriculture.

The Women in Agriculture Development Programme, as it became known, provided training to women's groups that the paragrass producers in Hyderabad also represent an interesting example of producers informally working together to arrange a market place in the old city and to streamline the fodder trading process. The membership changed over the years, and finally registered as an organisation in 1999 with the name of Farmers Green Paragrass Growing Society. Its aim was to resolve problems in the marketplace and improve dialogue with the new governmental authorities (see box).

LESSONS LEARNED AND BEST PRACTICES FROM THE CITIES

The effectiveness and sustainability of organisations representing low-income urban and periurban agricultural producers would be enhanced if institutional, economic, social and environmental bottlenecks were removed or their effects minimised. From the various experiences observed in the cities, some preliminary lessons learned can be drawn, which can be organised around the four major pillars of the group’s capacity to achieve sustainability and self-reliance, i.e. the group’s capital, considered in its human, social, natural, and financial components. It should be observed that, while these four elements are not exhaustive, they have a critical impact on the sustainability and competitiveness of the producers’ groups.

i) It is extremely important that producers organisations strengthen their internal management capacities, by improving members’ skills and knowledge, in order to promote strategic thinking and problem solving, as observed in Kafr-ELShorfa and Dar El-slam Cooperatives in Cairo, or in the Dzorwulu Vegetable Farmers and in the Pig Farmers Associations in Accra. Group-based training activities that enhance members’ capacities and skills, as well as capacity building both of the staff and of the facilitators involved in the training activities strengthen the group’s human capital, which in turn has a critical impact on its managerial, organisational, value adding, negotiation and bargaining activities. In this context good leadership, transparency and democratic decision making processes positively impact members’ motivation to invest their own resources in the group.

ii) Trust, common values and informal shared rules are at the basis of what is called the social capital, which is one of

---

**The Farmers Green Paragrass Growing Society, Hyderabad**

At the end of the 1960s, farmers cultivating fodder were involved in informal consultation and information sharing. An association was eventually formed with various aims, including the search for a suitable marketplace and negotiations with dairy cattle owners and brokers. However, once a marketplace was arranged in the old city, and once the fodder trading process was streamlined, there was no further attempt to register the Association or to take up further activities by the group. In the mid-nineties, the marketplace came under threat and collective action among producers and brokers gained momentum again. The farmers consulted with a number of acquaintances in the governmental and legal sectors, and were advised to register, in order to collectively pursue their interests. Informal organisations cannot receive critical support services, including extension and credit. The Farmers Green Paragrass Growing Society was thus formed and registered in 1999. They are currently facing several problems associated with the marketplace they are using, and in the dialogue with the new governmental authorities.

Source: IOM, 2006

---

**Ginger processing groups in Kinshasa**

Ginger transformation is currently a growing activity among women’s groups in Kinshasa, whose members aim at raising revenues to cope with their households’ basic needs. An effective credit system, the tontine is at the basis of the functioning of such informal solidarity groups. Members contribute to the group with their own resources and take part in weekly meetings. The tontine system is an informal financial method based on the capacity of poor people to save. It makes micro-credit available to those who have no access to formal credit. Tontine groups are specifically rotating savings and credit associations, which provide their female membership with an autonomous savings and credit mechanism through which the members access informal financial services. Each ginger group raises an overall amount of USD 50 to be assigned to one member, who has to pay it back within two weeks with no charge of interest. Due to the growing demand for ginger products in the city, members were able to raise revenues of up to USD 80 a month.

Source: SENAHIJP, 2006
the pillars of the group’s performance. The group’s social capital depends on the characteristics of the local environment. Community-oriented initiatives aimed at strengthening the social capital would result in a twofold outcome, i.e. a fertile context for strengthened cohesion among group’s members and improved synergies among local stakeholders. Information and experience sharing allows groups to build on the others’ experiences and set up successful strategies. The producers’ organisations’ capacity to influence UPA policy and governance can be improved by the establishment of alliances with various stakeholders in the UPA chain. In order to minimise the cost of inputs and ensure proper handling of output by middlemen or command higher output prices, group negotiation is a valuable advantage. It also strengthens experience sharing, and offers opportunities for inter-change programmes and training. Alliances with public sector authorities promote UPA visibility and legitimacy, allow the extension agents to do their jobs more effectively, and stimulate the establishment of a clear policy and legal framework for UPA activities. A women’s group, GIE Ndla,1 established in Dakar in 2000 to process and sell food cereal products, enhanced its market share and members’ income after a promotion day organised by the municipality. The establishment of umbrella associations should also be promoted and followed up: in Nairobi the establishment of Umbrella Associations (Kenya Green Towns Partnership Association and Kayole Environmental Management Association) served to provide a much-needed link between the members and public authorities. Under these organisations they have more effective representation and bargaining power. The key point is that these organisations with effective representation have more bargaining power to lobby for their members’ interests in the public policy arena.

iii) Access to natural resources was highlighted as a major constraint affecting groups’ sustainability, as well as a major motivation for members to establish a group. Lack of access to land and water is mostly due to inadequate legal and regulatory frameworks, stemming from a lack of political will. In many other cases the availability of UPA supportive municipal policies and plans is undermined by lack of coordination and fragmentation of responsibility among various public institutions, at municipal and national level. Building on the case of Accra, it is strongly recommended that the government regulate access to and use of suitable areas, like the Green Belt, devoted to urban and periurban agriculture and forestry. The appointment of an Urban Agriculture Coordinator in the Ministry of Agriculture in Harare is a new promising development. In some cases, the establishment of a department in a line ministry and in the municipality with the mandate to address legal and regulatory issues related to UPA activities promotes coordination and negotiation among various stakeholders.

iv) Self-reliance and mobilisation of members’ resources is a condition sine qua non for group development, which needs to be pursued from the beginning. To ensure that financial self-reliance goals are reached, each group should develop its own long-term plan, with clearly-defined member savings/resource mobilisation targets. Any external funding should always complement members’ own resources. The positive values of saving, financial self-reliance, member control, decision-making autonomy and group enterprise sustainability need to be taught as part of all training and group strengthening efforts.

As observed in Accra, registered associations are motivated by external support through the provision of credit, training and general organisation. Once the external support is ended, all business-like organisational models are not practised fully. Thus, the internal relations and processes enacted to achieve consensus about common goals break down. For example, the Ablekuma Grasscutter Farmers Cooperative Society, which is heavily supported by Heifer International Ghana, is currently fairly well organised whereas the Mushroom Growers Association disintegrated a few years after the National Mushroom Development Project ended. In strengthening producer organisations, the focus must be on re-orienting members’ motives to reflect not only organising for personal gain but also for societal gain, like environmental sustainability and consumer safety. In this way, the overemphasis on “organising for credit from external sources” would become less important. Entry based on share sales is a recommended practice. It commits members as long as the moneys yield returns and these are distributed equitably after the payment of all debts.

Finally it should be observed that a favourable policy-enabling environment, i.e. one that encourages the use of participatory approaches and promotes negotiations between governmental institutions, private sector and civil society organisations, is a necessary precondition for the establishment and strengthening of sustainable groups. The availability of UPA-supportive municipal policies and plans, on the one hand, and the producers’ organisations capacity to influence municipal authorities, on the other, both rely on the availability of an effective urban governance system.

NOTES:
1) The author wishes to acknowledge Jennie Dey de Pryck, Chief of Rural Institution and Participation Service, and Emmanuel Chengu, Rural Development Analysis Officer, FAO, for the valuable comments and inputs provided on the earlier draft.
2) FAO Food for the Cities Multidisciplinary Group
E-mail: Florence Egal, Co-Secretary: Florence.Egal@fao.org

References
FAO 2007. Urban and peri-urban Agriculture: towards a better understanding of low income producers’ organisations, GCP/INT/955/CAN Draft city case studies from: Accra (Irene Egyir, CAGS), Kinshasa (Luzayadio Kanda, SENAHP), Dakar (Mousa S, IAGU), Hyderabad (Robert Simmons, IWMI), Nairobi (Maureen Nyang’wara, KARI), Caracas (Colven Pulido Gomez, FEGS), Phnom Penh (Pou Sovann, Sre Khmer), Harare (Takawira Mulvemi, MDP-ESA), Antananarivo (Jean Ramanankatsoina), Phnom Penh (Pou Sovann, Sre Khmer).