BETWEEN THE DOMINATION OF TRANSNATIONAL COMPANIES AND ITS DISCOURSE ON BUSINESS AND HUMAN RIGHTS: CONTRACT FARMING AND BANANA SMALL FARMERS IN THE DAVAO REGION (THE PHILIPPINES)

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A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS (HUMAN RIGHTS AND DEMOCRATISATION)
FACULTY OF GRADUATE STUDIES
MAHIDOL UNIVERSITY
2019

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ACKNOWLEDGEMENTS

This thesis, I must say, can only attain its worth due to the many supports, inputs, feedbacks, and attentive guidance from Ajahn Bencharat Sae Chua from IHRP Mahidol University, Attry Ryan D Quan, and Attry Jaymie Reyes from School of Law, Ateneo de Manila. Their inputs and patient guidance are exceptionally vital to the development of my thoughts and ideas. I would also like to acknowledge the assistance of Ajahn Yanaur Sumarlan and Ajahn Naparat, both from IHRP Mahidol University, who patiently supported me on my proposal writing.

I would like to thank my internship organization, Unyon ng Manggagawa sa Agrikultura (UMA), for helping me in finalizing and connecting with informants in Davao. I also wish to thank the assistance of the staff of Kilusang Mayo Uno-Southern Mindanao (KMU-SMR) to connect me with the respondents. Also, I am grateful of having the respondents participating in this study and for my translator, Mau, who was very cooperative and introduced the Davao to me during the interview process.

Finally, I believe that I will not be able to complete this process successfully without the love and support of my mother, my father, my sister, Galang, and Jefry. I would like to thank Mas Nanang, Mbak Nova, and Mbak Ika in helping me to prepare my proposal presentation, and also Devy, Ina, Onik, Cis, the PolGovers who always support me. Subsequently, I would like to thank my classmates, Diep, Jessus, Justin, Li Yan, Mark, and Neha for being there, motivating and supporting each other for our betterment. Last but not least, I would like to thank the APMA staff, particularly Kan, who assisted me with the Mahidol University's matter. And, for sure, I could not make this program without Michellia, Hening, and Ike who always lift me up and convince me that I can finish the program. I love you all!

Mahesti Hasanah

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ABSTRACT

This research examined violations towards small farmers' rights over the banana plantation—with the emphasis that the farmers held their agreement with transnational agribusiness corporations in Santo Tomas and Compostela Valley, Davao Region, Mindanao, the Philippines. By focusing on the right to work and the right to enjoyment of safe and healthy work conditions, the study was intended to enrich the existing literature reviews on contract farming. The scholars in this field have explored this issue through many different approaches; however, perspective highlighting the farmers' rights is still infrequently investigated. By using a case study method, the research focused on the implementation process of CF and its impact in the production cycle of small growers. The study conducted interviews and focus group discussions with (8) small farmers, (2) academics, (2) NGOs, and (1) journalist and analyzed government document policies, and had direct observation of several key events in the field.

The research revealed that the companies governing the small farmers or growers as well as workers, it affect their social, economic, and political aspects. Trans-National Companies (TNCs) are controlling the market and the production chain through their subsidiaries or affiliation companies by rejecting the UN Guiding Principles, obligating them to respect the rights regardless of their size, sector, operational context, ownership, and structure. However, since the UN Guiding Principles can be sorted as a soft law, the companies do not have an obligation to follow it. Instead, the companies are considered violating the right to work and right to the enjoyment of just and safe working conditions of the small farmers and workers. The violations included unfair contract signing, low payment on rented land, minimum wage, and unhealthy working conditions. However, as contract farming is no single phenomenon, it was observed that the small farmers and workers had three strategies in gaining their rights over these domineering companies. They fought using formal and non-formal ways to demand from the companies to respect and fulfill their rights. This research should be able to strengthen Vellema's argument that companies are controlling the small farmers and workers under the contract farming' system through social, economic, and political aspects.

KEY WORDS: BANANA / CONTRACT FARMING / FARMERS' RIGHTS / SOCIO-ECONOMIC AND POLITICAL CONTROL / PHILIPPINES.

146 pages

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LIST OF ABBREVIATIONS

ARBs	:	Agrarian Reform Beneficiaries
AVA	:	Agribusiness Venture Arrangement
BOT	:	Build-Operate-Transfer
CARL	:	Comprehensive Agrarian Reform Law
CARP	:	Comprehensive Agrarian Reform Program
CARPER	:	CARP Extension with Reforms
CBA	:	Community Based Agreement
CF	:	Contract Farming
CLOAs	:	Certificate of Land Ownership Awards
DAR	:	Department of Agrarian Reform
DARAB	:	Department of Agrarian Reform Adjudication Board
DARPO	:	DAR Provincial Office
DOLE	:	Department of Labour and Employment
EPs	:	Emancipation Patents
FGD	:	Focus Group Discussion
FAO	:	Food and Agricultural Organization
FT	:	Fair Trade
GC	:	General Comment
HRW	:	Human Rights Watch
HRC	:	Hijo Resources Corp
ICESCR	:	International Covenant on Economic, Social, and Cultural Rights
ILO	:	International Labour Organization
JVC	:	Joint Venture Corporation
LDCs	:	Least Developed Countries
NAEC	:	National AVA Evaluation Committee

LIST OF ABBREVIATIONS (cont.)

NAEC-TWG	:	National AVA evaluation Committee-Technical Working Group
NAP	:	National Action Plan
NDC	:	National Development Corporation
NEDA	:	National Economic and Development Authority
NEH	:	Nader & Ebrahim S/O Hassan Phils., Inc.
NHRI	:	National Human Rights Institutions
NLSA	:	National Land Settlement Administration
NGOs	:	Non-Government Organizations
OHCHR	:	United Nations Human Rights Office of The High Commissioner
OSH	:	Occupational Safety and Health
PARC	:	Presidential Agrarian Reform Council
PARPO	:	Provincial Agrarian Reform Officer
PBGEA	:	Pilipino Banana Growers & Exporters Associations
PPE	:	Personal Protective Equipment
PSA	:	Philippines Statistic Authority
RA	:	Republic Act
TADECO	:	Tagum Agricultural Development Company
TNCs	:	Trans-National Companies
UDHR	:	Universal Declaration of Human Rights
UMA	:	Unyon Ng Mga Manggagawa Sa Agrikultura
UN	:	United Nations

CHAPTER I
INTRODUCTION

1.1 Background

This research will examine small farmers' rights and the dynamics among the farmers in terms of facing Contract Farming (CF) system in a banana plantation in Mindanao, Philippines. Contract farming has influenced the livelihood of small farmers in many ways, both with its positive and negative impacts. Numerous researches were done exploring this theme to prove the influence. By using the human rights-based approach to business, this study will analyze the responsibility of the company and the small farmers. Furthermore, the study will investigate the phenomenon by using control approach in contract farming in order to understand the dynamics of its implementation and understand the endeavor of the small farmers in the banana industry. By combining two methods, the study will not only see the implementation process but also examine the system from the small farmers' side. Henceforth, this research will be contributing as well as enriching the studies on CF system.

The CF is a globalized mechanism linking the small farmers or small growers to a national or transnational company (Isager, Fold, and Nsindagi 2018; Miyata, Minot, and Hu 2009). Since it is a global phenomenon, its complex mechanism involves plentiful actors in economic production; they are companies, government, international donor organization, middlemen, and small farmers in the process of the production chain (Singh 2005; Singh 2006; Sribonchitta and Wiboonpoongse 2008; Nguyen, Dzator, and Nadolny 2015). By using vertical integration, the small farmers have a strategic position since they are the main actor producing the commodities. Therefore, it is interesting to see how the CF system affected their life in order to examine farmers' rights in the implementation process of it.

This research held in Santo Tomas and Compostela Valley, Davao Region, Mindanao, the Philippines since the industry has a significant and strategic position in the region. Davao region is known as the top exporter of banana in 2016, which values approximately $84.85 million (Arado, 2017). As a banana top exporter of the Philippines (Monforte, 2017), Davao Region has a vast banana plantation, in total 10,180.05 hectares (ibid.), with various farming types. Independent growers cultivated some ranches, and others were developed by multinational or corporate-banana producers' companies (ibid.). As a result, every change in the Davao region will affect the dynamics of the banana industry in general. It occurred during the administration of President Gloria Macapagal-Arroyo, from 2001 to 2010. At the time, the banana buyers flocked to Davao and bought the harvested banana directly to the farmers, this activity was stopped back then due to its alteration on the banana industry configuration and that it was threatening the Big Four banana industry actors, i.e. Dole, Unifrutti, Del Monte, and Sumifru (ibid.), of which each of them are running their vast multinational companies. Davao Region valuable contribution on the banana industry is not only immense for its economic values but also from human rights perspective, particularly small farmers' rights, the industry is noteworthy for the nation since it is also involving the CF system. As one of the aims of the CF, the small farmers have a chance to join the global market through the system. However, we need to see the impact of this bridge program to the small farmers live.

The contract farming affects the small farmers livelihood, specifically in economic basis. Some studies reveal that the small farmers had gained positive impact from the contract farming since this contract type facilitated to increase their income and productivity (Nguyen, Dzator, and Nadolny 2015; Sukla, Chaudari, Patel, and Dhaduk 2011; Isager, Fold, and Nsindagi 2018). However, many debates on the implementation of it had also arisen. Contract farming, which should be accommodating the small farmers, went the wrong direction, because it strengthened the role of more prominent farmers, most of them were the members of contract farming association and the company itself. The contract farming supports the more prominent farmers to legitimize and secure their business because they are considered as the critical points of the contractual process (Isager, Fold, and Nsindagi 2018; Miyata, Minot, and Hu 2009; Oya 2012). Several contract farming can be considered unfair for small farmers, either done even from the drafting process of the contract to the implementation. As a result, it creates numerous problems among the small farmers (i.e., bank loan and price lower than in the market), which generate an assumption that the contract farming is exclusive for small farmers due to no negotiation is offered at the beginning. It indicates that the companies turn over all of the risks to small farmers as stated in the contract. In other words, contract farming perceptibly affects the small farmers' rights.

As one of the actors, small farmers played an essential role in the development of the CF system, and henceforth, it is crucial to investigate the system from their side by understanding how they were affected and, by then, were responding to the system. In the next section, the research will explain the research method of the study, consisted of a research question, the scope of research, data collection and analyses, hypothesis, essential values of the study, and ethical concern of the study.

1.2 Research Question

The research questions of the study are:

1) How does the transnational companies-controlled contract farming system affect the rights of the small banana farmers of Santo Tomas and Compostela Valley, in Davao region?

2) What are remedies for the small banana farmers whose rights are affected by the contract farming system?

1.3 Objective of Research

1) The study is investigating the relationship between small banana farmers with the agricultural companies, at the banana plantations in Santo Tomas and Compostela Valley, Davao Region, Mindanao.

2) The study is investigating the dynamics of the small farmers in doing the remedy both in a formal and informal method in Davao Region, Mindanao.

1.4 Research Method

This part explains how this research is conducted by describing where and how the data are collected. The study is a case study research of small farmers at the banana plantations, in Santo Tomas and Compostela Valley, Davao Region, Mindanao. The small farmers in this study are the farmers with a plantation area less than 3 hectares whose agreement of contract farming for at least three years. The research focuses on:

- The implementation process of contract farming, comprising an observation on the harvest time, commodity picking time by the company, accessing the production materials as provided by the company.
- The impact of contract farming in the production cycle of small growers by analyzing the observation results.

Then, the research has four ways of collecting the data:

1) *In-depth interviews and Focus Group Discussion (FGD)*. they were done with small farmers whose less than 3 hectares area of a field and in agreement with the CF for three years. The interview was done with eight small farmers whose agreements with the companies, two leaders of the workers union, while the FGD was done in different villages with 11 small growers with the same contract as well. The 3 hectares as a minimum area is determined in reference to the Comprehensive Agrarian Reform Program (CARP) or RA 6657 in the Philippines, adjusting the size of the farmers' plantation area as well as regulating the length of a prior contract. The aims of this stage are to collect the information about their experiences in the CF system related with their background to sign up the system; the entry process of it; the agreement making process; the implementation process which refers with access to technology, market, and payment process; their experiences when they meet the companies and the state; and their testimony on the system, including their future projection of the system. The FGD, which was only conducted for the farmers, was done before in-depth interview since the FGD's result is accommodating to provide some critical issues and it can identify potential and informative informants for further discussions.

2) *In-depth interviews with the scholars, Non-Government Organizations (NGO) activists, and journalists*. In this part, the researcher has cross-checked the

information gathered from the field and other information related to the state and the companies in the broader context in the Philippines.

3) *Examining the government documents/policies and news*. It is essential to identify the legal foundation of the CF system in the Philippines. The government regulation is perceived as the government reaction or respond towards the CF system. Examination of the regulation can contribute to the analyses part of this study.

4) *Direct observation of critical event on 8 to 15 April, 2019*. This activity aims to understand the small farmers' life and behavior under the contract farming system as well as to validate the information gathered in the FGD and in-depth interview. The observation was done when the small farmers performed their activities in the field (i.e., when they using the fertilizer or in the harvest time); to monitor their social life in the village; when they meet the representatives of the companies and state; and when they sign up the NGOs activities (if any). Furthermore, the researcher has documented certain notes and several photos, also interacted will the small farmers in the field.

The research is held in qualitative methods and implementing a case study approach. The techniques were in line with the research questions "how" and "what", seeking an answer about causalities between agribusiness companies and small farmers' live under contract farming system in Santo Tomas and Compostela Valley, Davao Region, Mindanao. As Ariadne Vromen (2018, p.243) argues that "qualitative (including case study) researchers focus on a single or very few cases/examples to be able to gain an in-depth understanding of their research subject", the objects of the research had specific aims to explain detailed outcomes from 8 banana farmers signing up the contract farming system for at least 3 years whose 3 hectares farm in Santo Tomas and Compostela Valley, Davao Region, Mindanao, the Philippines. The research understands that the contract farming is not a single phenomenon, hence it is essential to conduct an in-depth interview and observation to investigate the patterns and the relationship of the object in the implementation process of the contract farming system. The methods do not only guide to answer the research questions but also present the techniques in data collection.

1.5 Scope of Research

The scope of the research is:

- The small farmers whose less than 3 hectares of banana farm plantation and signing up the contract farming system for at least three years in Santo Tomas and Compostela Valley, Davao Region, Mindanao.
- The implementation process of the contract.
- The impact of the contract on the farmers regarding the right to work and the rights of the enjoyment of just and favorable conditions through social-economic, and political control.

1.6 Values of Research

There are two reasons as to why this research is vital. *First*, it is to strengthen Vellema (1999) framework on a study contract farming phenomenon in the banana plantation in Mindanao. *Secondly*, it is to enrich the literature review of contract farming from the human rights approach. Most of the researches on contract farming had only analyzed the case from an economic perspective (the farmers' income or their productivity), a governance perspective (the policy and role of the government in contract farming), or a networking perspective (the contract farming linking the small farmers to global market).

1.7 Ethical Concerns

As to implement the "Principles of Research Ethics for Human Rights Research" as well as to guarantee that this research would not harm another party, the researcher prepares six rules while collecting the data in the field. *First*, before entering the area, the researcher should learn the nature of the small farmers' society and their culture. Hence, the researcher can adjust and recognize their concern. *Second*, the researcher practiced respectful questions to the small farmers, e.g. avoid judgmental questions and avoid discrediting questions. *Third*, the researcher tested the interview questions to other interlocutors, e.g. the lectures or classmates. *Fourth*, the researcher provided and explained about informed consent to small farmers and other resource persons about the aim of research and their participation in the study. The informant consent is given to guarantee their data, especially for those asking for rights of privacy and anonymity and confidentiality, which also generates the *fifth* step. If the farmers were scared to participate in the research and of suspicion that it will bring them some troubles, the researcher will have to be agreed with them to keep their data and information safety. *Sixth*, the researcher asked for their permission before taking picture, recording the discussion, etc. *Lastly*, the researcher asked the local NGOs to afford assistance in the field in order to face language barriers with the small farmers.

CHAPTER II
LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

This chapter examines the literature review from previous studies and the conceptual framework used in this research. Firstly, the chapter explains various studies related to contract farming in general and studies in the Philippines as one of the important countries in the program. Furthermore, the literature review provides intersection issues between contract farming and farmers' rights in different countries to show the lack of existed studies. In the second part, the chapter explains the conceptual framework from the domination of transnational companies, which is not in line with business and human rights principles. Also, related with the second questions, the conceptual framework also explains the farmers' responses in the contract farming. This part can be perceived as a guidance to understand the remedies among the small farmers or growers as well as workers.

2.1 Literature Review

2.1.1 Contract Farming Studies in the Philippines and Expedition of Banana Industry in Mindanao

The banana industry in Mindanao has been developing for decades. Previously, the banana export had only gained small amount compared to sugar and coconut production of the Philippines, but in the 1969-1980, it earned about US$650 million in foreign exchange and surpassed the two main agricultural products before (Krinks, 1983 p.102). The development of the banana was started in the late of 1960, and over the preceding thirty years, half of the banana plantation is used to be occupied by small farmers dominated by migrant-settlers (Krinks, 1983 p.102). At that time, the farmers planted divers' crops, which not only their basic foodstuffs, such as rice, maize, fruits, abaca, coffee, and coconuts. For selling, the farmers cooperated with local merchants or with dealers from urban areas. Furthermore, Krinks (1983) explains that the discourse of stimulus and indispensable of Philippines' banana industry was raised by President Garcia in 1985, giving its access to the Japanese market since then. At the time, Taiwan and Ecuador were the central imported banana countries. However, in the positive waves of Japanese incomes, the government liberalized imports, and in 1960 it allowed a trial important of banana from all interested resources. As a result, the primary beneficiaries were Taiwan growers and the Japanese importing firms by having an increased volume in banana imports.

The reason Mindanao becomes the central area of the banana industry is clearly its strategic geographically conditions. According to Vellema, Borras, and Lara (2010, p.306), there are two reasons why Mindanao was very attractive to the American government and its business leanings. *First*, environmental condition of Mindanao is fertile, and its location makes it typhoon-free (2010, p.306; see also Krinks, 1983, p.103). *Second*, the American government assumed that the land in Mindanao is owned by public due to no Western-style title shows any land ownership over the area. Hence, many corporates, both transnational and national, were attracted and the government supervised to acquire vast tracts of land (2010, pp.306-307). There goes the cooperation between the Philippines and international entrepreneurs (Krinks, 1983, p.103). However, the Filipino growers were handicapped by poor quality due to the popular varieties grown by unsophisticated techniques while the products sought to links with Japanese importers. Furthermore, it was the Japanese entrepreneurs establishing the banana industry in Mindanao, capturing 85 percent of the Japanese market. Nevertheless, American corporations were dominated by the global banana market. They are Castle and Cooke of Hawaii, United Fruit Company of Boston, and Del Monte of San Francisco (Krinks, 19983 p.103). Those three companies were also operated in Mindanao in terms of extending their market share, particularly in the Japanese market. Hence, since 1960s, Mindanao became an essential area of the global banana industry by enticing transnational companies through its proper geographically conditions.

While from the state' role in the banana industry, some studies show that they were happy and facilitated Mindanao to transnational companies. Krinks (1983) examines that the government created a benign condition for transnational companies.

For example, in 1964, the government made Davao Penal Colony, a prison reservation of 8,000 hectares, available to United Fruit Company (Krinks, 1983 p.109). Another case is in the taxation concessions. Krinks (1983) explains that the government involved the industry as the recipient of investment incentives in the 1970s when the industry was overwhelmingly profitable. Tagum Agricultural Development Company (TADECO) case was attracted in this matter due to it did not pay income tax on its profit from 1973 to 1976 amounted to P39 million (about US$5.5 million) (Krinks, 1983 p.109). Furthermore, Krinks stresses that there was an interconnection and overlaps between bureaucrats, politicians, and businessmen (Simbulan 1966; Subramaniam 1980; Wurfel 1979 cited by Krinks 1983 p.109). Hence, it is undoubtedly for the government favoring the companies, then facilitating land acquisitions for banana plantations.

Aside from its historical perspective, the study also examines contract farming in the Philippines in general, in recent years. At least, four studies had examined the contract farming system in Mindanao. *First*, Vellema, studying the domination of the company in contract farming in Mindanao in 1999. Vellema examines the control from the company' management perspective, showing the company dominating the farmers start from its formality formation to intervention. *Second*, Digal uses the development approach to study the links between the multinational companies with domestic (2005) and research on the natures, problem, opportunity, and sustainability. Even though Digal finds some inequality in the contract, the analysis sees it as part of challenges needed to be done to sustain the system. *Next*, Rosete (2016) argues on the political economy of smallholder in Mindanao in terms of incorporation with agribusiness companies and land acquisition. Rosete (2016) reveals that the small farmers or called Agrarian Reform Beneficiaries (ARBs) are struggling under the contract system both economically and institutionally. *Last*, the newest study from UMA in 2009, with an imperialist framework, examines how the transnational agribusiness companies expanded their plantations and its business under the AVAs scheme in Mindanao. By using the human rights-based approach in business, this study attempts to strengthen Vellema's framework from the small farmers' experiences as well as to see the different aspects of UMA's work. Furthermore, this study will complement Digal and Rosete work by analyzing the remedy process of the small farmers in order to answer the inequal and imperfect system of contract farming.

In conjunction with collecting the previous studies on contract farming in Mindanao, the research also examines other works related to Contract Farming (CF) and small farmers' rights in general. The study is categorizing the literature reviews into two parts. The classification is to examine the strengths and weaknesses of the research about CF.

2.1.2 Contract Farming and Small Farmers

Four key issues were raised in the study on CF and small farmers study. The four problems were tied in with different perspectives and results regarding investigating CF in some areas in the world. Furthermore, it shows that as a global phenomenon, it has various impacts, the process of implementation, small farmers' participation in the system, the practice of the companies, and the role of farmers' associations.

First, the studies investigate the impact of CF on small farmers from a business perspective. One of the primary purposes of CF is to meet global demand with small farmers in developing countries range from countries in Africa to Asia. Since it was used during the 1970-s, a study of CF shows that CF has positive trend regarding increasing small farmers' economy (see Minot, 1986; Glover and Kusterer, 1990; Vellema, 1999; Briones and Galang, 2014). Sáens-Segura, D'Haese, and Ruben (2007, p.9) argued that in Costa Rica "contract improve certainty for small-scale producers and hence increase their willingness to invest." Aside from the level of production, several studies focused on the income and gross margins. Miyata, Minot, and Hu (2009, p.1788) revealed that CF scheme is effective in Shandong province, China due to its farmer contract, both in a big and small scale, could help the farmers to earn more money than a non-contract farmer. Similarly, Birthal, Joshi, and Gulati (2005 cited by Miyata, Minot, and Hu, 2009, p.1782) find that gross margin of dairy contract farmers in India was higher than independent dairy. In some areas which some particular conditions, CF has a significant impact on farmer's income, although some areas brought in also several conflicting results.

Second, the studies examine how CF link small farmers with big companies, ranging from national and transnational companies. As a structural scheme, CF proves that small farmers can be involving in the global market, although their participation can be considered indirectly and only taking across several chains, the system might offer an alternative market to small farmers. Oya (2012, p.2; see also Digal 2007) argues that CF is “vertical integration between agricultural producers and buyers (exporters, agro-processing companies or retailers at the end of the value chain).” Miyata, Minot, and Hu (2009, p.1784) interviewed in Shandong province, China and confirmed to the small farmers and packers that there is an increasing coordination with domestic and foreign supermarket chains to distribute their product to the consumer. The finding is strengthened by other studies, revealing that CF provides a mechanism for incorporating both small and low-income farmers to the market economy (see Glover 1984; Key and Runsten 1999 cited by Sáens-Segura, D’Haese, and Ruben 2007 p.2). It seems that the studies correspond that CF needs structural adjustment to link small farmers to the global market since it involves the state and companies.

Third, the studies elaborate participation of small farmers in the CF system. The debate among scholars regarding whether the CF is accessible to small farmers. Miyata, Minot, and Hu (2009, p.1788) argue that there were no bias between a more significant small farmers’ participation in CF; instead, the selection in the CF process is said to be more related and corresponded with the location of the field and labor availability. Conversely, Sigh (2006, p.5584) thinks the CF in Thailand is biased given that the companies prefer to work with larger growers, and exclude the small growers from the system. As a result, they lose the opportunity to gain the benefit of CF. Parallelly, Guo, Jolly, and Zhu find that larger farmers have higher participation than small farmers (2005, cited by Miyata, Minot, and Hu 2009, p.1782). Oya (2012, p.9) argues that participation of smallholders is to open change for the large-scale capitalist farming in development. Furthermore, Oya (2012, p.13) says that in Kenya, the agricultural chain in Kenya relies on large-scale estate production, which it has thousands of employees. As a summary, it shows that CF is biased due to it is supporting the big farmers rather than the small ones.

Fourth, the studies tell the abusive business practices of the companies. Delforge (2007, p.6) provides a story of small farmers that their right to work and rights to get information had been violating by the company. For example, the company had delayed their payment without confirmation to each small farmers, the company does not provide an obligation on standard wage, the company also does not offer them any health insurance, and the company sign contract year-to-year while small farmers committed more than that given that they have a bank loan for five to ten years (Delfoge, 2007 p.6, and p.22). Similarly, Digal (2007) finds the same case on banana and pineapple in Mindanao. Digal (2007, p.32) argues there is inequality in the contract process, range from limited access to market and distorted information both for output prices and quality of inputs by contractors. Besides, Glover and Kusterer strengthened this argument by arguing that there is an unbalance power in CF. Glover and Kusterer (1990, pp.130-131) explain that even the distribution of risk and its specific provisions were implemented, it could not guarantee the implementation given that the distribution of risk strongly related with many other factors, e.g. bargaining power, alternative availability, and access to information. The authors address the factors to small farmers who have problems with risk allocation. When signing up to the contract system for the first time, the small farmers did not aware of any risks since the contract seems less risky than their traditional order, hence they accept any probable risks raising from the contract system (1990, p.131). The studies reveal that many violations in the CF system were caused by both a weak regulation as well as an inadequate control in the implementation process, particularly regarding the companies' activities.

The violation does not only come from the state and companies, but also the farmer's association. Isegar, Fold, and Nsindagi (2018) explain about the fallacies of out-growers' Associations in sugar cane Kilombero, Tanzania. Ideally, the associations become middle actors linking global companies and out-growers, both big and small growers. However, the authors find that the associations were influential entrepreneurs who control, not only knowledge of the systems and the network but also the infrastructures, and the role as mediator turn out into private capital accumulation (2010, p.2010). The authors also acknowledge that the government plays a vital role in strengthening the associations by creating the regulation, giving it a more significant change to uphold their position (2018, p.211). The authors highlight the impact of sugar cane that “has entitled new labor relations in the area, and that land is changing hands becoming concentrated among fewer individuals while landless or near-landless households are losing their sources of subsistence and income” (2018, p.210). From the case, we can see that there is a tendency of the farmers’ association to use the position to accumulate their capital, instead of being an intermediary.

For the workers with a union, the literature shows a different story. The workers’ union has an essential role in the contract farming system. Depart from Rehber (2007, p.69) argument that the part of the union in the US is to auctions in favor of farmers as a bargaining cooperative or known Community Based Agreement (CBA) as a representation of the workers. Rosete (2016 p.22) explains that the union has more power vis-à-vis with the investors since the union could pool resources for hiring lawyers, appeals to authorities in city centers, and mobilize for interventions in municipal agrarian reform offices. Aside from formal matters, the union also has roles in collective bargaining agreements, e.g., negotiate wage increases and other benefits (Rosete, 2016 p.35; see also Digal, 2005 p.64). However, the role of the union is also perceived as one of the critics of the contract farming since it creates proletarianization among farmer’s land and labor (Rehber, 2007 p.107).

The studies about contract farming and small farmers show that many scholars examine the phenomenon from different approaches, regarding the economic, structural, and participation of small farmers in the system. Additionally, the researchers also researched CF and farmer’s rights, granting most of them did no use term “farmers’ right,” they examine the violation of it in CF scheme. Regarding object studies, from the literature reviews aforementioned, it shows that only a few of them implemented it in the Philippines, in Mindanao in particular, on their research. Hence, it is crucial to examine the phenomenon in small farmers’ rights to enrich the existed studies as well as strengthened the research of Digal (2007) on Mindanao areas.

2.1.3 Small farmers and Farmers’ Rights

There are two issues on the violated rights elaborated in this study about small farmers and farmers’ rights, i.e. the rights to land and the rights to health. These issues show how the CF system can affect small farmers livelihood seriously.

Moreover, the literature explains that the violations involve other actors in the process of it.

First, the rights to land. Keqin (2009, p.73) explains that to the farmers, the land is the fundamental guarantee of their livelihood and the only capital on which they depend to build wealth. Farmers and land are one entity, goes hand in hand. However, modernization brings many effects and dynamic on land ownership of farmers. The government has a vital role in the issues as the government is responsible to set a barrier to protect and fulfill the land rights of the farmers. However, Keqin (2009, pp.73-75) found that China government control the land and the development process in rural areas through administrative power (see also Oya, 2012). Besides, many local governments in China turn out as land finance, controlling the land either to rent or to sale, and the activity becomes their larger moneybag (Keqin, 2009 p.74). Similarly, Menguita-Feranil finds that the government provides some assistance for the investor, such as through giving data about suitable land and giving subsidies for small farmers who allow the investors to access their land (2013 cited by Rosete 2016 pp.77-78). Oya (2012, p.23) explains that impact of CF on land grabbing is mostly on displacement. In the end, CF influences the dynamic of land acquisition directly and indirectly.

Most scholars reveal that land acquisition occurs due to several reasons and it affects the small farmers. Oya (2012, p.23) argues that from works of literature, expansion of CF becomes one of the main reasons for land acquisition. Furthermore, Keqin (2009) explains eight fundamental problems of farmers' land expropriated, as follows: (1) illegal expropriation; (2) use of violence; (3) lack of compensation: (4) low compensation; (5) retention of settlement; (6) chaotic resettlement arrangements; (7) greater poverty; (8) deception (p.72). Impact of land-deprived farmers is harming the farmers and create many discriminations for farmers and women farmers. Keqin (2009, p.78) states that "most farmers have become a social refugee, having been rendered landless, jobless, and without social security." It strengthened with a statistic in China that in 2003, there were 60% of land-deprived farmers who were living under extreme poverty (2009, p.78). For small farmers, the land is not only as capital but also as their livelihood and their identity.

Second, the rights to health. Aerial spraying has been the a repressed issue for farmers since decades ago, in the Philippines it was begun in 1997 (Nikol and Jansen, 2018b) and India in 1970 (Rajendra 2003), as the impact is not only dangerous for the environment but also for farmers and their families. By discussing about the modernization, the companies and support by the governments, it is justified that western science disrupted farmers' traditional farming system hence causing damage to the environment (Nikol and Jansen, 2018a p.3). Aerial spraying creates a significant impact on farmers both in short- and long-term damage, including removing their traditional farming system.

The issues were not only contested in the Philippines (Nikol and Jansen, 2018a), but also in others countries such as Argentina (Aranciba, 2013), Costa Rica (Barraza et al., 2013), and India (Rajendran, 2003). The companies held control over the pesticide spraying, were also stated in their contract (de la Cruz and Jansen 2018, p.260 cited by Nikol and Jansen, 2018a, p.5). In this case, the farmers were cooperated with NGOs to counterpart this issue, start from indirect action, such as to convey the message about the dangers of pesticide, to strike a direct pressure, through gaining a legal endorsement and lobbying (Nikol and Jansen, 2018a, p.15-16). Rajendra (2003, p.356) highlights that a vast amount of pesticide has been used in Indian market-oriented farming system. Palis, Flor, Warburton, and Hossain (2006, p.45-46) reveal an astonishing fact that the farmers in the Philippines believe that pesticide is not endangering their health as long as they use an appropriate equipment. In fact, in the field, they found that companies did not even provide the right material, and the farmers willing to buy personal protective equipment (PPE) (Palis et al., 2006 p.46; Warburton et al., 1995 p.92). The willingness of some farmers to provide their equipment raising dilemma with a counterpart that NGOs and other farmers, who affected, developed to tackle the issues.

The studies on the rights to land and rights to health have one same explanation. They examine that CF influences the dynamics of both of them, either turn out into positive or negative, caused by modernization along with the government who have a strategic role in deciding the mechanism of both systems. However, the rights to land and the rights to health are not enough to explain the dilemma between small farmers and the globalization. One of the approaches to see this complexity is to see their relation, regarding who has more power in the system and how they respond and adjust one each other in term of to protect and fulfill their rights. Nevertheless, an equal opportunity, as one of the spirits of CF and guarantees by the law, needs to be a highlight in this context. It is because the study shows that the implementation of the CF could not guarantee the small farmers rights and lead to violations on the two rights aforementioned. Lastly, in line to fill the gap from the study, this research is addressing the importance of using the small farmers perspective, hence, we can understand the CF system completely.

2.2 Conceptual Framework

2.2.1 Contract Farming in Business and Human Rights' Framework

In contract farming (CF), the critical process of it to link small farmers, who produce the commodities, with the companies, which facilitate in several levels of the global market, by supervising the state. The CF has several stages in order to link the small farmers and the companies, ranging from; standardizing the farmer's equipment, usually the farmers need to improve their instrument set to be modernized to meet the companies' requirements; contract agreement as the most essential stage given that on this stage the small farmers and the companies might need to specify their detail, such as the characteristics of the product, period, forms of management assistance, payment method, etc.; and implementation process of contract. Moreover, the three stages are only one of the models of the contract, given that the CF system has several types, as stated in the table below. Based on Eaton and Sheppard (2001, pp. 44-46), there are five types of contract farming:

Table 2.1 Types of Contract Farming (CF)

Structure-Model	Sponsors	General Characteristics
Centralized	Private corporate sector State development agencies	Directed contract farming. Famous in many developing countries for high-value crops. Commitment to provide material and management inputs to farmers.
Nucleus estate	State development agencies Private/public plantations Private corporate sector	Directed contract farming. Recommended for tree crops, e.g., oil palm, where technical transfer through demonstration is required. Popular for resettlement schemes. Commitment to provide material and management inputs to farmers.
Multipartite	Sponsorship by various organizations, e.g. - State development agencies - State marketing authorities - Private corporate sector - Landowners - Farmer cooperative	Common joint-venture approach. Unless excellent coordination between sponsors, internal management difficulties likely. Usually, contract commitment to provide material and management inputs to farmers.
Informal developer	Entrepreneurs Small companies Farmer cooperatives	Not usually directed farming. Common for short-term crops; i.e., fresh vegetables to wholesalers or supermarkets. Typically minimal processing and few inputs to farmers. Contracts on a simple registration or verbal basis. Transitory in nature.
Intermediary (tripartite)	Private corporate sector State development agencies	Sponsors are usually from the private sector. Sponsor control of material and technical inputs varies widely. At time sponsors are unaware of the practice when illegally carried out by large-scale farmers. Can have negative consequences.

Source: Eaton and Shepherd, 2001, p.56.

Refered to Eaton and Shepard, the Philippines government acknowledge all types of the contract through its regulation, DAR Administrative Order No. 09 on "Revised Rules and Regulations Governing Agribusiness Venture Arrangements (AVAs) in Agrarian Reform Areas" on 13 December, which I will explain further in chapter four. Nevertheless, in the field study, the centralized type is the standard contract that applies between the small farmers and the companies. As a result, the deal happens directly between the companies and the small farmers, while the state here obligates to provide strong regulations and mechanisms to guarantee the rights for both entities as explained in the UN Guiding on Business and Human Rights below. Another impact of this type is the small farmers' rights vulnerable to be violated due to the state has limited space to do a direct intervention. However, the UN Guiding regulates several mechanisms to ensure the small farmers' rights in the business, including in the CF process.

In the CF system, the governments have an essential role in protecting and providing remedies for small farmers, as mentioned in "Guiding Principles on Business and Human Rights" from the United Nations. The first responsibility of the state is to protect human rights, ranging from preventing, investigating, punishing and redressing the violations through effective policies, legislation, regulations, and adjudications (UN Guiding, 2011 p.3). Furthermore, the state needs to ensure all business enterprises domiciled in its territory to respect human rights (ibid.,). In the CF context, the state should ensure the multinational companies, which have direct agreements with the small farmers, to respects the small farmers' rights throughout their operations. As the duty barriers, the state should provide mechanisms directly to protect the small farmers as well as ensure the business enterprises to respect the farmers' rights at the same time.

Inline to detailing the responsibility of the state in the CF, Glover and Kusterer (1994 p.10) explain that local government can support the small farmers through creating a scheme that strict companies to own a vast land and creating a vertical integration to avoid unfair price and other abusive practices. Furthermore, Eaton and Sheppard (2001 p.29) explain that the state has two leading roles in the CF. *First*, the states' role in the enabling and regulatory role which can be done by a. suitable laws of contract and other bills are required as well as an efficient legal system; b. governments need to be aware of the possible unintended consequences of regulations and should avoid the tendency to overregulate; c. governments should provide services such as research and, sometimes, extension. *Second*, governments can take steps to bring together agribusiness and suitable farmers. From the explanation, we can understand that the governments should have a comprehensive plan, including policies and law mechanism to protect, respect, and access to remedy to the small farmers.

Apart from the government, companies are obligated to respect the rights of the small farmers, as known as the second pillar of the UN Guiding on Business and Human Rights. The companies should have policies and process to implement the human rights standard, including their a policy commitment to meet their responsibility to respect human rights; to adopt the due diligince process to identify, prevent, mitigate and account for how they address their impacts on human rights; and take a method to enable the remediation of any adverse human rights impacts they cause or to which they contribute (Guiding Principles Business and Human Rights, 2011 pp.15-16). Moreover, the due diligence part is one of the indicators to see whether the companies have a comprehensive system for the respect of human rights; I will explain more on this issue in chapter 3. In context with CF, companies are not only acting as a middle actor who connects the small farmers with the global market, but they are also the one setting the standards as well as the quality of the products. Which means, the companies have a wide range of managing the land and indirectly the small farmers itself. Hence, the UN Guiding Principles here has an essential role to respect and guarantee the small farmers' rights due to it covers the obligation of the companies starts from preventive action to its post-operations.

Access to remedy, which also known as the third pillar of Guiding Principles Business and Human Rights, is a must obligation for the state to ensure small farmers are able to gain their rights in the implementation process of contract, and for the companies will explain in chapter 3 later. The Guiding rules should take appropriate steps through judicial, administrative, legislative, and other mechanisms to provide access to those affected with abuses practices (Guiding Principles Business and Human Rights, 2011 p.27). Moreover, the state should attend the process not only through procedural but also in substantive aspects, such as holding a discussion session to counteract or make good of violations of human rights that happened (ibid.,). In terms of the CF, the remedy is vital for small farmers given that they are actively involved in production as a business partner of the companies. Also, for the Davao Region, the remedy could help the small farmers in terms of negotiating with the companies under a top-down nature of the centralized contract that applied there. Furthermore, as guaranteed in the UN Guiding, the remedy is not only through legal mechanism but also non-judicial mechanism (pp.28-30), which it is more accessible for the small farmers to participate in the contract process. In the end, the remedy process in the CF is a crucial stage for the small farmers to utilize their role in the system.

Contract Farming is not a single phenomenon due to its influences by the dynamic of state and companies. Delforge (2007, p.6) examines that the contract is emerging with a political agenda, hence, it is crucial to define contract farmers' rights and non-contract farmer. Delfoge (2007, p.6) categorizes it into three parts: a. the rights of contract farmers must be reflected in every action and position of CF issues; b. CF issues cannot be separated with global crises of the agricultural sector; c. it is essential to build alternative discourse as a non-contract farmer and produce food in a non-industrial way. Sawaengsak and Gheewala (2017, pp.1174-1174) explain the rights of sugarcane in terms of contract farming system in Nakhon Ratchasima province, Thailand. They examine four categories of rights:

a) Forced labor: it finds that labor in sugarcane production has a high workload, particularly at harvesting season, which exceeds basis regulation should not exceed 48 hours per week and have minimum one day off every seven days. The labor conditions are getting worse due to "wages paid" is lower than government regulation, which stated minimum wage at 300 THB/day.

b) Working conditions: aside from exceeded working hours, an only a small portion of the workers in the sugarcane productions who join an association. It is because either "they did not perceive the need or were not aware of it (p.1174). Additionally, the Thailand government recognize the right to freedom of association. On health and safety issues, it shows favorable circumstances due to all of the farms provides gears, first aid kit, and gives them health and safety training annually.

c) Discrimination: large sugarcane growers have strict regulation on foreign workers, which limited their mobility. However, equality of wages both for male and female is entirely appropriate. Unfortunately, they do not have sufficient explanation about what kind of movement and provide a clear indicator of proper wages accepted by foreign workers.

d) Cultural heritage: sugarcane growers acknowledge that their land used to grow rice and cassava, and they tend to increase sugarcane area every year. Furthermore, other issues are on ‘land rights,’ particularly in illegal land and occupation, which caused by investors to buy property without adequately consulting or compensation to the landowner. However, the land rights issue in Davao is quite different. The companies occupy land-based on unfair contracts.

From the business and human rights guiding, it is clear that the primary farmers’ rights that need to protect and respect in the CF system are right to work. Since the ultimate goal of the CF system is to give better access to small farmers to work in the global market through intermediary systems, e.g. the governments, the agribusiness companies, exporters, and packagers companies. The protection of the rights defines from the preconditioning to the implementation of the system through various level of policies both from the government and the companies. Moreover, the different nature of contract also influences the level of protection given that every type has a varying degree of risk, which I will explain in the next section.

2.2.2 Contract Farming as Distribution of Risk

Ideally, “contract functions as a catalytic vehicle to entice these farmers toward risk-taking behavior,” said Sáens-Segura, D’Haese, and Ruben (2007, pp.8-9). Furthermore, the authors explain that contracts as insurance device; contract as incentives; contract for market information (2007, pp.8-9). In other words, the agreement has a vital role to guarantee the rights of farmers due to it has several functions for reducing the risks.

In line with Sáens-Segura, D’Haese, and Ruben, Glover and Kusterer (1994 p.3) stated that “contracting is fundamentally a way of allocating the distribution of risk between the firm and its growers.” However, they stressed that the distribution of risk strongly depends on various factors, such as bargaining power, possibilities of other options, and access to information. Glover and Kusterer (1994) explain that tomato farmers in Ecuador will be fit in this situation. At first, because they do not have enough information about contract farming in the long term, they thought that the system is the best alternative for them and they agreed to accept the risks given by the companies. In the third year, they realize that the agreement was too risky for them due to they rely on the system both for their income and their debt payment as well, in fact, they earn much money in 'honeymoon' period, in early one-two years (ibid p.132). Furthermore, Glover and Kusterer (1994 p.134) reveal the reason companies are favored to work with small farmers because "they have less power or influence, and less ability to involve troublesome government officials, agencies, and lawyers in the event of a contractual dispute". Moreover, in Honduras shows that founded farmers organizations are one of the attempts to response the unsatisfied contract. However, the various background of farmers with different issues become one of impedes of that organization (1994, p.143). Many factors needed to be considered to have a fair distribution of risk in the system. However, the governments and the companies obligated to create a fair process, such as to provide information and discussion session and also to conduct effective regulations, as well as to protect and respect the farmers' rights in the system.

2.2.3 Inequality Contract and Companies' Domination

Contract farming is an unequal system. Feder (1977 cited by Clapp 1994 p.80) argues that many contracts are *contratos leoninos* or one-sided agreement binding the farmers with many terms and obligations, but the companies are able to loosely abrogate it. Many cases might show how the companies hold a higher position and stronger bargain power rather than small farmers. Furthermore, Clapp (1994, p.80) argues that many scholars do not recognize the inequality of CF due to they assume that contract appears from two equal actors whose equal autonomy, but, in fact, the contract never defines the independence for farmers which reflected by daily practice.

The contract itself is biased. The arrangement reflects the company needs by providing what should farmers do daily, but it does not guarantee whether the farmer's action will meet the company's desire or not (Clapp, 1994, pp.80-81). Contract farming (CF) is a proletarianization of farmers as well. CF does not only control the quality and amount of production, but also control beyond the farmers itself, including their land and their labor. Clapp (1994, p.81) argues that contract farming is a representation of disguised proletarianization due to “it secures the farmer’s land and labor while leaving him with formal title to both.” Debora Sick (2008) researches small farmers’ rights in terms of Fair Trade (FT) in Costa Rica. Sick examines that instead facilitate small-scale coffee producers, and FT systems create problems due to it is not adequately addressed small producers’ needs. The provision of contracts, however, do not necessarily reflect the day-to-day (Clapp, 1994 p.81).

In the modern world, contract farming is one of the ways to control the commodity chain involving the small farmers. Immanuel Wallerstein (1983) explains that the world economy was built from capitalist hegemony by regulating the market and state sovereignty. One of their strategies is the control over commodity chains, such as goods, money-capital, labor-power; and contract farming is one of the representatives of labor-power, to manage their capital accumulation. He says that “the capitalist world-economy was built on a worldwide division of labor in which various zones of this economy (that which we have termed the core, the semi-periphery, and the periphery) were signed specific economic roles, developed different class structures, used consequently different modes of labor control, and profited unequally from the working of the system” (2011, p. 162). This argument is strengthened by Went (2000 p.22), arguing that “…capitalism is expanding and causing major changes in the structure, cohesion, and functioning of the world economy. These changes are leading to a more intense interweaving of economies, with increased interdependence as a result.” Contract farming brings forward modernizations to farmers, but in fact, the modernization requiring the contract as a tool to control the farmers.

To shows how the contract works, Vellema (1999, p.100) conducted three dimensions of control in contract farming based on research in asparagus’ weeding case, this will be used as a framework for this study, as will be discussed below.

Table 2.2 Three dimensions of control in Contract Farming (CF)

Dimension	Meaning and Practice
Technical control	Regulating-guiding-manipulating biological processes. Managing natural conditions. Designing technical methods to control weeds. Engineering farming practices.
Organizational or managerial control	Commanding-managing-administering people’s behavior. Organizing farmworkers and recruiting labor. Monitoring financial flows and production costs. Changing the areas of responsibility. Advising and supervising growers by technicians.
Socio-economic and political control	Regulating social processes. Creating consensus. Dominating people’s work. Directing people’s decisions. Differentiating between growers.

Source: Vellema, 1999, p.100.

Furthermore, Glover and Kusterer (1994, p.9) argue that six problems can be applied to investigate the relationship between CF and small farmers:

a) Small farmers face the competition with producers who adopted new technology while the farmers are facing barriers to adopt it due to the risk and cost of it;

b) Input supply, such as fertilizer and other agrochemicals, is inadequate in LDCs;

c) Agricultural extension is frequently weak, and as a result nor public and private sector is well positioned to provide it;

d) Access to credit is difficult;

e) Local markets for high-value perishable goods tend to be very thin and thus highly volatile;

f) Inaccessible international market due to it needs specific channels.

Additionally, based on Clapp’s argument (1994, p.80) which says that in contract, the domination of company has a legal power to retain seed, crop, and inputs, those four problems or indicators are represent the Clapp theory.

2.2.4 Small Farmers' Adaptation or Reaction

One thing that we need to remember is a violation is not a single process, but it is a dual process by understanding the small farmer as active actors in the CF system. The contract system is not only developing the agricultural companies, but also the small farmers itself, although it tends to be in negative ways. Clapp (1994, p.82) argues that the unequal partnership beneath the contract has been resulting in open conflicts:

a) CF may provide a vehicle for technology transfer and local accumulation as compelling as its proponents claim-so useful, that the farmers gain genuine autonomy from the processor; they may be able to leave the contract without ill effect.

b) The farmers may become not autonomous but increasingly dependent, and that relationship may be recognized for the exploitative one it can be (see also Glover and Kusterer, 1994 p.3).

Furthermore, Clapp (1994, p.81) finds that many farmers continue the contract due to it is a realistic option. Similarly, farmers from Peru are aware that having a link with a company as a privilege which allows them to have access to credit, technology, and a tight market (Clapp, 1994 p.81). From the case, it seems that CF can transform farmer's life, but actually, it proves that CF as a free and independent bargain among two equivalent actors is incorrect (Clapp, 1994 p.81).

Small farmers have done several steps to face CF system, not only regarding internal problem of the contract but also on derivate problem followed. Delforge (2007, p.21) explains the farmers have several ways to attempt their problems: *first*, discuss their issue regarding the CF to other farmers; and *second*, the farmers strive to meet the companies, but they are always failed or not dare to speak with companies in the monthly meeting, as they have weak bargaining power. Regarding the labor process and social relation within the households, Carney (1994, pp.176-181) provides a case of Gambia in terms of farmers attempts to get a fair irrigation for rice in CF. The rice irrigation system allows the heads of household to control land and labor responsibilities in community among women. Furthermore, these women invoke to get equal access in language and custom, hence, they can negotiate and demand their right to get fair compensation as labor in the time of cultivation (1994, p.180). From the case, Carney shows that CF influence social relation and labor process in a community. It also indicates that the affected community transforms in terms of adjustment with the unfair system.

An action of small farmers can create another reaction in the community. Daddieh (1994) examines palm oil contract farmer in Côte d'Ivoire, Africa. Deddieh explains given that several reasons, such as expensive fertilizer, low productivity, increasing labor wages, and deteriorating price, the peasant diverted the palm nuts to the open market with the cost can be double than government's offer. Furthermore, others smallholders take another action, such as diversion, destruction, and neglected their farm, which increases percentage, became 45%, of an underutilized case of the palm industry. However, due to the action was done fragmentary, it had a small effect, and it did not change the government' structure on palm price (Deddieh, 1994, pp.206-207). From the case, we can see that small farmers' reaction relates to each other; their dynamics are influenced by each other. In other words, the way small farmers respond to the CF might differ due to the multiple reasons affecting society in general.

Similar with the Philippines, the countries cases aforementioned, ranging from Peru, Thailand, Gambia, and Côte d'Ivoire, Africa, are developing countries which their people are heavily relying on agriculture. The implementation of CF in those countries show that the unequal partnership constantly occurs in many ways, for instance, in transfer technology, credit, and market. In line with the CF in the Philippines, the agriculture companies are the ones with privilege by establishing the contract, while the small farmers are the ones who accept the final draft. Furthermore, the reactions of the small farmers aforesaid also demonstrate that their protest could spread and influence others, either the labors and its community, affected by the unfair system. While in the Philippines, it even indicates the same thing that the community in general is also aware and tends to cooperate with the small growers, however, the study will examine this matter in chapter five.

2.2.5 Investigating Violation of Farmers' Rights in Mindanao and Their Dynamics

This study understands that the state should ensure the business enterprises to respect the farmers' right in the contract farming system. Furthermore, according to the literature review, the contract farming system tends to biased as political phenomena (see Sáens-Segura, D'Haese, and Ruben, 2007; Defolge, 2007; Clapp, 1994). It is suggesting that it perceives the contract to be a tool to control small farmers in the global agribusiness within a system, of which the small farmers entering the system as a grower for the companies. The state, who should protect the small farmers, also control and favoring the companies through their regulation and its system. However, a contract should be acknowledging farmers' rights as explained in the United Nations treaties and UN Guiding Principles which regulate the state to protect the farmers' right in the contract farming process in general, including ensuring the companies to protect the rights through its policies and mechanisms. As duty barriers, the state has obligations to watch over both small farmers and companies whether they are on the rights directions or not.

This research borrows several indicators to examine the phenomenon from previous studies. The research will apply a concept of control from Vellema (1999 p.100) in table 1.1 to investigate the implementation of farmers' rights in the CF system. *Firstly*, the focus of the farmers' rights in the study is on the right to work and rights to the enjoyment of just and favorable work conditions, which will be further explained in chapter 3. Furthermore, by understanding the responsibility of the companies and the state, in chapter 3 and 4, the study will identify how they should be respecting and protecting the farmers' rights as mandated in the UN Guiding Principles on Business and Human Rights. Next, the study will examine the implementation process of the CF in the small farmers from socio-economic and political control in terms of the right to work and right to the enjoyment of just and favorable work conditions. In the end, the study aims to show how the companies control the implementation process of the contract as well as to show their violations to small farmers' livelihood.

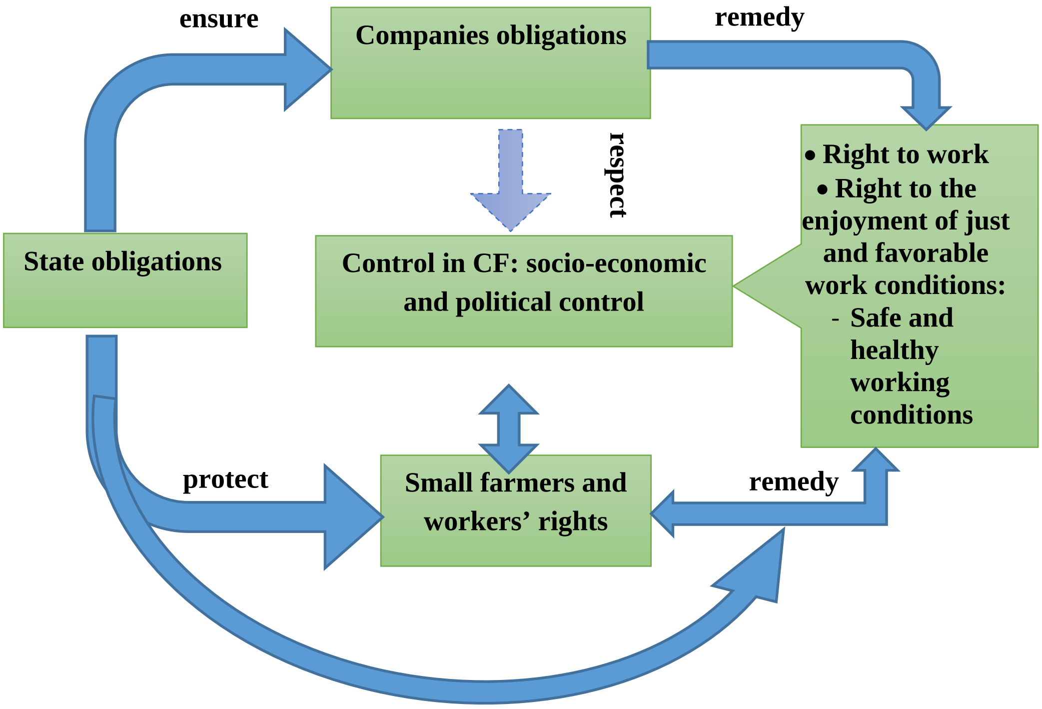

Figure 2.1 Conceptual Framework

Source: Analyses of the author, 2019.

Further aims of the research are to examine how the small farmers reacted to the CF system in the Mindanao. As aforesaid, it is also essential to see dynamic of the lowest steps of the CF due to small farmers, even the active actor who has power and contribution to developing the system. Many scholars have been studying these issues, and the result shows that in some areas, the small farmers tend to continue the contract, although they are harmful to the system, and the way they react to it influences the community in general (Clapp, 1994; Carney, 1994; Glover and Kusterer, 1994; Delforge, 2007). By using the right to work and the rights to the enjoyment of just and favorable work conditions and using the three-level control of Vellema, the research will investigate the small farmers' dynamics in a banana plantation in Mindanao to respond the system and to gain their rights as well.

CHAPTER III
UNDERSTANDING THE POSITION OF CONTRACT FARMERS AND COMPANIES IN LAWS: RESPONSIBILITY TO RESPECT HUMAN RIGHTS, RIGHT TO WORK, AND RIGHT TO THE ENJOYMENT OF JUST AND FAVORABLE WORK CONDITIONS

As mentioned in the literature review in the previous chapter, several forms of Contract Farming (CF) were conducted by more than one companies in the community. Consequently, some farmers might have different nature of problems with the companies. Inline to understand each responsibility of both companies and farmers, this chapter examines three issues. *Firstly*, the right to work and the right to the enjoyment of just and favorable work conditions on international laws as well as national laws in the Philippines to get the picture of farmers' position. Then, the chapter examines the obligation of the companies to respect human rights as well as to discuss the nature of United Nation Guiding Principles itself. It is essential to understand the character of the UN Guiding Principles, hence we can draw the line between the concept of companies' obligation and its reality. Lastly, in order to bring the issue grounded in the Philippines, the chapter talks about the state' policies in those two matters. Additionally, the explanation helps to understand how far the influence of each entity in the implementation process of CF, mainly to seek their role on social, economic, and political aspects.

3.1 Underpinning Right to Work and Right to Enjoyment of Just and Favorable Work Conditions

Right to work is one of the fundamental rights which is acknowledged in several international covenants, such as the Universal Declaration of Human Rights (UDHR) and the International Covenant on Economic, Social, and Cultural Rights (ICESCR). By ratifying the ISESCR on 7 June 1974 (OHCHR.org), the country obligates to follow the rule and holds responsibility on the Covenant. In other words, the Philippines must adopt and implement the Covenant on its national regulation, including the right to work and right to the enjoyment of just and favorable work conditions, which will explain later.

Right to the enjoyment of just and favorable work conditions is embedded in the right to work, which should be adopted even implemented constantly. It is stated in article 23 paragraph one of UDHR, “everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment.” Then, it is also guaranteed on the International Covenant on Economic, Social and Cultural Rights (ICESCR) of 1966 on article 6 paragraph 1, stated: “the States Parties to the present Covenant recognize the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right”. The two articles show that the right to work has several elements which comprising just and favorable work conditions, and all of them need to be guaranteed by the state and to be applied for every citizen.

Aside from international treaties, the rights are stressed on the UN General Comment (GC) No. 18 of 2005 on “The Right to Work” to regulate the implementation of it. The GC vigorously addresses the importance of the right to work as an “essential for realizing other human rights and forms an inseparable and inherent part of human dignity” (para.1). The acknowledgment is strengthened by regulation of each party, started from states and private enterprises. Firstly, GC explains that the state parties are obligated to *respect* the right to work by “refraining from denying or limiting equal access to decent work all persons”, including the marginal people; the state obligates to protect the right to work by adopting legislation to ensure equal access and providing training in order to ensure that “privatization does not undermine workers' rights"; and the state should fulfill the right to work start from providing, facilitating, to promoting the right through its national legal system (para.23-28). The GC no 18 of 2005 regulates the State position to set a provision both for ensuring the right to work for everyone, as well as to set a rule for the companies as their necessary activities. The obligation is essential in the implementation of the contract farming, particularly on the centralized model like in Santo Tomas and Compostela Valley. It is because the State has a limited power to involve directly in preparing the contract, it has to set a rule that could guarantee as well as to help the companies to provide the clausal of right to work to be equally accessible for everyone. In other words, the GC no.18 of 2005 provides a cooperation mechanism between the State and the companies through a set of rules to ensure the implementation of the right to work.

Unlike the state' obligations, the private enterprises' responsibilities are examined in paragraph 52 of GC no 18 of 2005 along with other entities, for instances individual, local community, trade unions, civil society, and private sector organizations. Furthermore, the GC states that "Private enterprises—both national and multinational—while not bound by the Covenant, have a particular role to play in job creation, hiring policies, and non-discriminatory access to work." Additionally, they obligate to "conduct their activities on the basis of legislation, administrative measures, codes of conduct and other appropriate measures promoting respect for the right to work, agreed between the government and civil society." One of the weaknesses of GC, no 18 of 2005 from this part, is that there is no clear separation of the responsibility for companies with other entities, which somehow create ambiguities due to their roles or impacts for the society is varied, for example with the local community. However, the GC highlights the check and monitoring process for the companies' operation by obligating them to coordinate with the State and civil society.

As mentioned earlier, that the right to work needs to be examined through another right, below is the right to the enjoyment of just and favorable conditions of work which regulates in article 7 of ICESCR. It states that the states parties should recognize everyone under several indicators:

a) Remuneration with provides all workers, as a minimum, with:

i. Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work;

ii. A decent living for themselves and their families in accordance with the provisions of the present Covenant;

b) Safe and healthy work conditions;

c) Equal opportunity for everyone to be promoted in his employment to an appropriate higher level, subject to no considerations other than those of seniority and competence;

d) Rest, leisure, and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays.

Furthermore, since ICESCR regulates in the general sense, the UN produces the General Comment (GC) No. 23 of 2016 on the right to just and favorable conductions of work (article 7 of the International Covenant on Economic, Social and Cultural Rights). This part will examine the first three points of article 7 of ICESCR due to they relate with small banana farmers in Santo Tomas, Davao del Norte, and Nabunturran, Compostela Valley.

Firstly, the GC no. 23 restricts that remuneration or wage or salary should be a reasonable amount which can cover health insurance, housing, food allowances, on-site affordable children facilities, and vulnerable situations (para. 7 & 23). This part also highlights equal remuneration to have been implied for everyone (para. 7), including agricultural workers who were often excluded from access to basic services and often facing severe socioeconomic disadvantages (para.47(h)). This issue is highlighted by The General Conference of the International Labour Organization (ILO) on Equal Remuneration Convention of 1951 (no. 100) along with the Recommendation of 1951 No. 90 by providing appropriate actions on the implementation process. Subsequently, the experts' interpretation of ILO stressed vital role of the State, employers and workers' organizations to share responsibility in terms of applying an effective way of the equal remuneration principles (Thomas and Horii, 2003 pp.70-71).

Secondly, the GC no. 23 examines the importance of safe and healthy working conditions both in formal and informal branches of economic activities (para.25-26). Furthermore, the GC addresses that the state should establish a policy which prevents “accidents and work-related health injury by minimizing hazards in the working environment” and ensures the participation of all entities, ranging from workers, employers, until representative organizations (para.25). In this matter, the employers or normally the representation of private enterprises are tied to follow the rules and to participate in a monitoring system created by the states (para. 29). Comparable with an equal remuneration, the safety and health issues are also stressed by the General Conference of the ILO on “Occupational Safety and Health Convention of 1981 No. 155”. The convention explains that health implies mental and physical, which relates to safety and hygiene at work in the workplace, direct or indirect controlled by an employer (art.3). Aside from providing indicators for the states policy and national implementation, the convention also explains the responsibility of employers in order to ensure that “so far as is reasonably practicable, the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken” (art.16 para.2). Furthermore, ILO produces the C184 on Safety and Healthy in Agriculture Convention, 2001 (No.184). This convention strengthens the international tools to protect the agricultural livelihood. It indicates that in the contract farming’s context, the companies are allowed to use chemical, such as pesticide, as long as they provide protective gear for the workers.

Third, the GC no. 23 guarantees an equal opportunity for everyone which “promote though fair, merit-based and transparent processes that respect human rights” (para.31). Specifically, the GC no. 23 obligates the private sector to adopt relevant legislation produced by the states parties, for instance, a comprehensive non-discrimination legislation, laws on guaranteeing an equal treatment in hiring, promotion and termination, also on adopting regular surveys in order to monitor changes in their business process (para.33). Aside from responsible for respecting rights, business enterprises are obligate to “remedy or cooperate in its remediation through legitimate processes that meet recognized standards of due process” in terms of any abuse of the right as a result of their actions (para.76). This matter is closely related to ICESCR article 2 paragraph 2, which guarantee non-discrimination in any field of the covenant. Furthermore, General Comment (GC) No. 20 of 2009 on "Non-discrimination in economic, social and cultural rights (art. 2, para. 2, of the ICESCR)" examines the states obligations in order to tackle down formal and substantive discrimination (para.8) and to guarantee non-discrimination of property statues, including real property, named land ownership or tenure (para.25). Additionally, since the Philippines ratified the C100, it should follow the ILO expert on implementation of the convention, mainly to ensure the substantive field of application of the convention covering access to training, to occupation, and employment, and terms of and conditions of employment (Thomas and Horii, ILO, 2003 p.63).

From the explanation above, we can see that the right to the enjoyment of just and favorable work conditions has to define in detail on workers, which means it influences all aspect of their life. The implementation of this right guarantees the fundamental right of workers, for instance, in fulfillment of economic perspective could lead to fulfillment on social aspect through housing and food allowances. Also, specifically, the GC no 23 of 2016 highlights inclusion for agricultural workers, giving them a political status to seek responsibilities of agribusiness companies to respect for their right. However, the GC also examines the chemical issues by providing duties for the State and employers. As the agrarian workers are highly exposed to chemicals, safe and healthy working condition as well as proper equipment can be pretty essential for them. The last point is on non-discrimination principles in work's opportunity. As explained in the previous paragraph, equality in the working process has impacted the political and economic aspect in terms of participation in the transparency process for example. Furthermore, the GC also stresses property issues, particularly on land ownership and tenure, by obligates the State to protect it due to it is susceptible to discrimination. Overall, the implementation of this right is essential for the workers in general given that it could affect their wealth in general.

3.2 Intersection of Business and Human Rights: Guiding as a Soft Law and Necessity Rule

In this section, the paper highlights the role of business enterprises in human rights matter based on United Nation Guiding Principles on Business and Human Rights. Their obligation examines in the United Nations (UN) Guiding Principles on Business and Human Rights, as mentioned earlier in the conceptual framework, but this time, it will focus only on the business enterprises responsibility. The first foundation is mentioned in the preamble of the Universal Declaration of Human Rights (UDHR) that “every individual and every organ of society” called to promote and to respect the human rights, the business enterprises are no exception for this. It means the business enterprises hold an equal responsibility to respect human rights the same as other entities. However, the business’ obligation has a different level of implementation, stated specifically in the UN Guiding Principles on Business and Human Rights highlights this issue. It starts from its article 11, as follows:

> “Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved”.

Furthermore, “the responsibility to respect human rights is a global standard of expected conduct for all business enterprises wherever they operate …. It exists over and above compliance with national laws and regulations protecting human rights,” explain the UN Business and Human Rights Working Group on their official commentary (2011, p.13). From this article, we can understand that the business enterprises do not only hold the human right principles, but they should be implementing it in their operating system ranging from office until field areas, to be parallel with international as well as national laws. Here, the states hold an essential role in establishing a human rights mechanism as a foundation for business’ operation. Under supervised by the state, the business enterprises obligate to respect human rights in their operations. The cooperation between the state and the companies here is arguable in the outreach of a human rights discourse due to the UN Guiding Principles is a soft law which only provides the standard.

All of the agribusiness companies in the banana industry in Davao possess equal responsibilities to respect human rights. As the UN Guiding Principles is a non-binding law, the respect for human rights is tied to another stronger international law. The business enterprises obligate to respect human rights at least at a minimum recognition by International Bill and International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (UN Guiding Principle on Business and Human Rights, art.12), and it applies equally to "all of the enterprises regardless of their size, sector, operational context, ownership, and structure" (UN Guiding Principle on Business and Human Rights, art.14). For the CF case in Davao, it is not a surprise that agribusiness companies own more than one subsidiary to manage substantial banana plantations, growers, or workers. Also, according to article 12 and 14 of the UN Guiding, those subsidiaries companies are no exception to respect human rights, as long as they are doing business operations, they are tied to international laws, including ILO's standard. Here, ILO becomes vital instrument given that it has acknowledged globally, hence it can face the boundaries of the UN Guiding Principles challenge in terms of international law's discourse. Moreover, for the Philippines itself, it has ratified several of ILO's conventions.

In terms of detailing the roles of the business enterprises, article 15 of the UN Guiding and Business and Human Rights states three primary responsibilities to respect human rights in its policies and process. They are:

a) *A policy commitment to meet their obligation to respect human rights.*

- First of all, the business enterprises should make a commitment statement which stipulates all of its business partners to respect human rights, and it should be reflected in operational policies, and procedures (2011, art.16). In terms of consistency and accountability, the policy statement should be publicly available, which means it needs to communicate actively to all its production networks, even the contractual relationship's partners (2011, p.17).

b) *Human rights due diligence process to identify, prevent, mitigate, and account for how they address their impacts on human rights.*

- Due diligence is one of the essential processes on human rights due to the business enterprises obligate to establish a comprehensive process of the whole of its activities. The process should cover adverse human rights impact that caused or contributed by companies' activities both directly and indirectly; it should address the risk of severe human rights and nature as well as the context of its operations; and it should be recognizing that human rights risks might be changing along with its operations (2011, art.17). Due diligence obligates the business enterprises to gauge human risks in terms of to identify and mitigate through effective integration and appropriate action which based on suitable qualitative and quantitative indicators (2011, art.18-20). Last, the business enterprises also require to address their human rights impacts by informing or providing information regularly formally to affected stakeholders and publicly to its other intended audiences, for instance, individual or group who impacted and investors (art. 21).

c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

- The business enterprises are obligated to provide or cooperate in the remediation through a legal process or called grievance mechanisms when they are identify caused or contributed to an adverse human right (2011, art.22). In this stage, the business enterprises might cooperate with the judicial mechanism for crimes allegedly (2011, p.25).

Considering article 15 of the UN Guiding, it is clear that it is not only identifying responsibilities for business enterprises but also providing a comprehensive mechanism to adopt and implement human rights' value on their activities, for instance on the due diligence and remedy processes.

The aforementioned explanation shows that the UN Guiding Principles provides not only a set of standards but also a process template for the business entities on how to embed respect for the human rights on their activities and relationship, as acknowledged by Ruggie (2016, p.14). Indeed, other scholar, Augenstein (2018), also admitted the use of the UN Guiding by explaining the relationship between regional mechanism in the European Union and the UN Guiding Principles. Furthermore, Dumbuya (2014) acknowledges that the UN Guiding Principles has a crucial contribution to change in attitudes both the state actors and business entities in terms of respect the human rights. For example, the accident of about 45 mineworkers in South Africa in 2002 made the UNGPs brought the case into the preliminary discussion with the state and the TNCs, which result in improvement of favorable conditions and consideration of the educational welfare of children of the victims (Dumbuya, 2014 p.9). And some states start to take concrete action which in line with UN Guiding Principles. For instance, Sierra Leone in West Africa has established a National Minerals Agency in 2013 which promote and implement as well as ensure the compliance for the human rights in the mineral sector (Dumbuya, 2014 p.10). As a set of standards, the UN Guiding Principles could bring a significant impact to the state in protecting the human rights and using its power to influence the corporations to respect the human rights in every single activity.

The foremost criticism on the UN Guiding Principles is its nature as soft law. Shelton (2006, p.320 cited by Choudhury 2017, p.191) explains the soft law means “the international instruments-other than a treaty-that contain non-binding principle, norms, standards, or other statements of expected behavior.” However, flexibility appears as the main advantages of soft law. It is because it “enables governments to maneuver efficiently, thereby allowing responses to problems or changing circumstances as needed” (Choudhury (2017, p.192). In other words, as the UN Guiding Principles is non-binding, it could use by the governments either for support TNCs or protect the small farmer’s rights. Human Rights Watch criticized the UN Guiding Principles due to it set a lower bar than other international standards, which leads problematic. According to the report of HRW, they said that many companies see the principles incorrectly as a definitive standard for human rights practices (2013, p.4). In terms of the approach issue, there are three critics of HRW (2013 p.4):

a) The UN Guiding Principles do not have any mechanism to ensure compliance or to measure implementation, and they cannot require companies to do anything at all.

b) Companies can reject the principles altogether without consequences or publicly embrace them while doing absolutely nothing to put them into practice.

c) The principles do not explicitly insist that governments regulate companies with the requisite scope and rigor; they also fail to push governments hard enough to ensure that companies respect human rights.

The non-binding and voluntary’ nature of the principles challenges the critical value of human rights in business, which requires consistent international standards and ensures the corporations to comply with the rights wherever they operate. In other words, the UN Guiding Principles might provide an international standard, but it needs much work in order to ensure the corporations keep on the track of the principles. Also, it still takes time to combat the human rights' violation in the field.

Despite the influence of the policy in general, the UN Guiding Principles provide the business enterprises influences in social, economic, and political aspects. *Firstly*, a communication of the business commitment could impact on social relationship between the companies and farmers, and among the farmers itself. *Then*, the due diligence process could have impacts on the nature of the contract in terms of economic value, between companies and growers or farmers. *Last*, the remedy process is highly political arena due to it does not only involve the state but also it is essential both for companies and farmers to get acknowledgment by winning the case in this process. In the end, the UN Guiding principles do not only establish the mechanism for the business enterprises to respect human rights, but also provide the arena in social, economic, and political aspects to influence it. The vague of the UN Guiding Principles shows that as soft law instrument it has a critical challenging to outreach the human rights. Furthermore, it could reduce the implementation of the rights itself and give more opportunities to some actors only, such as the agribusiness companies in the contract farming system.

3.3 National Regulations on Basic Rights in Work Conditions

In terms of integrating with international law, the Philippines government guarantees the right to work in several policies. Even though the Philippines constitution of 1987 does not state the right to work directly, however, it regulates the rights of labor in article 13 section 1, which says:

> "The Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequalities by equitably diffusing wealth and political power for the common good. To

> this end, the State shall regulate the acquisition, ownership, use, and disposition of property and its increments."

Additionally, the Constitution strengthened the right to work through labor part in article 8 section 3, which guarantees start from full protection of workers both in the country or overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all, right to self-organization, entitled to security of tenure, humane conditions of work, workers participation in policymaking, until recognize the relation between workers and employers in terms of just share in the fruits of productions and the right of enterprises. From this article, the State is not only guaranteed non-discrimination on economic matters but also regulate property right for people, which for small farmers, it could be an assurance for their land ownership. These paragraphs are politically essential for small farmers and agriculture workers in general.

As agriculture is one of the vital aspects in the Philippines, the Constitution regulates the right of farmers in article 8 section 4 and 5 which detailing rights on the agrarian matter. In section 4 examines that the state shall undertake and founded the right of farmers as well as regular farmworker who are landless "to receive a just share of the fruits," also "the State shall respect the right of small landowners." Meanwhile, in section 5, the State highlights the rights of entities in the agrarian matter as follows:

> "The State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperative, and other independent farmers' organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services."

This special sections on the agrarian right are their foundation to seek the responsibility of the State and business enterprises. This sections also examine that the small landowners, small farmers, and farmworkers are an equal partner in the business processes who have rights to participate in the entire operations of agrarian matters. Therefore, their political and economic aspects are guaranteed by the Constitution in terms of participation and investment in a business. Furthermore, participation also has an impact on their social aspect due to it involves other workers, farmers, and companies as well, which influence the nature of the interaction. The guarantee of the Constitution on agrarian issues becomes a necessary legal foundation for small farmers and workers to participate in the business process with dignity.

In order to ensure the implementation process, the Department of Labour and Employment (DOLE) recognizes the workers' fundamental rights on their official website (http://www.bwc.dole.gov.ph/index.php/forms?layout=edit&id=85). The site starts with the acknowledgment of equal work opportunities for all by highlights the State's responsibility to "protect labor, promote full employment, provide equal work opportunity regardless of gender, race or creed; and regulate employee-employer relations." Aside from that, the DOLE also examines safe working conditions, stated:

> "Employer must provide workers with every kind of on-job protection against injury, sickness, or death through safe and healthful working conditions… Hazardous jobs are those which expose the employee to dangerous environment elements, including contaminants, radiations, fire, poisonous substances, biological agents and explosive, or dangerous processes or equipment including construction, mining, quarrying, blasting, stevedoring, mechanized farming and operating heavy equipment…"

The DOLE recognition goes deeper until regulating the relation between employee and employer, which is essential to ensure as well as to keep accountability of the rights' implementation. Meanwhile, the guarantee on safe working conditions is vital for agrarian entities due to their jobs are always exposing with chemical directly, such as pesticide which has both short term and long-term effects. In the end, the acknowledgment of fundamental rights of DOLE is clarifying the position of agrarian entities on business processes that as a part of chain-productivity, their fundamental rights should be respected and fulfill.

In terms of safe and healthy working conditions, the government produces Republic Act No. 11058 of 2017 on “An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof” and later on it is known as Occupational Safety and Health (OSH) law. This law does not only provide guidance for the workers’ right in general, but it also stresses the penalty for the employer violating the rights. Aside from representing the international law, it seems that this law has stronger influence for the business due to it has several penalties, and the easiest one is the employer should be paid one hundred thousand pesos (P100,000.00 or around US$1955) (RA 11058 Sec. 28). Furthermore, according to OHCHR, the Philippines is establishing its “National Action Plans (NAP) on Business and Human Rights” (OHCR.org). The NAP is essential to see due to it is a representation that the Philippines apply the UN Guiding Principles. The Guiding is soft law, and it only provides guidance and NAP is one of the products from it. Then, the progress is a good sign that not only for the state but also for the small farmers due to it can strengthening their rights in the business process.

3.4 Conclusion

As mentioned in several international laws, the right to work and the right to the enjoyment of just and favorable work conditions are essential in business process, relevant to contract farming which involves many TNCs. Related with the role of the companies in human rights, the UN Guiding Principles has provided a set of standards and mechanism for them to embed the right in the business process. Even though there is no clear distinction on business’ responsibilities with other communities, the GC stresses the remedy process to accommodate the problem of companies, partner, workers, and even the State which might be occurring in the business process. Also, the more crucial issue of the UN Guiding Principles is its nature as a soft law and, hence, voluntarily applicable. These natures lead to be problematic given that it enables the state and the companies to avoid or even to reject the concept, which further it creates problem in the implementation. It shows that the Philippines has comprehensive laws to protect farmers’ rights. The acknowledgment of national laws of the Philippines shows that small farmers, small landowners, and agricultural workers have equal rights to participate in the industrial process followed by their fundamental rights that should be respected by the companies. Various rights on economic through participation or fulfillment on basic social need represent that the State guarantees the agrarian entities' dignity on economic, social, and political aspects. However, the further question is how the state uses its power to influence the TNCs in the banana industry to respect and implement the principles? The question should be raised since an unenforceable commitment is simply not enough to protect human rights (HRW, 2013 p.4).

CHAPTER IV
STORY OF AGRIBUSINESS VENTURE ARRANGEMENTS (AVAS) IN THE PHILIPPINES: POLICIES, MINDANAO AS A PROMISES LAND, AND AGRI-BUSINESS COMPANIES IN BANANA INDUSTRY

The following part examines the evolution of contract farming in the Philippines or known as Agribusiness Venture Arrangements (AVAs). The attempts of the state to regulate contract farming in the Philippines has a long journey, including doing the land reform in terms of creating an effective system. In addition, Mindanao has a long history on its involvement in contract farming system which attracts various agri-business companies which most of them are Trans-National Companies (TNCs), including in Davao region which known as the capital of banana. The attempt of the Philippines government on AVAs brings them as one of the competence exporter countries of banana in the world.

4.1 The First Attempt and Land Reform as A legitimation for The Small Farmer to Involve in Contract Farming

As one of the top exporters of agricultural product, the Philippines needs to maintain its production through contract farming. The first attempt of contract farming was under the settlement program in 1935-1946 which has been introduced in the Philippines countryside, including Southern Mindanao (Vellema, 2002 p.30). President Quezon established The National Land Settlement Administration (NLSA) to survey the land in Southern Mindanao and to supervise the settlement by developing social infrastructure needed in the agricultural business, for instance, through providing irrigation system (ibid. p.31). On the first stage, the government provided land, technicians, a market due to the businessman had not entered the area yet, as well as agricultural inputs and equipment on credit scheme (ibid. p.47).

Whereas in the implementation process, the State, represented by NLSA, performs as the company whose authorities to create contacts with the small farmers and define the products' requirement; and it acted as the intermediary between the small farmers and the buyers registered in the settlement process (ibid., p.47). Nevertheless, after facing many problems in controlling the agricultural commodity, the control of the NLSA was declined and abolished in 1954 due to a reorganization in government (ibid. pp.47-48). This stage brings us to a connection with the land reform in the contract farming system in the Philippines.

As times goes by, the government came up with a different plan by involving land reform as part of a contract farming system. The land reform in the Philippines is essential since it becomes the foundation of farmers to engage in the order. Besides, the Philippines political stability and economic development is heavily relied on the land reform issue (Martin, 1999, p.181). As land has an essential role, the Philippines and colonial government have controlled it through various strategies. The Philippines gained its independence on 4 July, 1946, from the United States (US). Nevertheless, the colonial government still has influences on the new country, including on land issues. At first, Land reform in the Philippines is complex and firmly rooted in the Spanish colonial period (Martin, 1999, p.182) given that it has many large plantation systems known as the Hacienda system. Moreover, the Philippines government also rooted in US administration (Putzel, 1992, p.83). In the beginning of Philippine's independence, the US government created the puppet government by ensuring Manuel Roxas as the first president of the Philippines was obligate to preserving the continuity of colonial administration, particularly on landlord power (Putzel, 1992, p.83). The colonial is aware that land is an essential resource for the Philippines as an agriculture country. Moreover, the influence of the US appears in the policy of land reform as well.

The Philippines land reform laws have been an evolved several times, in line with the nation's economic policy. The Philippines has implemented four major land reforms for rearranging rural property rights to advance the condition of agriculture workers since its independence in 1946 (Martin, 1999, p.181). At first, the state guaranteed "the right of farmers and regular farmworkers to receive a just share of the fruits thereof" (Republic Act No. 9700, 2009, Section 1). Consequently, the government started the land reform by producing Republic Act 1400 of 1995 (R.A 1400) under President Ramon Magsaysay; R.A 3844 of 1963 under President Diosdado Macapagal; President Decree 27 of 1972 (PD27) under Ferdinand Marcos; the Comprehensive Agrarian Reform Program (CARP) of 1987 under President Corazon Aquino; CARPER (CARP Extension with Reforms) in 2009 under President Gloria Macapagal Arroyo (Martin, 1999, p.196 and Vera, 2015, p.86). Additionally, CARP was as part of an incorporated plan on Philippines national economic development strategy under President Aquino in 1987 (Martin, 1999, p.199). The Philippines government understands that land issues cannot be distinguished with the financial issue, henceforth they produce another regulation to strengthen the program.

The land reform aims to distribute vast plantations to small farmers with hope that it could be boost penetration of AVAs in the field. According to Presidential Decree (P.D.) No. 27 of 1972, Agrarian Reform Beneficiaries (ARBs) are the “tenant farmers, whether in land classified as landed estate or not, shall be deemed owner of a portion constituting a family-size of five (5) hectares if not irrigated and three (3) hectares if irrigated.” Additionally, Republic Act (R.A) No. 6657 of 1988 states that “the agrarian reform is founded on the right of farmers and regular farmworkers, who are landless, to own directly or collectively the lands they till or, in the case of other farmworkers, to receive a just share of the fruits thereof”. Inline to strengthen the implementation, DAR produces Administrative Order (A.O) No. 02 of 2008 on “Guidelines Governing Lease of Lands under Agribusiness Venture Arrangements (AVAs) in Agrarian Reform Areas and the Determination of Lease Rental Thereof.” As a result, in 2017 there are 28,403 hectares of agricultural lands awarded to 34,572 qualified ARBs in the whole country (PSA, Redistribution of Land, 2018.b. p.1). Also, for the Davao Region, there were 1,059 ARBs awarded an agricultural land with total areas are 793 hectares by DAR (PSA, 2018.b. pp.4-5). Since the farmers had owned the property, they had the freedom to manage their land, including to join the AVA scheme.

4.2 Agribusiness Venture Arrangements (AVA) Regulations

Contract farming in the Philippines has comprehensive laws and system renewed or revised several times to align the system with the farmers and agribusiness companies itself. The regulation was started in 6 October, 1999 when the Department of Agrarian Reform produced DAR Administrative Order (DA) No. 02-99 on “Rules and Regulations Governing Joint Economic Enterprises in Agrarian Reform Areas” facilitating partnerships between Agrarian Reform Beneficiaries (ARBs), including the holders of Emancipation Patents (Eps) or Certificate of Land Ownership Awards (CLOAs), and private sector investments, including agricultural corporation. While introducing of Agribusiness venture Arrangements (AVAs) itself appears in DAR Administrative Order No. 09 on “Revised Rules and Regulations Governing Agribusiness Venture Arrangements (AVAs) in Agrarian Reform Areas” on December 13th, 2006. The law defines the AVA schemes in section 5, which applies until today, they are:

a) *Joint Venture Agreement*: a scheme when ARBs and investors shall form a joint venture corporation (JVC) to manage farm operations. ARBs shall contribute the land, both held individually or collective, and the facilities and improvements, if any, while the investor shall furnish capital and technology for production, processing, and marketing of agricultural goods, or construction, rehabilitation, upgrading and operation of agrarian capital assets, infrastructure and facilities (section 5.1).

b) *Production/ Contract Growing/ Growership/ Marketing Contract*: a scheme wherein the ARBs commit to producing certain crops which the investor buys at pre-agreed term (e.g., volume, quality standard, selling price) and maintain ownership of the land. While in the marketing contract, the ARB shall engage the service of an investor who will explore possible markets/buyers for his/her produce (section 5.2).

c) *Lease Agreement*: a scheme wherein the ARBs shall bind themselves to give the former landowner or any other investor general control over the use and management of the land for a certain amount and a definite period. Property tax on 5.3.6 (section 5.3).

d) *Management Contract*: a scheme where the ARBs shall hire the services of a contractor who may be an individual, partnership, or corporation to assist in the management and operation of the farm for producing high-value crops or other crops in exchange for a fixed wage and/or commission (section 5.4).

e) *Service contract*: a scheme when the ARBs shall engage the service of a contractor for mechanized land preparation, cultivation, harvesting, processing, post-harvest operations and/or other farm activities for a free (section 5.5).

f) *Build-Operate-Transfer (BOT)*: a scheme wherein the investor may build, rehabilitate or upgrade, at his own cost, capital assets, infrastructure, and facilities applied to the production, processing, and marketing of agricultural products. He/she shall operate the same at his/her expense for an agreed period after which the ownership thereof is conveyed to the ARBs who own the land where such improvements and facilities located (section. 5.6).

Aside from providing defining of contracts, the law also regulates National AVA Evaluation Committee (NAEC) and Provincial AVA task Force (section 8-10) to watch and supervise the implementation, including the operating procedure as well as written on the law (section 11-13). Moreover, the law manages how to revocation or cancellation of AVA (section 19-20) and the expiration of the AVA Contract (section 21).

The AVA laws in the Philippines indicates that the companies supposedly assist the small farmers to expose their product into a broader market. From the name of the first regulation in 1999, the State seems still did not have a clear plan on the joint economic support on the agrarian sector. It is important to remember that in 1999s, the State just finished the land reform where the small farmers starting have the land, and at the time, there was much landlord became the politician as well. The first policy could see as the long arm of the landlord to keep their power to maintain the land. Meanwhile, in the new regulation of 2006, the differentiation types of AVA show that the investor has an essential role. They could act as the facilitator, suppliers, marketing until managing the plantation itself. Unlike the definition of contract farming from Eaton and Sheppard (2001) focusing on characterize the sponsor and its role in general, the AVA tends to concentrate on detail responsibility of the small farmers and on what kind of activities done by the investors. Furthermore, the law tends to use the word “shall or commit” for the ARBs and use the word “may” for the investors. It seems that the law is more demanding to the ARBs or the small farmers rather than to the investors. One more thing that should be highlighted is that the AVA regulates all of the contracts as a formal agreement. On the one hand, it is useful to guarantee the small farmers rights, but on the other hand, it raises a question on how the State ensures the informal agreement to be accommodated in the law. In the end, the AVAs law provides several distinctions nature of agreements on how the small farmers could participate in the bigger market, nevertheless, the State needs to ensure the fairness of its implementation.

4.2.1 AVA Proses

In terms of the implementation process, the AVA has five several methods. Based on DA No. 06 of 2006, FAO (2016, pp.12-14) summarize five stages of AVA contract process. They are:

a) Contract negotiation

- The negotiation process involves the potential investor firms and ARBs itself, both individually or cooperatives (DA A.O No. 09 Article II sec 4.2). The process usually comes up with discussion by agreeing on the duration of its contract under parameters: (1) crop or production cycle; (2) gestation period of the crop; (3) economic lifespan of existing primary and essential facilities/infrastructure (if any); (4) payback or recoup period of investments; and (5) term of office of cooperative/association officers and Board of Directors (if applicable) (DAR A.O No. 09 article II sec. 4.13). Furthermore, FAO, in their particular work on AVA policy and implementation under the CARP in the Philippines, stresses the urgency issue of contract for the existing plantation. To sustain the farm operation, the firm tends to bypass governance procedures of cooperative, which states in DAR A.O No. 09 article V sec 11.1 and deal individually with the chairperson or the ARB directly (FAO, 2016, p.12). Another concern in the process is the nature of ARBs as new landowners who has different paradigms and has a privilege to decide for their land and livelihoods, as a result, many ARBs does not understand what their roles in this business agreements scheme are (FAO, 2016, p.12).

- Signing contract of AVA is not merely between the firm investor and ARBs but also involves the DAR. This step needs in order to ensure the rights and welfare of ARBs, as well as its cooperatives, are protected, then subject to the review and favorable endorsement by the National AVA Evaluation Committee (NAEC) or the AVA-Task Force (TF) at the DAR Provincial Office (DARPO) (DA A.O No. 09 Article II sec 4.6). In the implementation, DAR does not have a proper record on AVA due to the DAR Provincial offices did not submit the contract regularly for consolidating and recording (FAO, 2016 p.13). Continuously, the regulation on AVA that should get approval from the Provincial Agrarian Reform Program Officer (PARPO), which states in DAR A.O No. 09 Sec. 4.5, is excluded in reality (FAO, 2016, p.13).

Contract signing

Figure 4.1 AVA Process

b) Review and approval by DAR

- Formally, the contracts are required to be reviewed, approved, and monitored by DAR as states in DAR A.O article V sec. 12. Additionally, the Department of Agrarian Reform Adjudication Board (DARAB) has authority to do “interpretation and enforcement of an agribusiness agreement or an agrarian dispute” to respond disagreement between parties which states in RA 6657 sec. 3 (FAO, 2016, p.13). Furthermore, although the capacity of DAR personnel is limited to review the validity and desirability of the AVAs (FAO, 2016, p.13), the law is mandated engagement of DAR in the process, otherwise, the AVAs contracts are null and void (DAR A.O No. 09 article II sec. 4.9). Additionally, DAR A.O article II sec. 4.10 states that “The AVA shall be approved only if it guarantees the security of ownership and tenure of ARBs, and ensure an increase of their income.” In other words, the law regulates all the AVAs contracts must be a benefit for ARBs, not for the investor only, and continuing the ownership of ARBs itself.

c) Continuous monitoring by DAR

- DAR has several bodies to do evaluation and tracking of AVAs’ implementation. First, the National AVA Evaluation Committee (NAEC) has an obligation to formulate and prescribe appropriate indicators for evaluation; evaluate AVA application; review and assess the recommendation on cancellation/revocation of the contract: and recommend the PARC to approve or disapproval the AVA applications (DAR A.O No. 09 article IV sec 8). Second, the National AVA evaluation Committee-Technical Working Group (NAEC-TWG) has a task to evaluate or even provide recommendations and technical assistance for the NAEC in the final review of the AVA (DAR A.O No. 09 article IV sec. 9). Third, the AVA Task Force (AVA TF), which created in Department of Agrarian Reform Provincial Offices (DARPOS), has duties to undertake initial evaluation of AVAs application and contracts; assess the business proposal, feasibility study and human resources development program of the proposed AVA; appraise the organizational, technical and financial capability of investors; ascertain compliance to application procedures; undertake initial review/evaluation of petitions for cancellation of contract; maintain an updated database of all AVA applications and its implementation as well as submit periodic report to NAEC; and conduct regular monitoring of all AVAs implemented in the province (DAR A.O No 09 article IV sec 10). As the core institutions of oversight, the AVA task force also mandates to check if there are any issues or problems in the arrangement, then they recommend dispute resolution process such as mediation, arbitration (DAR A.O No. 09 article IV sec 10).

d) Amendment, renegotiation, and revocation

- Inline to protect and provide a remedy for AVA's parties, DAR regulates how to amendment, or mechanism to renegotiation, as well as revocation procedures. Any review or renegotiation of contract of any parties should be following: (1) extraordinary increase of inflation rate; (2) drastic change in price fluctuation on both input and output; (3) declaration of the areas as calamity or disaster areas due to force majeure; (4) other meritorious grounds (DAR A.O No. 09 article II. Sec 4.14). Furthermore, the section also mandates that all renegotiated contracts supposed process under the same method of review and approval by the Presidential Agrarian Reform Council (PARC) or PARC Executive Committee (ExCom) and the Provincial Agrarian Reform Officer (PARO) as provided in this Order (ibid.).

The Philippines government has updated the AVA regulation to complete its scope as well as accommodate all of the interest of the parties. DAR A.O 09 of 2008 provided the rules for lease arrangements and recommended a lease rental formula based on poverty threshold, max land award limit, land amortization value, and real property tax per hectare. Continuously, on June 6, 2016, the government produced DAR Administrative Order (A.O) No. 04-16 on "Rules on Agri-Business Venture Agreements" appears to stress the protection and the importance of social justice in AVAs' implementation (Sec 1).1. The new law also regulates the state to recognized and respected existing right to land (sec 1.7.1) and supervise the investment to strengthen the food security instead of jeopardizing it (sec 1.7.2). In addition, the law also states several restrictions on AVA (sec 15.10), they are: (i) an automatic extension or re-enactment of the AVA; (ii) unilateral take-over of the investor over the possession or management of the land; (iii) non-payment of rentals on the ground of crop failure due to natural calamities and/or force majeure, in case of lease AVAs; (iv) transfer of ownership of the land. Overall, the newer law protects the fundamental right of farmers, e.g., land rights, until the contracts' content and its implementation, which open a chance to do remedy as well.

The Philippines government has comprehensive laws on AVA evolving several times from the end of the 1990s to 2016. Also, the last revision in 2016 is not only to respect and protect the rights of parties, including small farmers, but also to provide a remedy mechanism through amendment, renegotiation, and revocation process. The types of AVA written in the law is an attempt to accommodate dynamics between various investments and ARBs on exports products. By having five stages of the process, all of the parties, including small farmers, the laws guarantee that all of the parties have same rights to involve in the process and create a fair contract as well as a just implementation. In the end, the AVAs laws in the Philippines are suitable with farmers rights principles in United Nations Guidance on Business and Human Rights.

In this part, the State examines their control over the AVAs process. In line to ensure their role in every stage and its accountability, the State involves its institutions from the city until the national level. Aside from the comprehensive mechanism, the State explains on their coordination as well. Also, it shows that the national level has a vital role in deciding AVAs in general. While the provincial has tasks on checking and monitoring the process. However, these systems create a dilemma. In the renegotiation process, for example, the last decision is on the PARC which is located in Manila while the problem, e.g., violation on tax or land rights, and the small farmers are in another province. The transparency process for small farmers needs in this matter. Furthermore, as mentioned on FAO's work in AVAs' regulation, the small farmers may not know their rights and the laws, hence, the State responsible for solving this problem as well. Unfortunately, there is no section about it in the laws.

A comprehensive AVA's policy seems not enough to guarantee farmers' right in the plantation. My informants, the small farmers and workers, admitted that the government, start from municipality until provincial level, never respond to their complaints. However, for the municipality, for example, they will go to them if the companies have complained first. It indicates that what happened in Krinks study in 1983s where the government created a benign condition for transnational companies is still happening. Furthermore, overlapping interest between the government, business people, and politician also happen in Davao region. It is because some businessmen also place themselves as politicians and have positions in bureaucratic both in the local and national level (UMA, 2019). This situation brings ambiguities in the implementation. Also, we can see it relates to the UN Guiding Principles weaknesses. As mention in HRW that it does not have any mechanism to ensure compliance both for the state and the companies. Hence, the state only needs to provide the policy as one of the requirements in the UN Guiding Principles, but they do not concern in the implementation measurements. In the end, it raises a question about the commitment of the state to protect farmers' rights.

4.3 Mindanao as a Promises Land for Agricultural Export Oriented

Mindanao has remained exposed in the international market as a commercial plantation venture since in the American period. According to Vellema, Borras, and Lara (2010, p.306), there are two reasons why Mindanao was very attractive to the American government and its business alienate. *First*, environmental conditions of Mindanao is fertile, and its location, which makes it typhoon-free (2010, p.306). *Second*, the American government assumed that the land in Mindanao is public owners due to there was no Western-style title which shows the land ownership there, hence many corporates, both transnational and national, attracted with it and the government-supervised them to acquire vast tracts of land (2010, pp.306-307). The government also established the National Development Corporation (NDC) in the 1930s to expand the agricultural development by assisting both national and international companies in lands acquisitions (Vellema, 2002, p.32). For instance, NDC helped Del Monte to start their pineapple plantation in the 1930s and assisted Dole to get similar lease agreements in 1960s (ibid) in Southern Mindanao. As a result, Dole can expand its product, particularly on pineapple and banana, which mainly exported to Japan (Vellema, 2002, p.49). Nowadays, Mindanao grows as the main agricultural area of the Philippines by producing a various export product, and banana comes as their first top product (see figure 4.2).

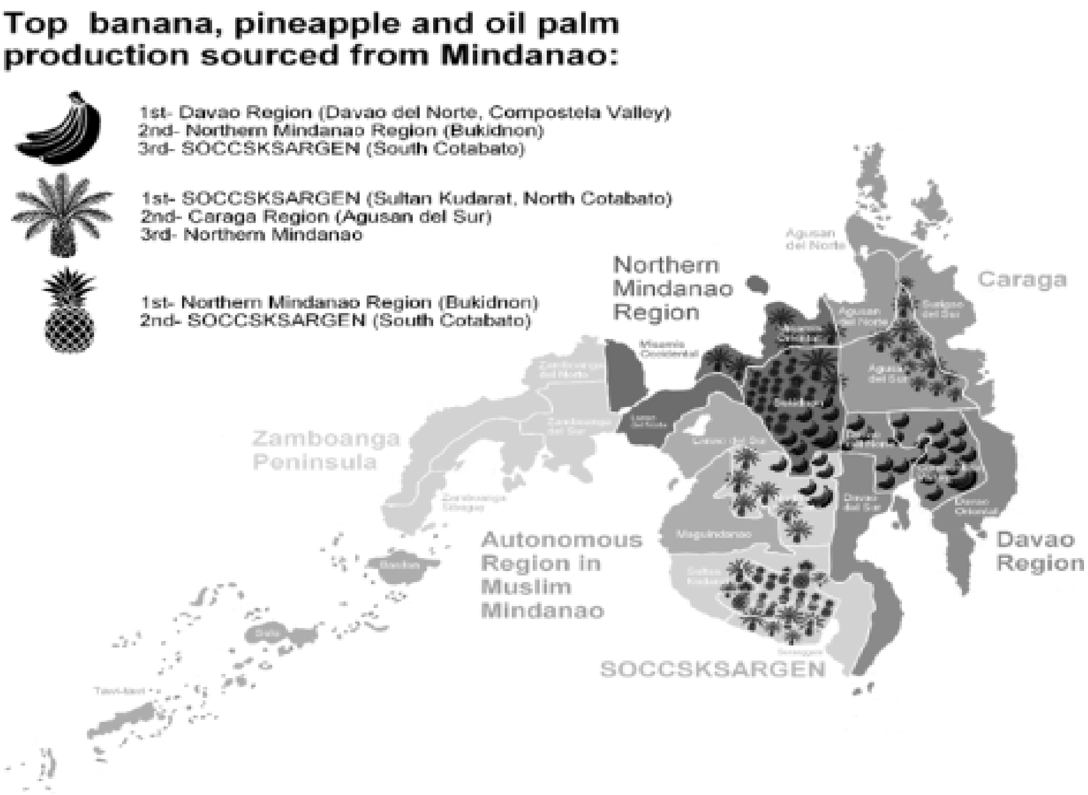

Figure 4.2 Top Product from Mindanao

Source: UMA, 2019 p.26.

Penetration of agri-business in Mindanao is in line with another economic agenda in the Philippines, including through CARP and CARL as well. Mindanao has involved in agricultural modernization of the Philippines government by time to time. Expansion of banana plantation for export-oriented was reached its height under the Marcos government who moderated the concentration land to support it (Vellema, 2002, p.41). After Marcos era, the Ramos administration implemented a comprehensive economic and technical modernization by applying a composite agenda, agrarian reform, agro-industrialization, global competitiveness, and peace (Vellema, Borras, and Lara, 2010. p.310). Then under CARP in President Corazon Aquino administration, the pineapple plantation was the first area covered by the policy and it made the transnational companies, such as Del Monte and Dole, pursuing the land efficiently “by leasing land from private owners or by offering contract to farmers” (Vellema, Borras, Lara, 2010, pp.311-312). Aside from that, the government also established the Mindanao 2000 Development Framework Plan (APRAAP 1995), which uphold the importance of a new agricultural policy (Vellema, 2002, p.41). The matter of CARP and ARBs also appear in the Philippine Development Plan for 2007-2022 with an aim is to expand economic sector which engaged with agriculture, including increasing access in economic chances for small farmers (NEDA, 2017, pp.19-20). Tided in various programs means that contract farming gets support from other approaches development, including right land distribution, which makes it implemented consistently and smoothly.

4.3.1 Davao as part of Exported Banana Industry

The Philippines government has implemented AVA effectively until in 2018 it is ranked as the second-highest banana export countries which shared $ 1.5 billion or 11,1 % of total banana exports worldwide (Workman, 2019). The top five importing countries of Philippines banana exports are Japan (37.3%), China (35.9%), South Korea (13.5%), United Arab Emirates (3.7%), and Iran (3.2%) (Santiago, 2019). One thing that important to be highlighted is that from 2.42 million metric ton banana in 2018, Davao region was the highest production by sharing 904.14 thousand metric ton or 37.3 % of Philippines' banana production (PSA, 2018). Hence, it is no doubt that Davao Region has an essential role in the Philippines' banana industry by having 1,059 ARBs who awarded an agricultural land with total areas are 793 hectares by DAR (PSA, 2018.b., pp.4-5).

Davao Region consists of five provinces; five-component cities; 43 municipalities, and 1,162 barangays (PSA-XI, 2018, p.10). By having a population of almost 4,9 billion, Davao region becomes one of the crowded areas in Mindanao (PSA-XI, 208). Which means if we compare with the total ARBs, one-fifth of Davao's population is ARBs who have agrarian land from DAR. Also, from figure 4.3, it shows that banana production is increased time to time. The Davao Region would preserve its position as banana capital in the Philippines.

Table 4.1 Total Population by Province as of May 1, 2015

Province/Highly Urbanized City	Population
Compostela Valley	736,107
Davao del Norte	1,016,332
Davao del Sur	632,588
Davao City	1,632,991
Davao Occidental	316,342
Davao Oriental	558,958
Total	**4,893,318**

Source: PSA-XI, 2018, Total Population by Province/City, pp.1-1 to 1-26.

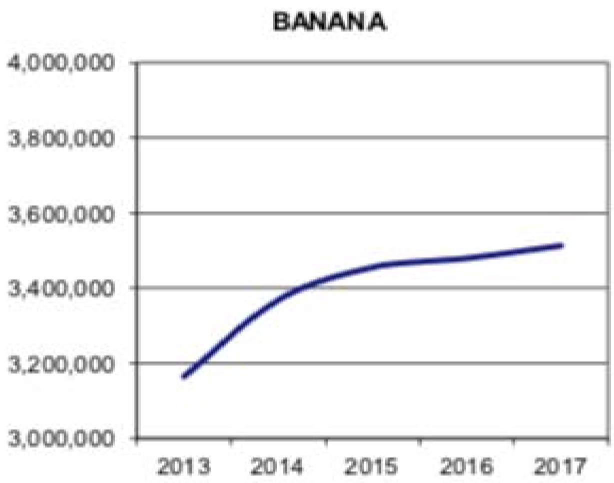

Figure 4.3 Production of Banana in Davao Region (in Metric Tons)
Source: Philippine Statistics Authority Regional Statistical Services Office XI, 2018 p.5-42.

As a top producer of Banana, Davao region has 92,65 hectares of crop area for banana harvested in 2017 (PSA-XI, 2008, p.3). The research was conducted in Santo Tomas, Davao Del Norte. Fortunately, I had the opportunity to meet some growers from Nabunturan, Compostela Valley who do protest in Davao City demanding Sumifru to improve their wage, increase rent land, and promote the contract workers become regular workers. Santo Tomas is well known as a banana plantation area, as my translator said that "when you see a lot of banana trees along the road, then you will realize that you are already in Santo Tomas" (Mau, April 9th,2019).

The fact has strengthened the data from Philippines Statistic Authority (PSA-XI) stated that Provinces of Davao del Norte (46.5% of region's production) and Compostela Valley (23.4%) remained as the primary producers of banana in 2017 (PSA-Xi, 2018, p.5-1). The most famous varieties of the banana crop are Cavendish by having 85.81 thousand hectares in 215 of increase 2.0 % from 2014 and Davao Region produce 57.0 of the total Cavendish production (PSA, 2017).

Understanding the AVA's policy accurately, this part shows strategies of the Philippines government in the banana industry in Mindanao. The development policies since the 1990s until today prove to keep Mindanao, including Davao, as the primary producer of banana. One more time, we can see how the state is favoring the agribusiness companies to invest and operate in Mindanao. The strategies are more advance than before, as mentioned in the literature review. It shows that the government is not only supporting the finance matter, such as tax, but also integrating into the privatization of agriculture into the national economic plan of the Philippines. In other words, the development policies are about the number' matters only and left behind the empowerment issue or event protection of the small farmers' rights. Another interesting point to highlight is about the Japanese market, which still becomes the most profitable one today same as Krinks' study in 1983. It seems that the banana industry of the Philippines has the same pattern and development due to it always goes into the same result and actors since 1980s. In the end, the success of Mindanao as a leading producer of banana influences by its proper geographic conditions and stimulus from the government, the same as in the past.

4.4 Agri-Business Companies on Banana Industry in Mindanao

From my field trip in early April this year, I encountered several agribusiness companies in Santo Tomas, Davao del Norte, they are Nader & Ebrahim S/O Hassan Phils., Inc.(NEH), Dole, Sumifru, and Marsman-Drysdale Group of Companies. Nevertheless, they are only a few from dozens of agri-business which operate in Mindanao, and most of them are Trans-national companies (TNCs) (see table 4.2). Parallelly, those companies have a community, namely Pilipino Banana Growers & Exporters Association Inc. under Dana Corporate Offices, and it has an office in Davao City (PBGEABEIF.com). It has established since 1974, with a task "as the central coordinating agency for the development and the advancement of the banana export industry in the Philippines" (PBGEABEIF.com). To date, it is consisted of 22 companies and their subsidiaries as well as their two affiliates operating in 15 provinces of in Southern Philippines (PBGEABEIF.com), nevertheless, they only mentioned 12 of 22 companies in their website (see table 4.2). Currently, the total production area covers 43,647 hectares or about 50% of the total area planted of Cavendish bananas in the whole Philippines (PBGEABEIF.com).

Table 4.2 Member of Pilipino Banana Growers & Exporters Association (PBGEA)[1]

No	Name of Company	Explanation	Home Countries of the Companies	Market
1	Agrinanas Development Co., Inc.	It is a subsidiary of Del Monte Fresh Produce (Philippines) (Balane, 2011)	United States	No data available
2	Anflo Group of Companies (Philippines)	It is a grower of Del Monte Fresh (Philippines) Produce (Digal, 2005 p. 6).	Philippines	No data available
3	Del Monte Fresh Produce (Phil.), Inc.	It is the second-largest and most profitable subsidiary of Del Monte Pacific Ltd., (Sunstar.com.ph, 2018)	United States	United States, Europe, and Asia countries
4	Delinanas Development Corp.	A subsidiary of Del Monte Fresh Produce Philippines. The ownership is 75% foreign and 25% Filipino (Rboi.armm.gov.ph)	Philippines	Asian countries and the Middle East
5	Dizon Group	It is a Philippines company (Dizonfarms.net)	Philippines	Asian countries

[1] The list comes from the Pilipino Banana Growers & Exporters Association (PBGEA) website Available at http://www.pbgeabeif.com/pbgeabeif/members.php [Accessed April 26, 2019]. While for the explanation and the export countries gather from various sources and websites.

Table 4.2 Member of Pilipino Banana Growers & Exporters Association (PBGEA) (cont.)

No	Name of Company	Explanation	Home Countries of the Companies	Market
6	DOLE Philippines, Inc.	Itochu Corp of Japan acquired Dole Philippines in 2013 (Itochu, 2012)	United States	Asia countries
7	La Frutera, Inc.	The ownership share is 51% Filipino and 49% Foreign (Rboi.armm.gov.ph)	Philippines	Asian countries and the Middle East
8	Lapanday Foods Corporation	It is a wholly-owned subsidiary of Lapanday Holdings Corporation which has 15 bananas farms throughout New Corella, Santo Tomas, Kapalog, Tagum and Panabo (Davaochamber.com a)	Philippines	China, Japan, Middle East, Korea
9	Marsman-Drysdale Group of Companies	It is a grower of Chiquita/Unifrutti (Digal, 2005, p.6).	Philippines	The Middle East
10	Mindanao Agri-Traders, Inc.	It is a grower of Del Monte Fresh Produce (Philippine) (Guanzon, 2014)	Philippines	No data available
11	Nader & Ebrahim S/O Hassan Phils., Inc.	Nader & Ebrahim S/O Hassan (NEH) is a Bahrain company, which later open NEH Philippines by cooperating with Paul Smits, a Dutch national businessman (GMDU.net)	Bahrain	The Middle East and the Far East
12	Tortuga Valley Plantation, Inc.	It is a grower of Chiquita/Unifrutti in the Philippines (Digal, 2005 p. 6)	United States	No data available

Table 4.2 Member of Pilipino Banana Growers & Exporters Association (PBGEA) (cont.)

No	Name of Company	Explanation	Home Countries of the Companies	Market
13	Tristar Group of Banana Companies	It is a banana production and exporting which wholly-owned Filipino enterprises. The company roots under JVA Management corporation (JVAMC) which known as an umbrella company for agriculture companies in the Philippines (Tristar.com.ph)	Philippines	Japan
14	Sarangani Agricultural Co., Inc	It is a grower of Stanfilco, a division of Dole Philippines (Digal, 2005 p. 6).	United States	Japan
15	Sumifru Philippines Corp.	It is an affiliate of a Japanese company, Sumitomo Corporation which operating producing, shipment, and marketing banana which frown in Mindanao (Nawal, 2018)	Japan	Asian countries
16	Tagum Resources Agri-Industries, Inc.	It is an agribusiness company of Hijo Resources Corp. (HRC). (Estremera, 2018). HRC itself is a company with various business interest in leisure & tourism, agribusiness, property development and port operations (Hijoresources.net)	Philippines	Russia, China, and the Middle East
17	Unifrutti Services, Inc.	It is part of Chiquita company which based in Mindanao, and it is also known as one of the biggest foreign company in the Philippines (Jannaral, 2017)	United States	China, Japan, South Korea, and the Middle East

Source: Author, 2019.

The five of the PBGEA members classify as the significant exporters banana industry, they are Del Monte (Philippines) Produce, Stanfilco (a division of Dole Philippines), Sumitomo, Fresh Asia Produce Co. International; and Chiquita/Unifrutti (Digal, 2005, p.5). Furthermore, Digal (2005, p.5) explains that those companies has changed their operations system from direct growing into contract growing due to the implementation of the Comprehensive Agrarian Reform Law (CARL). However, as I mentioned in table 4.2, most of the growers are affiliated with the leading companies itself, or affiliated with other conglomerates in Mindanao and Philippines in general, such as Anflo Group, Dizon Group, and Tristar Group of Banana Companies. Moreover, the five companies have several subsidiaries as growers as part of their companies' structure, such as between Del Monte Fresh Produce (Philippines) and Agrinanas Development Co., Inc., Delinanas Development Corporation, Mindanao Agri-Traders, Inc.; or between Chiquita/Unifrutti and Marsman-Drysdale Group of Companies, Tortuga Valley Plantation, Inc. Last, there is also TNCs company using this name, for instance, Nader & Ebrahim S/O Hassan Phils., Inc. which instead of affiliated with another company grower, their grower is direct to the small farmers itself. From table 4.2, it seems that the leading banana exporter could be consisted of several companies or affiliations, and only a few of those TNCs has a direct relation with the small farmers or ARBs.

The relationship between the companies influences the nuance of the contracts. Depart from Immanuel Wallerstein (1983) argument in world-economy, the subsidiaries or affiliations companies demonstrated how the few TNCs controlling the market and the production chain. Also, for the banana contract farming in the Mindanao, the TNCs agribusiness companies as the leading companies to have more control to their subsidiaries, for instance, to set standards of the product and manage those small companies. Furthermore, the small farmers, as part of the banana industry feel more pressure since usually the subsidiaries companies merely forward the leading companies' policy. This long chain control over subsidiaries companies, small farmers, and plantations demonstrated the Wallerstein's thought (1983) on control over commodity chains.

4.5 Conclusion

Contract farming in the Philippines known as Agribusiness Venture Arrangements (AVAs) is related with the right to land for small farmers due to the plantation used to control and own landlord. Hence, it is crucial to understand the land reform, which represents in CARP or CARL, due to it is legitimizing the land right of the small farmers and in the end, they can participate in the AVA as a business actor. Additionally, the implementation of land reform caused by the failure of the first experience of contract farming, where the government tried to control every single stage of the process, including land rights.

The Philippines government has numerous policies on AVA which regulates not only the land right of ARBs but also the content of the contract and its implementation process. Roughly, the laws urge all of the parties of AVA to acknowledge and protect the existing rights, including its land rights of the small farmers. Moreover, the laws identified several provisions which might be violating small farmers rights. In addition, the laws also manage an amendment or revocation of the contract, which is very helpful for the small farmers to do remedy. By providing the system and mechanism of remedy, the laws are in line with the UN Principles on Business and Human Rights.

The implication of AVA in the Philippines makes Mindanao well known on the international level, especially among the agribusiness trans-national companies. Agri-product of Mindanao, specifically the banana, has been exposed since the colonial era, attracted many agri-business companies, both national and international scale, to operate in the area. Also, Davao comes as the primary production of banana, which TNCs maintain most of the plantation. On the other side, the situation also makes the Davao' population get their land rights title from DAR as part of CARP.

CHAPTER V
CONTROLLING CONTRACT FARMING ON SOCIO-ECONOMIC AND POLITICAL ASPECTS: CONTESTING THE RIGHT TO WORK AND RIGHT TO ENJOYMENT OF JUST AND FAVORABLE WORKING CONDITIONS

"Yes, we know the contract because the growers are the one who attended the meeting. Also, there was somebody, attorney, who help us and guide us to decide which one is we agreed"
(JO[2] April 10th, 2019).

This chapter will examine the implementation of banana contract farming in Davao Region, specifically in Santo Tomas and Compostela Valley. As part of the banana capitals, the people of those areas are highly involved in the contract system with the agribusiness companies. This chapter argues that there is unbalance power between the agribusiness companies and the small growers as well as the workers, setting off several violations, through social, economic and political ways, on the right to work and the right to the enjoyment of safe and healthy working conditions. The chapter will start with a brief result of the field study; then it will be going deeper into the implementation process through three subtitles, using Vellema's framework on social-economic and political control; lastly, it will examine remedy actions done by the small growers and the workers in order to respond to the system.

[2] All the name of informants in this chapter are not the real name.

5.1 Stories of Small Farmers/Growers and Workers in Santo Tomas and Compostela Valley in Davao Region

JO used to be a small grower who had a contract with Sumifru for more than six years until a few years ago, she decided to stop and to obtain an independent grower. However, she is lucky enough to comprehend the contract and having an attorney to guide her given that my other ten informants have different experiences with her.

One of my findings from the field study is a centralized model as the standard type, an existing contract farming both in Santo Tomas and Compostela Valley. It is a direct contract farming where companies hold a commitment to provide material and management inputs to farmers, according to Eaton and Sheppard (2001, pp. 44-46). However, in the field, both in the two areas, the centralized model also divided into two types. *First*, the companies rent the whole plantation, while the landowner becomes one of the workers and accept the rent payment every year from them. This type is known as a production or growers contract refers to AVA policy in the Philippines. *Second*, the companies provide input and material, and the small growers sell the products to them. JO's case falls into this category, while this type belongs to a lease agreement according to AVA policy. Furthermore, the centralized models in Davao region also require standardization from small growers in terms of the character of the product, period, management assistance, payment method, etc.; and implementation process of the contract. However, how and why they can fall into this type?

In the Santo Tomas, there is one village where most of the farmers have an agreement with NEH (Nader and Ebrahim s/o Hassan), a company owned by Bahrain and Dutch businessman (see in chapter 4). From Focus Group Discussion (FGD) on 9 April, 2019, I found out that the small farmers do not know what is written on the contract given that it is written in English. The agreement was well-drafted by the company only. Also, the reason why there were signed the contract due to they used to have a cooperative, however, it did not work well, and it was had debt **2,448,784.06 PHP** (approximately 47,299.49 USD) to the company. As they were a member of the cooperative, they are responsible for paying the debt as well. Then, the company offers a new contract to rent their land to 15 years as bargain as to pay the debt which deduced from their payments. Furthermore, the agreement states in article 3.3 of the "Lease Agreement" (see appendix) stated:

> "At the end of the term of this Agreement, the total outstanding loan of the Lessor amounting **to TWO MILLION FOUR HUNDRED FORTY-EIGHT THOUSAND SEVEN HUNDRED EIGHTY-FOUR and 06/100 PESOS (Php 2,448,784,06)** as of **Week 31, 2012**, is deemed fully paid".

For the rent payment, the company applies a gradual increase rent payment for 1,5 hectares which starts from 8,000 PHP (154,54 USD) in the first year until 16,700 PHP (322,60 USD) in the fifth years (see article 4.1 in the "Lease Agreement"). While for other small growers in Santo Tomas and Compostela Valley, the reason to join in the contract farming system is due to financial reason. They used to be rice farmers, however, after the companies came to their areas, they convert the paddy field into a banana plantation because the banana has a profitable market. However, the period of the contract varies from 25 (MA, 9 April, 2019) until 30 years (JU, 11 April, 2019).

Aside from the debt, there are several reasons as to why the small growers are joining or even, worse, continuing the contract system. One of my informants explains that the main reason is that the promise by the companies that she will gain a high profit (MA, 10 April, 2019). Then, after she signs the contract, her paddy field was converted into a banana plantation, while small growers in another area told me that they continue a deal formerly signed by their husband or their mother or their family (MA 9 April, and JU, 11 April, 2019). In other words, they are the second generations who are forcefully tied with the contract. However, the length of the contract is different. For small growers for Compostela Valley, for example, their commitment is 25 years with Sumifru (MA and ME, 9 April, 2019); and for some small growers in Santo Tomas, their contract with Marsman company, a grower of Chiquita or Unifrutti, is for 30 years (JU and VE, 11 April, 2019).

Another story comes from workers in Santo Tomas who had faced a more complicated situation with company, NEH (Nader and Ebrahim s/o Hassan). The president of workers union explained to me that they were still fighting to get acknowledgment from NEH. In the Philippines, the main requirement to be registered in the local government is an acknowledgment letter from the company, the place where the union works. It is considered an important thing given that if the company does not acknowledge them, the union could register in the government office and the workers do not have bargaining power or known as Community Based Agreement (CBA) in terms of discussing or demand their right (EL, 10 April, 2019). Furthermore, he explains that the former company had acknowledged them, and they got better insurances. Also, another impact from the new situation is that the contract is directly signed between the company and the workers individually as the CBA might not be applicable, hence, the union needs to work harder to ensure that all of the workers treat and receive their rights equally (EL, 10 April, 2019).

Those stories are only a surface view of a more complex condition happening in the field. The next paragraphs examine the influence of the companies in the right to work and right to the enjoyment of favorable work conditions using Vellema's approach in social-economic and political control of contract farming.

5.2 Implementation of Contract Farming in Santo Tomas and Compostela Valley

5.2.1 Non-transparent Process on Signing Contract: Right to Equal Opportunity in terms of Access of Information Under the Shadow of Economic and Political Control

> "Both parties agree that the basis for the fixed rental, as described in section 4.1, is the Producing Area as identified by the Company's GPS survey, a copy of which is attached as **Annex A** hereof. In this connection, any advance/remittance of the rental payment made by the Company to the Lessor upon the execution of this agreement to conform with the result of the GPS surveys showing the actual Productive Area.
>
> The Company at all times during the term of this Agreement shall have the right to peaceably and exclusively possess, develop, use and operate on the

> Land as well as harvest the fruits/proceeds thereon, without any disturbance from the Lessor, his heirs, successors-in-interest, assignees, or from any other person."

Aforementioned is one of the articles written in contract between NEH and small grower in one of the villages in Santo Tomas. As written above, the agreement is only detailing the right of the company, while for the small growers, it states on rent payment, briefly. Regardless, they do not know the contract and are unable to understand what is written on the contract, and in the FGD on 10 April, 2019, they told me that the company approaches them by going door to door to contact them and offered to sign the contract. At the time, the company came with a well-drafted deal ready to be signed. In other words, there was no discussion or even law advocates who help them to understand the draft. After all, the company did not give them an explanation or even conduct socialization of the contract. This practice also happens in another village in Santo Tomas and Compostela Valley (JU, 11 April, 2019 and ME, 9 April, 2019).

The case from Santo Tomas and Compostela Valley also demonstrates how inequality in the contract process influences the limitation of the growers in terms of access to information about their rights (Digal, 2017). In the entering process of contract aforementioned shows that the company uses their position in terms of economy to dominate as well as directing small growers' decision on signing the contract. In this case, the company also violated the Philippines Constitution article 8 section 3, which guarantees equality of opportunities for all, including agrarian sectors. Furthermore, it violates the right to get equal treatment in land tenure, specifically in the right to equal opportunity which promotes in a transparent process that respects human rights (UN GC No. 23 para 25). Transparent here means that both the company and the small growers should understand the substance of the contract. While, the company, which has more economic resources as well as political position due to it has a lawyer and understand the agreement, uses the debt of the cooperative which it gives pressure psychologically for the small growers and makes their position very vulnerable. In the end, they sign the contract because they come with no other option, and personally, it seems impossible for them to pay the debt, without considering their other rights.

While in the payment issue, the small growers feel the price is too low, and it is not enough to cover their needs. Refers to fair wages, a fair rent land should be a reasonable amount which covers basic needs, e.g., housing, food allowances, and tax deduction. As mentioned in the first section, the rent is 8,000 PHP (154,54 USD) in the first year until 16,700 PHP (322,60 USD). The low rent price and tax matter also happen in Sumifru at Compostela Valley.

> “The Sumifru rent my land. Every year, for 1 ha, they pay 15,000 per year. Also, I have 4 ha now. My mother still paying the taxes every year. The Sumifru only 15,000 without the tax” (ME, April 9th, 2019).

The amount, of course, excludes the loss of Panama diseases threat, which makes the small growers’ rehabilitation the land for a while and loss their income. Additionally, the company handovers the tax payment to the small growers, which creates more problems for them. In the FGD, the small growers explained that in the first agreement, the arrangement of tax payment was 60% the company and 40% the growers, but now the growers are paying 100%. Furthermore, the taxes matter written in the contract in section 8, which says:

> “all ordinary taxes, fees, assessments and other charges of similar nature and description presently assessed against the Land for, but not limited to the real property taxes and other assessment of similar nature, shall be for the sole and exclusive account of the Lessor as owner of the land. In case the Lessor fails to pay the high taxes on the Land, the Company may pay them for the account of the Lessor. However, the Company shall have the rights to deduct and payments referred to herein from the Lessor’s rental payments.
>
> In the event that the Land has unpaid property tax upon the execution of this Agreement, the same may be paid by the Company, on behalf of the

Lessor. Any such payments made by the Company shall be deducted from remittance made or to be made by the Company to the Lessor."

Parallel with the contract, the companies are the one responsible for the deal properly. That does not only restrict the movement of the small growers to bargain with the company, but also controlling their social decision with indirectly relate with the company, for instance, to join the union. The same informant told me that some growers are afraid to join the union given that they are worried the company will end their contract as no one can ensure the matter since they do not remember what is written on the agreement.

Different capacities between the companies and the growers influence the imagination of distribution of risk. Since the small growers cannot understand English, they do not have a vision about the tax matter. On the one hand, the company uses its political resources by having a better understanding of the tax and the substance of the contract to negotiate with the small growers. On the other hand, the small growers who cannot comprehend the language and do not expect about the tax, were only focused on the debt and signed the contract. As happen in tomato farmers in Honduras, access to information on contract becomes an essential point in order to understand the system or else the farmers or growers will only think that it is the best system and alternative for them without really considering the risk provided by the companies (Glover and Kusterer, 1994 p. 132). In other words, the case also strengthened the Glover and Kusterer (1994, p.3) that the small growers and farmers sign the contract given that it is a realistic option on their version.

The contract process in Santo Tomas and Compostela Valley shows unbalance power between the company and the small growers. The neglected of access to information in the contract demonstrates how the company is regulating the social process to control them in social and economic ways, as understood with Vellema approach. Furthermore, this phenomenon also connects with Glover and Kusterer (1990, pp.130-131) argument with saying that the implementation due to the distribution of risk strongly relates with other factors, such as bargaining power, alternative availability, and access to information. Language becomes the entry point to understand this connection. For the small growers, the distribution risk is the debt, while for the company, it has a broader meaning, particularly on the implementation process, which includes tax. In the end, access to information which closely relates to the imagination of distribution of risk for the small growers is the way the companies control them in the process of signing contract.

5.2.2 Building a Dependent Relation through Control on Daily Production Process: Right to get Equal Remuneration and Fair Implementation

The non-transparent signing contract agreement is not only their problem. Based on DOLE law, which mandates that all of the rights of agribusiness chain-production should be respected and fulfilled in every process. Hence, it is essential to see the implementation process to see how the contract farming works.

It starts with how the small growers deal with the companies' domination in the price through the daily production process. From my field study, it reveals that the companies ensure every stage of banana plantation, ranging from providing seeds, chemicals, pesticide, to fertilizer usage (MA 9 April and JU, 11 April 11, 2019) even from the FGD some people acknowledge that the company also provide the workers (FGD, 10 April, 2019). It sounds pretty good when the companies are actively helping the small growers with the input. Yet, it should be noted, that there is a significant interest behind those inputs as one of my informants told me:

> "The time when then grower put the product in packing house, the grower does not get any income because of the deduction of fertilizer, which is very overpriced, and another over price inputs. While the farmers need to consider the minimum wage of their workers. Right now, the company buys per box 180 pesos, but if banana goes to other countries, it prices 1,200 per box. It is very different… For example, she harvests 40 branches, and it will sell around 30,000, but after deduction, the farmers will get 3,000." (PJ, 9 April, 2019).

The 3,000 earning is lower than the minimum standard of living. It is because the growers need to divide the money for their workers as well. The small growers harvest their plantation every two weeks, which means they need to save money at least 3,840 PHP for 12 days of work from their workers.[3] In other words, it is not enough for the growers to pay their workers. Additionally, even though the companies have the same standard on set 14 kg for every box, they have different prices. From Sumifru, for example, they buy banana per box in 150 until 180 PHP (MA, 9 April, 2019). While in Marsman, they buy the banana in 340 until 400 PHP per boxes (JU and VE, 11 April, 2019). Besides, other informants explained that DOLE buys the banana in 170 PHP per box only (DE, 10 April, 2019). Unlike the market which has been upside down dynamically, the company applies for the fixed price from years. These conditions place the small growers in bad situations.

Aside from controlling the inputs, the companies also measure the quality by visiting the plantation every day in the morning or noon as well as monitoring the growers as explained below:

> "Checking and inspection, then the grower will tell the company representation if there is any banana sick, they the couch will tell to the company. Then the company will make sure that the growers are not lying" (MA, 9 April, 2019).

On the one hand, this monitoring is to maintain the quality of the product, which could bring benefits for both of the entities. On the other hand, with the small income that they get, the small growers see it as another controlling system to them. For Clap (1994, p.82), the monitoring and ensuring steps that have been doing by the companies see as an attempt in increasing dependent relationship while later it could be recognized for the exploitative way.

In this situation, the concept of distribution risk upheld through the contract farming system, as argued by Sáens-Segura, D'Haese, and Ruben (20017) as well as Glover and Kusterer (1994), is not working. In light with their result in Costa Rica, Honduras, and Ecuador, the small growers only get the risk that the profit from their plantation. While from the Vellema's framework, involving in the daily practices and control the banana price is part of their strategy on dominating people's work.

[3] As consideration, the daily wage of the workers in the Philippines is 320 PHP refers to the DOLE policy.

This case also demonstrates one of the problems to investigate the relationship in contract farming that has been highlight by Glover and Kusterer (1994). They explain that input supply, for instance, fertilizer and other agrochemicals, is always dominated by the company. From Santo Tomas and Compostela Valley, it shows that the small growers have a dependent relationship with the company, which influences their production price and their income in general. Finally, the domination in the daily production processes brings more profound impact to the small growers in terms of dependent on input supplies.

The companies' control is getting deeper and stronger when it is written in the contract. One of the small growers told me that:

> "I work in the company in the packing plant. One of the articles in the contract said that as a worker, you would be regular. The company promises that when they sign the contract, they will be a regular worker, but now I'm still a contract worker" (ME, 9 April, 2019).

The regular workers mean they get assurance to work in the company as long as it still exists, and they will get better insurance on health and wage as well. While the regular workers usually get an annual contract, hence their protection is also different. Furthermore, she is happy that she gets a position in the company, even it is not her decision to work there. Also, in line with the right to work, the companies are in the right process by creating the job. However, it is not enough due to there is no guarantee to be regular work as promised in the first deal. Therefore, since there is no precise mechanism from the government, the informant chooses to join the union to gain their right to work.

It seems that the companies are not enough by controlling the substance of the contract, they also control the deal physically. As explained by the president union from Compostela Valley, below:

> "I think the company keeps the contract. It is one of the ways of the company to treat them, and they can charge or find cases if they contract to follow what is said in the contract, for instance, the farmers sell the banana

outside the company. Then it could be a case. However, it is also because the farmers do not have the contract" (PJ, April 9th, 2019).

The companies are not only directing but also dominating the consensus by tiding into formal legitimation. Clapp argues (1994, p.80) that in contract, the domination of the companies has a legal power to retain the seed, crop, and inputs. Moreover, it happens in the Santo Tomas and Compostela Valley. The companies dominate all of the processes in the implementation process by covering it with legal power; hence, the small growers do not find any ways to revoke the agreement. The companies combine structural and daily control to maintain their domination on socio-economic and political authority, as Vellema's argue. Hence, the concept of the small growers as the equal partner abuses by the companies.

5.2.3 Hiding under the Banana Canopy as an Escape Way from Aerial Spray: The Right to the enjoyment of safe and healthy work conditions

As one of the main elements in banana farming, it is crucial to know the situation the workers under the agribusiness company. The workers in Santo Tomas, for example, need to deal with a complicated system with both the local government and the company due to their union is not acknowledge. It brings many problems for them. It starts with an uncertain working period as explained by the president union, "We do not have a contract, as long as the banana still run, we still work" (EL, 10 April, 2019). Furthermore, the President told me that in the past, the working contract established between the company and the union under a Community Based Agreement (CBA). The deal applied for every five years, then, there was a freedom period for the union, whether still want to continue the contract or not. The impacts of this system were that the workers got a piece of better health equipment and higher insurance payment. However, they would not get the same facilities with the new company, namely NEH, particularly on health matter (EL, 10 April, 2019). Furthermore, the workers union in Compostela Valley also face the same problem. The Sumifru does not acknowledge the union, and if there any meetings, they would not invite the union members (MA, 9 April, 2019).

The main problem here is the acknowledgment to the union, leading to their weak position politically, as Vellema explained, to bargain with the companies. As mentioned before in the literature review that union as auctions of farmers bargaining cooperative demanding for better rights for the workers and could pool resources for hiring the lawyers in the formal legal case (see Rehber, 2007; Rosete, 2016; and Digal, 2005). Uncertain working period and status make the workers in vulnerable positions, for instance, they have more challenges when taking a loan from the bank. The case is similar to the small farmers in Thailand who face the same difficulties as them (Delfoge, 2007). Furthermore, unlike the association in Tanzania (Isegar, Fold, and Nsindagi,2018), the union is doing the role of mediator even in a very minimal way. For instance, the union working together with NGO to advocate their interest. However, while they are still fighting to get acknowledgment, they need to deal with several serious problems which endanger their life, particularly violation of the right to safe and healthy working conditions.

For the health issue, the workers are vulnerable due to exposed by aerial spray and incompatible personal protective equipment (PPE). Unfortunately, it is happening both in Santo Tomas and Compostela Valley under the management of NEH and Sumifru. Here is the explanation the president union from those two places:

> "Yes, we work with our hand. The workers are just hiding under the leaves and banana tree, so they do not want to get the pray. Some of them are get burning because of chemicals. Going back to the previous employer, which had a safety regulation, the workers cannot go to the field within 2 hours, but not it is not implementing again. In Davao, the aerial is banned, but not here. We tried to ban it, but the company denied, they need the aerial spray so the work will faster" (EL, 10 April, 2019).
>
> "They provide protection, but it is not good. The material is standard. That is why sometimes the workers work with their hand and expose with the chemicals. However, in Davao, they ban it, but in Compostela Valley, it is still happening" (PJ, 9 April, 2019).

Furthermore, they have been asking and attempting to discuss the companies to improve the PPE. However, they never comply with it.

What happens in both Santo Tomas and Compostela Valley shows that the companies failed to respect and fulfill an appropriate as well as safe working conditions. Furthermore, the companies violate RA No. 11058 of 2017 on Occupational Safe and Health Law Sec. 8, regulating worker' right to PPE. In the health issues, we can see that the government neglects the workers given that they only banned the aerial spray in Davao City, known as the capital city not only for Davao region but for Mindanao. As stated in the Philippines Constitution article 8 section 3 and article 8 section 5, the specific explanation on the agrarian subject, the State should guarantee full protection of workers both in the country or overseas. However, the State only protect the banana workers in Davao City, as a business and administrative center of Mindanao. In the end, this weakness is profitable for the companies.

Another way to dominate the workers' work is through the meeting. The president union highlight that the meeting with the company representation is only for talking on Panama disease,[4] as explained below:

> "They just talked about the Panama disease. There is still no cure for the Panama disease, so even DOLE they have to close down some of the plantations. DOLE is the number one brand. They close small and big plantations. In 126 ha the affected area is 30 ha. It has affected the work of the workers; in 6 days of work they only need to work in 4 days. Because of the Panama disease come from acidic soil. If you want to get rid of the disease, you need to rehab the land. Also, it takes months to rehab the land, even one year. They are expecting the company will close down in 2 years

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[4] Panama disease caused by the soil-inhabiting fungus species referred to as Fusarium *oxysporum forma specialis Cubense* (Garcia_bastidas et al., 2015 cited in Cruz and Jansen, 2017). The only cure for this disease is to rehab the land due to the experts still could not find the chemical and physical measures against it. The disease commonly attacks the Cavendish banana, the most common banana in Davao, by yellowing of the banana leaves and longitudinal splitting of the plant's steam at the base, eventually leading to the wilting and collapse of the entire canopy (Cruz and Jansen, 2017). [Cruz, Jaye de la., and Jansen, Kees. 2017. Panama disease and contract farming in the Philippines: towards a political ecology risk. Journal of Agrarian Change Vol 18, issue 2, 2017. https://onlinelibrary.wiley.com/doi/full/10.1111/joac.12226 (June 7, 2019)].

> because of the Panama disease. It just the hunch, but they still think. They still can solve the problem” (EL, 10 April, 2019).

The result of the action above is that the workers could not get clear information on Panama disease and it violates the workers right to know the safety and health at work, RA No 1158 of 2017 Sec. 6. In fact, that the Panama disease is haunting their job makes the workers worry, especially for those who have a status as unregular workers. However, the discussion above shows that the company tends to focus on the diseases which threating their profit rather than concern on working conditions. Logically, the acidic soil could be treathening the workers’ health as well. However, the company never discuss it and drive the forum only on companies’ interest.

The cause of the Panama disease both in health and working insurance, should represent due diligence of its company as mandated in the UN Guiding on Business and Human Rights. It states that the business enterprises require to address their human rights impacts by informing or providing information regularly formally to affected stakeholders and publicly to its other intended audiences, for instance, individual or group who impacted and investors (art.21). Additionally, the DOLE also regulate the basic standard of working condition, which has the same values as the UN Guiding. In other words, the action of the company violates the right to get information and the right to get safe working conditions.

While for the companies, they use the lack of political will of the State to maximize their production supported by their economic resources, yet, disregard the workers’ health. This action does not only violate the business responsibility to respect the right of the workers but also violate the right to the enjoyment of just and favorable work conditions in terms of safe and healthy working conditions, which guarantee in ICESCR article 7; UN General Comment no. 23 of 2016; the General Conference of ILO on the same issue of 1981 no. 155. Furthermore, the impact of the unsafe and unhealthy condition is in the long-term period, causing a number of diseases and influencing the workers’ life in general and socially.

5.3 Small Growers or Farmers Reaction: The Remedy Actions in Order to Obtain Their Rights

5.3.1 Utilize the Formal Channel as Guarantees in the Laws

As to guarantee in the UN Business and Human Rights, the small growers also have a right to make a case formally. Furthermore, in the Philippines on AVA law itself already regulates an amendment, renegotiation, and revocation process of the contract under DAR A.O No. 09 article II. Sec 4.14 (see chapter 4). The law aims to protect and ensure a fair remedy for AVA's parties, including the small growers through a comprehensive mechanism which involving the local government, namely the Provincial Agrarian Reform Officer (PARO) as providing in this Order.

Inline to use the facilitates that provided by the State, some small growers attempt to negotiate with the companies through a formal channel. One of them is JU from Santo Tomas whose case in the court to change her latest contract from 30 years into five years. She explains the reason for her action as follows:

> "At first, my husband is the one who signed the contract for 30 years in 1989. But then he died. Then the company asked the wife to sign another contract for another 30 years. So I didn't know it. The company did not explain anything. Now, I made a case to change 30 years into 5 years. The case is still going on now" (JU, April 11th, 2019).

JU can be considered to be the lucky one since she hold and could comprehend her contract, hence, she can bring the case into the court. Nevertheless, for some growers, they do not see the agreement due to the company keep it, hence, they can wait or join the union to bargain with the company. While for workers, if they joint protest, they could be fired from the company likes happens in Compostela Valley. JU and VE, another small grower from Santo Tomas, really want to end the contract with the company due to it is not only about the low rent, but also the company, Marsman, dominate the land and they not allow them, the owner, to enter the area as long the contract still on-going (JU and VE, 11 April, 2019). Additionally, similar with the workers and others growers, JU does not want to lose their land due to

Panama disease, and if she allows the contract, the company will extract the area for 60 years, and she is terrified of it. Furthermore, JU action to bring the case in the court supported by other growers' event the union; however, they cannot do many things due to it is a formal way. Now, JU's fighting area is in court. While the case is still on-going, the company still paying the rent which it is 15,000 PHP for 1,5 hectares.

From JU case, two issues need to be considered, namely a fair remuneration; a fair contract; and an equal opportunity to get information in terms of Panama disease. As explained in the UN Guiding on Business and Human Rights, the remedy process should be implemented both in procedural and substantive ways, and the company, as well as the state, should respect the process (2011, p.27). However, what JU has done is threatening the company. She said that there is one officer who intervenes people to keep the contract, and the company also always ignores people's request to have a meeting (JU, 11 April, 2019). It seems that the companies do not respect the remediation process, obligated by the UN Guiding in Business and Human Rights in articles 22-25.

As Clapp argues that unequal partnership beneath the contract has been resulting in open conflicts (1994, p.82), and JU is one from hundreds of small growers who dare to declare an open conflict with the companies by filling lawsuit in the court. The unfair contract by blocking the information on the substance of the agreement brings her to another level. Furthermore, the case of JU influences the social relationship between the companies and other growers. Intervening people to stay in the contract, however, will make other growers see the neglected of the system. Furthermore, JU shows that as the equal partner on the contract farming system, she has the right to get fair treatment in the remedy process as guaranteed both in the international and the national laws.

5.3.2 At Night's Strategy

> "Some of them take the banana in the night, so that they can sell it outside the company. We steal the banana illegally. The price outside is higher" (MA, 9 April, 2019).

As mentioned in the section before that the price from the companies is low, the small growers attempt recklessly as something dangerous to deal with the high deduction as well as the workers' wage. MA told me that mini plant[5] is the place where they sell the illegal banana (9 April, 2019). It sounds absurd when you know that they are the one who plants and maintain the banana plantation, yet, they used the term "illegally" to take it. Furthermore, the same strategy also found in the Santo Tomas, as explains below:

> "Some people block the cable and chop some trees. The choppers, the workers, are the one who did it from inside the plantation. As a result, there were 11 leaders sent to jail for two weeks by the company. However, after that, the police just release them freely" (JU, 11 April, 2019).

While in Santo Tomas, people are doing more extreme than in Compostela Valley by having cooperation with the workers, the coopers, and involving many leaders as well. It shows that the small growers could do something big, and they are ready to face the consequences, including the police. If we see carefully, the police itself understands the position of the growers yet keeps them in jail as that is the formality to fulfill the requirement of the company.

There are similar patterns that the small growers use in the Santo Tomas and the farmers in Gambia, Africa (see Carney, 1994). The action created by few growers turn out into collective movements, in other words, affecting the community in general in terms of responding with the unfair system. It also demonstrates that there is an intersection interest between the small growers and the workers to cooperate. It means, this action proves Dieddieh (1994) argument by examining that several reasons influence the movement, and for banana plantation context in Davao Region, those reasons start from low income; lack of access of information, to lack of health insurance.

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[5] From my field study I understand mini-plant is an independent company, usually as a small company and owned by local elites, which also do the same activities like the agribusiness company, but it does not have a contract with the small growers. The transaction between them based on the professional, which means that the mini plant buys the banana from the growers based on the standard in the market price.

What the small growers were doing to look that they are violating the contract. So frankly, to say, yes, they are. However, we need to examine the action from a more prominent framework as Vellema explains in the conceptual framework that social, economic, and politics are related to each other. This action is a resonated with the violations of their right to work done by the company. The political control through the unfair contract and the financial power the low wage inspired people to do this action.

5.3.3 Start a New Life as Independent Growers

> "I just want to continue by myself because the company will control the product. Also, the price is much lower. The company will intervene, and we will have the agreement" (DE, 10 April, 2019).

That is one of the testimonies of one of the independent growers from Santo Tomas. DE prefers to maintain his one-hectare banana farm by his way and sell it through mini plantation near his house (DE, 10 April, 2019). A higher price is one of the main reasons as to why he chooses to do so. Furthermore, the independent grower phenomenon also happens in another village in Santo Tomas:

> "There are many mini-plants here, over hundreds, and the owners are the villagers as well as growers. The price per box now is 340 pesos, but if the stock lees, it would be 400 pesos" (JU, 11 April, 2019).

Here mini-plants have the essential role for the independent growers. Even though they do not have a formal agreement like with the agribusiness companies, they trust each other to keep the price higher. Furthermore, the mini plants only small companies, they have several qualifications and a particular mechanism as well, which need to followed by the small growers. My informant explains that:

> "Yes, there are many requirements. One of the requirements is that I need to harvest in four leaves, and it is not dried. There is a QI (Quality Inspectors),

> they checked the area and just gave the requirements. So, I only choose to sell in one mini plant. Because if I keep changing the mini plants, the price will go down" (DE, 10 April, 2019).

In fact, the independent growers are willing to follow the mini plants' mechanism professionally shows that the contract system could be work if each of entities respects the rights and transparent on the implementation. The independent growers understand that the requirements are essential to keep the quality, however, they have more freedom to choose and to buy the inputs as well as the maintain techniques with their own. In other words, the traditional system could also use in this system, as my informant explained to me (DE, 10 April, 2019). Consequently, there are more and more the small growers who keen to end the contract and transform into the independent grower.

> "Yes, there are more than one hundred independent growers. They had an agreement with the company a few years ago. However, the company paid much cheaper, hence, they did not renew the contract" (DE, 10 April, 2019).

Aside from the positive points, there are also weaknesses as independent growers. DE explains to me that he does not provide any insurance for his workers, yet, he gives the workers an appropriate daily wage and provide bonus every year as a compliment (10 April, 2019). Additionally, what is happening in the Santo Tomas and Compostela Valley disproves the result of Sawaengsak and Gheewala (2017) in Nakhon Ratchasima province, Thailand. They found that from a condition of banana workers plantation, it reveals that the independent growers tend to provide better safety conditions than the companies (2017, p. 1174). Here, the safe and healthy of working conditions are ignored by the small growers, even though they use the manual method for spraying the banana trees which makes them less exposed by the compound, but still, they are in the dangerous conditions. From my observation, they are aware of the dangers of the chemical, but they cannot do anything. In other words, the law from ICESCR, the UN Guiding, even from the DOLE, are not acknowledged by them. In the end, exposing themselves to the chemicals are the risk that they need to take.

Being independent growers are lack of formality, yet, it has a fair remuneration and freedom to maintain the plantation. Additionally, the open system applied in the mini plant makes every grower owning an equal opportunity to join as long as they are following the rule. In the end, the decision to be independent growers to acquire a decent living for themselves and their families fulfilled the law under ICESCR article 7.

5.4 Conclusion

As part of banana capital, many people in Santo Tomas and Compostela Valley are joining contract farming with the agribusiness company. From my field study, it reveals that some of the small growers had a pleasant experience, which means they have a lawyer and know very well about the contract. However, it is a rare case due to more small growers, and even the workers have a very different experience. Started from their reason to join contract farming, some small growers acknowledge that because they do not have any option and the companies offer to clean their debt, hence many people were willing to sign a contract. While the other small growers and workers said that the financial issue is their reason to work with the companies. Nevertheless, both in Santo Tomas and Compostela Valley have the same type of contract, which is a centralized model. In this type, the dealt is directly between the companies and the small growers or workers, while the government becomes a watchdog, and it is not involved directly in the process.

In the implementation of the contract, three issues resulted of this research. *First*, there is a non-transparent process on contract signing, which violates the right to equal opportunity in terms of work information. The contract is written in English, and most of the small growers do not comprehend the language use. It resulted, the small growers do not notice about the tax issue, plus they do not have imagination of the risk that they will face and how to solve it. *Second*, the companies built a dependent relationship through control of the daily production process, violating the right to get equal remuneration and proper implementation. The day-to-day control is done through input supplies for the small growers, e.g. fertilizer with higher prices and through a direct visit to the plantation. The input supplies are related with the small growers' income given that it is automatically deducted from their harvest, and the net income is not enough for them to covers they need, including paying the workers' wage. *Third*, the workers are hiding under the banana canopy as an escape away from the aerial spray, violating the right to the enjoyment of safe and healthy work conditions. The health issue in contract farming is critical to discuss given that it is endangering the workers' life both in short and in the extended period. The lack political will of the government, which only ban the aerial spray in Davao City also known as the capital and business center, makes the companies utilize in terms of gain profit in the most effective way. As a result, the workers need to inhale and touch the chemicals with their bare hands. The case also shows that the unbalance position between the companies and the small growers could influence their relationship in social, economic, and politic level.

As contract farming is not a single phenomenon, the small growers and the workers have been done several actions to obtain their rights. *First*, they bring the case of abuse action of the companies into a formal channel guaranteeing in the law. *Second*, they enter their plantation at night, they cooperate with the workers as well and steal the banana, or as Scott (1987) called as everyday forms of resistance. Later, they sell it in the mini plants which have a higher price and without any deductions. *Third*, some of them are choosing to be independent growers working professionally with hundreds of mini-plants in their areas. The actions from the small growers and the workers show that they also could do something which influences the company in general. They are aware that as business partners of the companies, their rights should be respected and fulfilled by other business entities guaranteed by both national and international laws.

CHAPTER VI
CONCLUSION AND RECOMMENDATIONS

Throughout this study, the research has dealt with various issues regarding contract farming and its impact on small farmers as well as workers. By using case studies in Santo Tomas and Compostela Valley, the research demonstrates that there is unbalance power between the agribusiness companies and the small grower or small farmers and the workers in the banana contract farming. The companies with obligations to respect the human rights turn out their position into influence and control the right to work and right to the enjoyment of safe and healthy working conditions of the farmers. Inline to explain those two points, the conclusion has four sections that summarized from the five chapters.

a) Attempts to protect the farmers rights as well as control the business enterprises in the Philippines

In preference to see the role of the Philippines government, the study examines the contract farming system as known as Agribusiness Venture Agreements (AVAs). Chapter 4 shows that the government has been producing several laws in AVAs. The land reform, DAR A.O 09 of 2008, and DAR A.O No.04-16 accommodate the small farmers to participate in the system as well as draw the line in terms of the responsibility of the companies and the role of the state in every stage of the contract. One thing to be highlighted is the state addressing the fundamental rights of the small farmers, e.g., land rights and security of the farmers and workers, in the laws. However, the AVAs laws tend to explain the companies' role rather than the small farmers. They could act as the facilitator, suppliers, marketing until managing the plantation itself. Unlike the definition of contract farming from Eaton and Sheppard (2001) focusing on the characteristics of the sponsor and its role in general, the AVA tends to concentrate on detail responsibility of the small farmers and activities done by the investors. Furthermore, the law tends to use the word "shall or commit" for the

ARBs and use the word “may” for the investors. It seems that the code is more demanding to the ARBs or the small farmers rather than to the investors.

Continuously, in term of the state’s control in favor of protecting the rights, the government has a comprehensive mechanism by involving various institutions ranging from the municipality provincial to the national level. Nevertheless, as to reflect on the UN guiding principles, it is a lack in a measure the implementation. The policy seems to indicate that the national institutions have more control nor in the regulations, decision, and implementation process. Whereas the provincial government has tasks on checking and monitoring the process. However, this system creates a dilemma. In the renegotiation process, for example, the last decision is on the PARC located in Manila while the problem, e.g., violation on tax or land rights, and the small farmers are in another province. The transparency process for small farmers is needed in this matter. As explain by Glover and Kusterer and represent the UN Guiding values, coordination from various level of the government institutions is essential to ensure the protection of the small farmers in the field. As the UN Guiding Principles is soft law and voluntary applicable, the state could adjust the policy and circumstance for a particular purpose. Also, in this case, instead of uses its coordination to ensure the protection of the farmers’ rights, the state institutions attempt to control and gain more power over one another.

b) TNCs companies in the banana industry in Mindanao

The companies involving in the contract farming system in the Philippines have various background, some of them even belong to the biggest multinational agribusiness banana companies, e.g., Del Monte, Dole, Sumitomo, and Chiquita/Unifrutti. Digal explains that those companies have changed their operations system from direct growing into contract growing due to the implementation of the Comprehensive Agrarian Reform Law (CARL). However, as I mentioned in table 4.2, most of the growers are affiliated with the leading companies itself, or affiliated with other conglomerates in Mindanao and Philippines in general, such as Anflo Group, Dizon Group, and Tristar Group of Banana Companies. Moreover, the five companies have several subsidiaries as growers as part of their companies’ structure, such as between Del Monte Fresh Produce (Philippines) and Agrinanas Development Co., Inc., Delinanas Development Corporation, Mindanao Agri-Traders, Inc. Last, there is also TNCs company which stand uses its name, for instance, Nader & Ebrahim S/O Hassan Phils., Inc. which instead of affiliated with another a company grower, their grower is direct to the small farmers itself. In the end, the relationship between the companies influence the nuance of the contracts.

The structure of the companies, centralized in the leading corporations, influences the dynamic of contract in the field, is also weakening the human rights' concept. As mentioned in the UN Guiding Principles that all form of business enterprises should respect and implement the human rights values regardless of their size, sector, operational context, ownership, and structure. However, since the UN Guiding Principles is soft law, the companies are not obligate to follow it. Moreover, what happens in Mindanao shows that the small companies, consisting of subsidiaries or affiliations, have weak supervision on the small farmers' rights, particularly on the right to works and the right to the enjoyment of the just and favorable work conditions. It is because most often, the TNCs agribusiness companies as the leading companies have more control to their subsidiaries, for instance, to set standards of the product and manage those small companies. It also shows that companies can reject the principles altogether without consequences. Instead, the small farmers, as part of the banana industry, get the impact by feeling more pressure since usually the subsidiaries companies merely forward the leading companies' policy. This process demonstrated how the few TNCs controlling the market and the production chain through their subsidiaries or affiliations companies by rejecting the UN Guiding Principles while they still earn much profit.

c) Unbalance relation in the implementation process and its impacts of the small farmers and workers

Chapter fifth provides further discussion about the effects of the contract farming in the banana industry in Santo Tomas and Compostela Valley, Davao Region. The contract system brings two edges of swords for the small farmers or growers and the banana plantation workers. The first phase is from the implementation process of the banana contract farming, which has three significant results. *First*, non-transparent process on contract signing, violating the right to equal opportunity in terms of work information. As the contract is written in English, the small growers do not notice about the tax issue, and they do not have imagination of the risk that they will face and how to respond. *Second*, the company built a dependent relationship through putting control on daily production process which violates the right to get equal remuneration and proper implementation. The regular control is done through inputting supplies for the small growers and visiting the plantation every day, makes the small farmers or growers highly dependent on the companies in every decision the companies made. The inputs supply from the companies also decreases their income while they also need to consider their workers' wage. *Third*, the workers are hiding under the banana canopy as an escape away from the aerial spray, violating the right to the enjoyment of safe and healthy work conditions. The lack political will of the government, which only ban the aerial spray in Davao City, known as the capital and business center, makes the companies utilize it in terms of gaining profit in the most effective way possible without considering the workers' livelihood. From this research, it shows that the implementation of contract farming is used by the companies to gain control over the small farmers or growers and the workers in many levels of their life. Moreover, this controlling process violates their right to work and their right to the enjoyment of safe and healthy work conditions in many ways.

In the end, the research in Davao regions shows a typology of banana companies, showing the soft aspect of the UN Guiding Principles on Business and Human Rights. The minimum standard of wage and rent land of the companies are not enough to guarantee a decent living of the small farmers and workers. The low price on banana shows the companies can avoid the principles of human rights in business relationships. The small farmers as part of banana chain industry entitled to get recognition on their rights. Moreover, in risk prevention or mitigation, the companies focus on the impact of Panama disease and its production. The companies do not concern workers' risk as well as their health issue. Furthermore, safe and favorable working conditions raise more critical problems. This issue could be tricky because the Philippines does not have the National Action on Business and Human Rights yet, as well as the companies do not have the sense to guarantee the health and safe work conditions in the plantation areas. The practices of banana companies are not only harmful to their business partners, the small farmers, and growers, but also still lack the ideal principle of responsible business.

d) Remedy actions from the small farmers and workers in Santo Tomas and Compostela Valley

As contract farming is not a single phenomenon, the research reveals that the small farmers or growers, as well as the workers, have been doing some action to fight the unfair system. *First*, the small farmers or growers bring the unfair contract by the companies into a formal channel which guarantees in the law. *Second*, the growers, who cooperated with the workers, steal the banana at night, then they sell it to mini-plants with a higher price and without any deductions. *Third*, they are starting a new system as independent growers who cooperate with over a hundred mini plants located nearby with their plantation areas. The remedy actions taken by the small farmers or growers show that they can influence the banana contract farming process and the companies in general. Their actions represent that they are aware of their right, and they demand the companies to respected and fulfilled it.

In the end, the research has been examining the way the companies controlled the small growers or farmers through the substance of the contract, daily implementation of it, and domination the workers' life. Indirectly, the companies have power on the right to work and right to the enjoyment of safe and healthy working conditions. The phenomenon also influences by the nature of the UN Guiding Principle as soft law, hence, it is not quite hard for the state to ensure the companies to show their respect for human rights through applying a more responsible business. Moreover, as Vellema's argues that under contract farming, the companies could control the small farmers or growers in their social, economic, and political control.

e) Recommendation

In the light of the domination of agribusiness companies in Davao region and in response to the UN Guiding Principles as soft law, the researcher wishes to make some recommendations which aim to propose policy change and to strengthen the human rights concept for the corporations. If taken into considerations, they might bring some positive changes to approach for the state:

- *Accelerate the making of the Philippines of National Action Plans (NAP) on Business and Human Rights as a real action to adopt the UN Guiding Principles*

One of the ways to transfer soft law into consideration is by producing regulations at the national level. Also, NAP is the instrument actively promoting by the UN. The NAP is an evolving policy strategy developed by the state to protect against adverse human rights impacts by business enterprises in conformity with the UN Guiding Principles. Furthermore, the NAP should regulate due diligence as a mandatory scheme for agribusiness companies operated in the Philippines. The due diligence activities could undertake through a variety of issues, including the companies' report in human right risks, impact, and mitigation efforts. In this step, the National Human Rights Institutions (NHRI) is the leading state institution which works in this process. Furthermore, NHRI should be working hand in hand with business entities, and civil society in terms of keeping the accountability, transparency, and fair process accommodating the interest of each entity from contract farming.

- *Create a nexus monitoring program consisting of multilateral institutions as a straightforward action to respond to the lack of measurement in the implementation process and broader the human rights' concept*

The application should include independent actors who set standards toward human rights program in the whole process of contract farming, including enforcing fair agreements in the signing activity. Then, the monitoring body could help the state to push the companies towards better human rights practices. It is because every institution has different interest and a different approach to deal with the companies. The diverse categories of the institutions also could widen the understanding of the human rights principles from different perspectives based on the actors in the program. More institutions mean more disseminations and socialization processes. Henceforth, the companies could realize that the principles are not merely simply as a set of standards, but it has complexations and more profound realization related to many actors. In this program, the government could involve Secretary of Labor and Employment, the Provincial Agrarian Reform Officer (PARO), Occupational Safety and Health (OSH) Program by the Secretary of Labor and

Employment of DOLE, the Pilipino Banana Growers and Exporters Association, Inc. PBGEA, and the farmers as well as workers unions.

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APPENDICES

APPENDIX A
LEASE AGREEMENT: BETWEEN NEH AND SMALL GROWERS

Know all Men by These Present

This Agreement made and entered into on Sep 07 2012 at Davao City, by and between:

ALBERTO L. OPLO, Filipino, of legal age, and a resident of Pantaron, Sto. Tomas, Davao del Norte, Philippines, hereinafter, the "**Lesso**r"

-and-

NADER AND EBRAHIM S/O HASSAN PHILIPIINES INC., a corporation duly organized and existing by virtue of the laws of the Republic of the Philippines with office address at Dana Corporate Offices, Ladislawa Avenuew, Buhangin, Davao City, herein represented in this act by its General Manager, **JEROEN IVO DE HAAS**, and Operations Manager, **NAGA S. SHEIK**, hereinafter, the "**Company**"

- **WITNESSETH THAT:**

WHEREAS, the Lessor has rights over a Cavendish Banana Farm located at Sto. Tomas, Davao del Norte, Philippines, which farm is subject to a Banana Purchasing Agreement executed by the Lessor and Gapadaro Banana Growers Multi-Purpose Cooperative (GBGMPC) on ……….. (recorded by Notary Public…………... as Doc. No …., Book No. …., Series of ……….):

WHEREAS, the Lessor wants to cease its current operation to the above-described Cavendish Banana Farm and subsequently lease the said Cavendish Banana to the Company:

WHEREAS, the Lessor owes GBGMPC a total outstanding load of **TWO MILLION FOUR HUNDRED FORTY-EIGHT THOUSAND SEVEN HUNDRED EIGHTY-FOUR and 06/100 PESOS (Php 2,448,784,06)** as of Week 31, 2012 which loan will be assumed by the Company.

WHEREAS, the Company is willing to lease the said Cavendish Banana Farm from the LESSOR:

NOW THERFORE, for and in consideration of the foregoing premises, the Lessor hereby allows the Company to use and possess the herein described Cavendish Banana Farm under the following terms and condition:

1. **DEFINITION OF TERMS**
   1.1. Productive Area refers to land actually planted and actually producing Cavendish Bananas.
   1.2. Non-Productive Area refers to land not producing any Cavendish Bananas.
   1.3. Defective Title refers to lack or incomplete evidence of landowner's ownership over the Land.
   1.4. Lessor shall include his/her respective heirs, assigns and successors-in-interest.

2. **DESCRIPTION OF THE PROPERTY**

2.1 The object of this Agreement is a Cavendish Banana Farm consisting of a total area of THIRTY THREE THOUSAND SIX HUNDRED EIGHT SEVEN (33,687) square meters, of which **TWENTY TWO THOUSAND (22,000) square meters** are deemed to be arable, situated in Kinamayan, Sto. Tomas, Davao del Norte, Philippines, (hereinafter, "Land") embraced and described in the following Original/Transfer Certificate Titles:

No.	Name of Lot Owner	TCT/OCT No.	Evidence of Possession	Area (in sq.m.)
1	Alberto L. Oplo	EP-1942		24,265
2	Nena M. Hipolito	EP-2127	Deed of Sale	9,422
			TOTAL	33,687

2.2 Both parties agree that the basis for the fixed rental, as described in section 4.1, is the Producing Are as identified by the Company's GPS survey, a copy of which is attached as **Annex A** hereof. In this connection, any advance/remittance of the rental payment made by the Company to the Lessor upon the execution of this agreement to conform with the result of the GPS surveys showing the actual Productive Area.

2.3 The Company at all times during the term of this Agreement shall have the right to peaceably and exclusively possess, develop, use and operate on the Land as well as harvest the fruits/proceeds thereon, without any disturbance from the Lessor, his heirs, successors-in-interest, assignees, or from any other person.

3. TERM

3.1 The term of this Agreement shall be for a period of **Fifteen (15) years** from **AUG 24 2012** until **Aug 25 2027** and may be extended and/or renewed, upon agreement of the Parties.

3.2 In the event that the Productive Area is reduced due to government regulation or force majeure, such as, erosion, the Company may, in the course of this Agreement, reduce the coverage of this contract only to that portion of the Land which is arable. The fixed rental will likewise be adjusted accordingly.

3.3 At the end of the term of this Agreement, the total outstanding loan of the Lessor amounting **to TWO MILLION FOUR HUNDRED FORTY-EIGHT THOUSAND SEVEN HUNDRED EIGHTY-FOUR and 06/100 PESOS (Php 2,448,784,06)** as of **Week 31, 2012**, is deemed fully paid.

4. RENTAL RATES

1.1 The fixed rental payable by the Company to the Lessor for the Land, net of the advance rental payments made by the Company under section 4.5, are as follows:

1.1.1 Php 24,000.00 per Hectare per year, inclusive of withholding tax, for the first (1^{st}) year from the date of execution of this Agreement, and

1.1.2 Php 35,000.00 per Hectare per year, inclusive of withholding tax, for the second (2^{nd}) year from the date of execution of this Agreement; and

1.1.3 Php 45,000.00 per Hectare per year, inclusive of withholding tax, for the third (3^{rd}) to fourth (4^{th}) year from the date of execution of this Agreement; and

1.1.4 Php 50,000.00 per Hectare per year, inclusive of withholding tax, for the fifth (5^{th}) year to the fifteenth (15^{th}) year from the date of execution of this Agreement.

1.2 The Lessor warrants and agrees that the above amount is inclusive of the use of any improvements found on the Land.

1.3 Upon the signing of this Agreement, the Company shall pay the Lessor the amount of **FOUR HUNDRED THIRTY-SEVEN THOUSAND EIGHT HUNDRED PESOS (Php 437,800.00)** inclusive of withholding tax, representing the Company’s advance rental payment for **Five (5) years** on the Land.

1.4 Renegotiation of the amount of rental payments shall be undertaken by the concerned parties after fifteen (15) years in the event of extraordinary increase in inflation rate of declaration of areas as calamity or disaster are due to force majeure, and other meritorious ground.

2. ALIENATION OR ENCUMBRANCE OF LAND

2.1 The Lessor shall not sell, transfer, alienate, dispose of or encumber the Land or any portion of its rights, title or interest therein without the prior written consent of the Company and without disclosing to the purchaser, transferee or assignee the existence and content of this contract. Without prejudice to section 13.4 hereof, in the event the Lessor decides to sell, transfer, alienate, dispose of or otherwise encumber the Land or any portion thereof, the Company shall make an essential condition of such transfer, alienation, or other disposition, that the purchaser, transferee or assignee shall respect the terms and conditions of this Agreements.

2.2 The Lessor agree that the certificates of title and/or ownership of the Land shall undergo the process of verifications. In the event that the title/s of the Lessor is defective, the agreed mode of payment as herein stipulated shall be withheld until the defect is cured. In case of defective title, the Company may opt to terminate the contract, in which event the Company shall be compensated on the following:

2.2.1 All payments made to the Lessor;

2.2.2 All expenses incurred by the Company in the farm; and

2.2.3 Improvements done by the Company in the Land.

2.3 The Lessor agrees to have this Agreement registered in the appropriate government office and annotated at the back of the certificate of title for the above-described parcel of land at the expense of the Company.

2.4 The Owner’s duplicate titles covering the Land shall be held in escrow by a bank acceptable to both parties for the duration of the agreement or upon cancellation thereof, and shall be released to the Lessor only upon written instruction of the Company, Expenses for the escrow shall be for the account of the Company.

3. IMPROVEMENTS

3.1 The Company has the right to introduce on the Land any and all improvements necessary or advantageous for agricultural cultivation and production such as, but not limited to construction of its irrigation, drainage and harvesting system, railways, roads, building, or other structures, hat it may think necessary or useful to carry out its business.

3.2 Any and all improvements introduced by the Company on the Land, such as irrigation and drainage facilities, railways, roads, generators, electrical installations, equipment, conveyors and others, whether attached/incorporated or not to the Land, shall remain the property of the Company and the Lessor shall not sell, transfer dispose, lease, encumber, mortgage, remove or in any manner dispose their properties without the written consent of the Company.

3.3 The standing crops shall be owned by the Lesser upon the end of the term of this Agreement.

3.4 Upon termination of this Agreement, the Company shall have the option to either (a) dismantle or remove all installations, facilities, additions and improvements, whether permanent or temporary in nature, within three (3) months from the date of termination or (b) leave the same on the Land upon payment by the Lessor of the fair market value of these improvements constructed on the land and the standing crops are damaged in the process, the Company shall not be liable to compensate the Lessor for the amount of the crops damaged.

4. LIABILITIES

4.1 Aside from the loan of the Lessor to GBGMPC amounting to **TWO MILLION FOUR HUNDRED FORTY-EIGHT THOUSAND SEVEN HUNDRED EIGHTY FOUR and 06/100 PESOS (Php 2,448,784.06)** as of **Week 31, 2012**, the Company shall not assume any other existing obligations of the supplies, laborers, government agencies, etc. the parties agree that the Company is only leasing the Land and is not assuming nor continuing the farms operations of the Lessor.

5. TAXES

5.1 all ordinary taxes, fees, assessments and other charges of similar nature and description presently assessed against the Land for, but not limited to the real property taxes and other assessment of similar nature, shall be for the sole and exclusive account of the Lessor as owner of the land. In case the Lessor fails to pay the above taxes on the Land, the Company may pay them for the account of the Lessor. However, the Company shall have the rights to deduct and payments referred to herein from the Lessor's rental payments.

- In the event that the Land has unpaid property tax upon the execution of this Agreement, the same may be paid by the Company, on behalf of the Lessor. Any such payments made by the Company shall be deducted from remittance made or to be made by the Company to the Lessor.

5.2 Business Taxes and other charges of similar nature accessed against the operations and management on the premises shall be on the account of the Company. The Company shall likewise shoulder the taxes assessed on the improvements made by the Company.

6. ASSIGNMENT

6.1 The Company shall have the right to assign, transfer, convey, its rights over the premises or any portion thereof, to another entity upon written notice to the Lessor. The Assignee shall observe all the terms and conditions of this Agreement.

7. WARRANTY

10.1 The Lessor warrants that he is the true and lawful of the Property and has absolute right or title to surrender/convey the possession and use thereof to the Company.

10.2 The Lessor shall warrant, as it hereby warrants, the full and peaceful possession and enjoyment of the Land by the Company and the letter's authorized agents and representatives. Likewise, the Lessor warrants that it shall not do or fail to do anything that shall impede or prevent the Company's full and peaceful possession of the Land; or shall it allow or tolerate any third party to perform any act or omission that shall have the same effect. Further, the Lessor shall respect the peaceful possession and enjoyment of the Land by the Company or any its authorized agents and representatives during the effectivity of this Agreement. The Company shall surrender quietly and peacefully to the Lessor the subject property upon the termination of this contract or any extension thereof.

10.3 The Lessor warrants that upon delivery of the Land to the Company, there are no tenants, employees or occupants who may be found on the premises.

10.4 The Lessor warrants to surrender the owner's duplicate copy of the land title for the purpose of processing relative to the annotating/recording of this Lease Agreement to identified government agency.

8. TERMINATION AND PRETERMINATION

12.1 should the Company's occupancy and use of the subject Land be completely prevented or frustrated for cause beyond its control, including but not limited to any governmental order, plague, quarantine, war, civil uprising, or the lie including the coverage for Comprehensive Agrarian Reform Program of the government, the Company shall be freed from the performance of its obligations hereunder and the rentals shall be adjusted or abated in the proportion to the period of the Company's inability to occupy and use the land bears to the whole years.

12.2 in the event of expropriation of any part of the Land by the Government or any of its instrumentalities or political subdivisions, or by any public utility company, the rentals shall be reduced proportionately based on the ratio which the area expropriated bears to the total area of the land subject of his Agreement;

provided that should the Company deem the remaining un-expropriated portion of the subject Land not to be sufficient for its purpose, the Company may, upon reasonable notice, elect to withdraw here from, and provided, further, that in the event the Company withdraws from the contract, the rentals paid in advance by the Company shall be refunded by the Lessor.

12.3 The Company during the life of this Agreement and any renewal thereafter, may terminate the Lease Agreement whenever the Company had determined that its business had been economically unviable. In this regard, the Company may surrender the possession of the property to the Lessor and terminate this Agreement without any liability to the Lessor except the accrued Rental Fee at the effective date of termination. For this purpose, the Company shall give thirty (30) days' notice to the Lessor for its decision to terminate this Agreement on such grounds.

12.4 in the event that any portion of the parcel of land subject of this contract will be affected, modified, altered and/or reduced as a result of any government enacted laws and/or regulations in the future, the Company reserves the right to cancel and/or preterminate the Lease Agreement with respect to the altered portion at any time during its term or any extension thereof. The rentals shall be reduced proportionately with the reduced portion.

12.5 the exercise by the Company of its right to preterminate this Agreement on grounds mentioned herein shall not prejudice its right under section 6.4 of this Agreements.

13 RENEWAL

13.1 This Agreement shall be renewed upon mutual consent of the Parties.

13.2 Upon the termination of this Agreement, the Parties may enter into an Exclusive Banana Production and Purchasing Agreement ("EBPPA"), ex-farm, for a minimum term of five (5) years where the Lessor may utilize the facilities the Company constructed on the Land in an amount commeasure to its maintenance as determined by the Company.

13.3 The Lessor shall notify the Company in writing at least one year before the termination of the Agreement of his/her intention not to renew the Agreement or execute an EBPPA with the Company, otherwise, this Agreement shall be automatically renewed for another year.

13.4 The Company shall have the right of first refusal to use and possess the property or to enter into any agreement related to the sale and purchase of the produce od the Land. Prior to entering into any agreement with third party to use and possess the Land or execute and EBPPA on the Land, the Lessor shall provide a written notice to the Company of the terms and conditions of the proposed arrangement in sufficient detail to enable the Company to evaluate the same. To exercise its right of first refusal, in writing, at any time within thirty (30) days following the Company's receipt of such notice.

14 MISCELLANOUS

14.1 Upon execution of this contract, the Company shall have the right to take over the possession, cultivation and management over the Land.

14.2 After the lapse of the period, the Company is likewise obliged to turn-over and/or return to the Lessor the possession of the subject Land.

14.3 In case any part of this Agreement is declared invalid or null and void, the other portions shall not be affected and shall remain in full force and effect.

14.4 The covenants, terms and conditions, provision and undertakings of this Agreement or any modifications, revisions, or supplements thereof shall extend to and be binding upon the successors and assigns of the Parties as if they were in every case named and expressed herein.

IN WITNESS WHEREOF, the parties hereof have caused this Agreement to be executed by them and/or their duly authorized representatives this on the date and at the place above written.

NADER AD EBRAHIM S/O HASSAN PHILIPPINES INS.

By:

ALBERTO L. OPLO
Lessor

JEROEN IVO DE HAAS
General Manager

NAGA S. SHEIK
Operation Manager

Signed in the Presence of:

APPENDIX B
TRANSCRIPT INTERVIEW WITH DE – INDEPENDENT GROWER

Name and Age	:	DE (40)
Occupation	:	Independ Grower
Address	:	Antik Barangay Pantoran, Sto. Tomas
Date Interview	:	April 10, 2019
Interviewer	:	Mahesti Hasanah (MH) and Mau (translator)

MI	:	Hesti is a student in Ateneo de Manila, she came from Indonesia. She wants to understand the banana plantation and speak in English. She has questions, and here is her translator.
Mau	:	So what is your first question?
MH	:	Can I know your Full name?
DE	:	DE
MH	:	How old are you?
DE	:	40 years old
MH	:	Have you had an agreement with the company?
DE	:	No, I’m only small growers
Mau	:	He is only small growers
MH	:	How huge is your plantation?
DE	:	One ha.
MH	:	How can you manage the land?
DE	:	Only have one worker and he helps the worker
MH	:	So, you also work on the land? How can you hire the worker?
DE	:	He is my close friend.
MH	:	As you don’t join the agreement with the company, how can you sell

		the banana?
DE	:	Through the mini plantation.
Mau	:	I asked the owner of the plantation
DE	:	The owner has different boxes.
MH	:	So, once he decided the buyer, he will ask for the boxes.
Mau	:	Yes.
MH	:	What about the chemicals and fertilizers?
DE	:	I buy the chemicals and fertilizers
MH	:	Where do you buy them?
DE	:	In agricultural supplies in Tibalog.
MH	:	Where do you know about the mini plant? Where do you get information?
DE	:	It's only near my house.
MH	:	What about the market, the information about the price? Who is the one who decided the price?
DE	:	They don't have standard the price, so every week it's changing
MH	:	I meant who the one who decided the price is?
DE	:	The mini-plant
MH	:	Do you know where the export countries of the mini plant is?
DE	:	The Middle East and China
MH	:	Can I get to know the name of the mini-plant?
DE	:	Banacia Packing House
MH	:	Do you know the owner?
DE	:	Not really, it's Jessica something. I only know the middle man.
MH	:	About the workers, do you have any insurance for the worker? Or benefit?
DE	:	It is only bonuses once a year, like 13-month wages
MH	:	May I know the daily wage of the worker?
DE	:	320 pesos daily.
MH	:	About the aerial spray, do you use it?
DE	:	No, I only use a machine called ground support. I just put it on the

		back.
MH	:	Do you think is it enough to only have one worker for one ha?
DE	:	Yes, because I also work in the field.
MH	:	Kuya do you join the union?
DE	:	No, I’m not into the union, but my wife join the union.
Mau	:	Who is the name?
DE	:	Enely
MH	:	Is she working in the NEH?
DE	:	Yes, in the packing house
MH	:	Since you do not join the union, where do you usually go when you have a problem?
DE	:	Whenever I have a problem in wage, I go to the union then they will negotiate with the mini plant.
MH	:	Even though you do not join, the union still helpful.
DE	:	Yes
MH	:	What about the captain Barangay? Have you ever talk to him if you have a problem?
DE	:	Sometimes
MH	:	Why sometimes?
DE	:	I only go sometimes when last time I got diabetes, I went to captain barangay and asked him to help in financial problem to pay my worker salary.
MH	:	Did the captain give you?
DE	:	Yes, he did.
MH	:	In general, what do you think as autonomy grower? Do you like it? Do you want to continue as autonomy grower or join the company?
DE	:	I just want to continue by myself because the company will control the product. And the price is much lower. The company will intervene, and we will have the agreement.
MH	:	Are there many independent growers like you?
DE	:	Yes, more than one hundred. They had an agreement with the

		company a few years ago. But the company paid much cheaper, hence, they did not renew the contract.
MH	:	So, you know how to end the contract?
DE	:	Yes, because of the mini plant.
MH	:	So, the mini plant informed you.
DE	:	Yes
MH	:	Why do you think there are many growers still have an agreement with the company?
DE	:	It is because of financial status. They know that their land caused by Panama disease, so they decided to go to the company, even the rental is very cheap.
MH	:	How many mini-plants here?
DE	:	More than one hundred.
MH	:	Do you have to join the union meeting?
DE	:	Sometimes
MH	:	On what issue?
DE	:	I like to join when there is an activity, especially in the Labor Day on May 1.
MH	:	As the independent grower, you have the freedom to manage the land and your worker, but how can you guarantee the product?
DE	:	I will really take care of the land and product, because it is only small land.
Mau	:	Is your land affected Panama disease?
DE	:	Yes, but not that much, I still can manage
MH	:	One more thing about mini plant? Do they have your requirement, such as size?
DE	:	Yes, there are so many requirements. One of the requirements is I need to harvest in four leaves, it is not dried.
MH	:	Do you have any contract with the mini-plant?
DE	:	No
MH	:	So how they give you the requirements?

DE	:	There is a QI (Quality Inspectors), they checked the area and just gave the requirements.
MH	:	So for example in this week you decided to sell in one mini plant, and next week you decided to sell it to another mini plant. How can they can the area?
DE	:	No mam. I only choose to sell in one mini plant. Because if I keep changing the mini plants, the price will go down.
MH	:	And how long you decided to stay in one mini plant?
DE	:	I'm already staying four years
Mau	:	How much are the prices per box?
DE	:	300 pesos
Mau	:	How many kgs per boxes?
DE	:	14 kg. I had the experience to get 600 pesos per box when the not peak session
Mau	:	The other from Sumifru only get 150 per boxes.
DE	:	In Dole is only 170 per boxes. In the past, the company had given 25 pesos in 2014.
MH	:	Under the company?
DE	:	No, under mini plant
MH	:	About the deduction? Is there any deduction from mini plant?
DE	:	No
MH	:	I saw Dole plastic over there, do you know the owner or grower?
DE	:	Yes, I know the grower
MH	:	Can we go there tomorrow?
DE	:	I don't think so, the grower is strict. They don't like the interview.
MH	:	Oke, it's fine Kuya. One more thing Kuya, where do you clean the banana?
DE	:	In the mini-plant. I only provided the product. The mini-plant will clean and provided the boxes
MH	:	So you only bring the product to the mini-plant?
DE	:	Yes

MH	:	Well, the mini plant is better and more organize.
Mau	:	Do you plan to open the mini-plan?
DE	:	No, because I need at least 5 ha and I need to take care finance, permit, etc.
MH	:	Kuya do you know another grower?
DE	:	Yes, but it’s a campaign now, so they are very busy now
Mau	:	That’s all?
MH	:	Yes. Oke kuya, that’s all.

APPENDIX C
TRANSCRIPT INTERVIEW WITH EL – PRESIDENT UNION UPBWU

Name and Age	:	EL (32)
Occupation	:	President of Workers Union - UPBWU
Address	:	San Agustin Barangay Pantoran, Sto. Tomas
Date Interview	:	April 10, 2019
Interviewer	:	Mahesti Hasanah (MH) and MaU (translator)

MH	:	Oke Kuya, can I get your full name?
EL	:	EL
MH	:	How old are you?
EL	:	32 years old
MH	:	How long have you been the president of the union?
EL	:	One year and three months. United Pantaron Banana Workers Union (UPBWU)
MH	:	As a president, what do you usually do?
EL	:	As a president, I always want to get the information from the workers, particularly on security tenure. I'm always maintenance how is the worker, so I always check in them because there are many different groups.
MH	:	So, do you always go to the workers daily?
EL	:	Yes, daily
Mau	:	A community that we just go is only one of the groups.
MH	:	How many groups are here?
EL	:	Nine groups, same union but different names, but still the same under same company
MH	:	How can you divide the name? Depends on the Barangay?

EL	:	It depends on the area of growers. Different areas are the different name of the group
MI	:	The service provider is one, let’s call it dummy. It is not principal employer. It is from the company
MH	:	DO you have regular meeting with company or government?
EL	:	As now, we haven’t conducted a meeting, only quarterly and emergency meeting only.
MH	:	What is the meaning of quarterly?
EL	:	Every three months.
MH	:	What about the company or the government?
EL	:	No
MH	:	How can you solve the problem of the worker? As you mentioned about the wages or contract.
EL	:	We don’t have a contract, as long as the banana still run, we always work
MI	:	Only a member of the union is regular workers. The contract is under CBA,
MH	:	Is it like the representation of the workers who discuss with the company, not everyone
MI	:	Yes. but the regular workers are still working as long the company is still here. But the contract of the union is 5 years.
Mau	:	Can you renew?
MI	:	No, after the contract ends, there is a freedom period. After 5 years, if the union still want to continue the contract, they will have to renew the contract.
EL	:	It is collective bargaining.
MI	:	The union guarantee labor for 5 years. After that, there is an expiration. If there are people who want to make the new union, they need 25% signature of the member of the union. They can get the percentage of the union, then they are still remaining the union, and they can still work.

MH	:	So, if there is no additional member, are they still exist?
Mau	:	Yes. Do you have any benefits?
MH	:	Is it health insurance?
EL	:	Field Health.
MI	:	The company now does not acknowledge the CBA, while the last employer had signed the contract. Now, management has been changing. And there are no benefits in health, wages increase.
MH	:	What about the workers who do not join the union? How can they arrange with the company?
EL	:	They can get the minimum wage and benefits. Underpaid. And still many people do not join the union.
MH	:	Are the growers also join the union?
EL	:	No, they cannot join the union, and they are not allowed because they are still employed and own the land.
MH	:	Have you got the socialization program from the government?
EL	:	Only on field health.
MH	:	What is else the role of the government in workers and company?
EL	:	They just need to provide the mandatory law. If there is a mandate from the government, the workers need to follow it
MH	:	So it is only top down, there is no bottom-up process. Have you met the representatives of the company?
EL	:	Yes, Joel Mura, the manager of Human Resources and the director of HR.
MH	:	What did they do? Was there any discussion between you and the company?
EL	:	Just talked about the disease, Panama disease. There is still no cure for the Panama disease, so even DOLE they have to close down some of the plantations. DOLE is the number one brand. They close small and big plantations. In 126 ha the affected area is 30 ha. It’s affected the work of the workers, in 6 days of work they only need to work in 4 days. Because of the Panama disease come from acidic soil. If you

		want to get rid of the disease, you need to rehab the land. And it takes months to rehab the land, even one year. They are expecting the company will close down in 2 years because of the Panama disease. It just the hunt, but they still think. They still can solve the problem.
MH	:	And what you are going to do if they close?
MI	:	We had to suggest the owner on how to rehab the land. But, the analyses of the union of that kind of scheme is to break down the union. Because the company owned the contract in this country and market, they are the buyers for the Middle East and Japan. The company many researchers but they don’t want to. If they release the information about the Panama disease, they have to lose their job. If the things happen, the company will rehabilitee the land require the new workers. So, the new workers would not have any idea and they will just be contract workers.
EL	:	One of the banana company here is controlling the problem of the Panama disease.
MH	:	How many companies are here?
EL	:	There are so many, TADECO is 10,00-15,000 ha, Marshman is 5,000 ha, and the others are smaller. NEH is 126 ha.
MH	:	But the plantation that we went this morning, it is 150 ha.
EL	:	There is only 126-127 ha
MH	:	And who is the owner of 150?
EL	:	I don’t know. Because the area is contaminated with Panama disease, so they only just abounded the land.
MH	:	Is the company mentioning the aerial spray?
EL	:	Yes, once a week, and it depends on the wheatear. But usually on Monday
MH	:	And when the aerial spray happens, do you use protection?
EL	:	No, they don’t issue it.
MH	:	Do you use your hand?
EL	:	Yes, we work with our hand. The workers are hidden under the leaves

		and banana tree, so they don't want to get the spray. Some of them are get burning because of chemicals. Going back to the previous employer, they cannot go to the field within 2 hours, but not it is not implemented again. In Davao, the aerial is banned, but not here. We tried to ban it, but the company denied, they need the aerial spray so the work will faster.
MH	:	So, what is your plan to bargain the personal protection and wage?
EL	:	We made a protest sign, but the company still ignore. The company only give protection only one time.
MH	:	What about the barangay captain?
EL	:	Barangay don't have the authority to intervene, it is only municipal level
MH	:	How is the municipal intervene here?
EL	:	The municipality just ignores the protest, because it is a big company and them afraid to intervene. For example, the Merkado plantation, the chemicals are smell. One the people asked the municipal to control, but they just ignore it. They don't mind it.
MH	:	There is no intervene from the municipality then.
EL	:	The government just ignore the problem in Barangay. There are cases that they were afraid because the company might be killing you. The company will treat them to kick out from the company or kill you.
MH	:	Even NEH?
EL	:	No. It is in Merkado. There is no action because the company will threat or kill you, so people in barangay just keep quiet about it. But there is no case in NEH. Even they scare to join the protest.
MH	:	So, it is hard to deal with the company because the workers need to deal directly with the company while the government just ignore them.
EL	:	Yes, they need to manage the workers and company.
MH	:	How many people of your family member who works in the company?
EL	:	One me.
MH	:	And what are others doing?

EL	:	They work in utility part in the plantation. It is just the side work because they are not always there
MH	:	Why do you join the company?
EL	:	Because of the daily wage
MH	:	So, they paid you every day?
EL	:	No, every 15 days. There is no option. There is only banana plantation here. Most of the workers here are high school or lower, they just know how to read and write.
MH	:	So that is why there are many people who cannot understand the contract
Mau	:	Yes
EL	:	Because of the money and need, and they don't know the consequences. The people that you interviewed a while ago, just like out from the shell, now they are thinking progressively. When they know their rights, they can protest.
MH	:	Ok Kuya, that's all.

APPENDIX D
TRANSCRIPT INTERVIEW WITH JO – INDEPENDENT GROWER

Name and Age	:	JO (32)
Occupation	:	Independent grower – used to contract grower
Address	:	Puerto Azul Barangay Tibalog, Sto. Tomas
Date Interview	:	April 11, 2019
Interviewer	:	Mahesti Hasanah (MH) and Maureen (translator)

JO	:	Whatever if you contract with the company, you will get the same price. For example, your contract is 3 Dollar, then you will get the same price for two years, even though the price is higher.
MH	:	Is it Sumifru?
JO	:	Yes, it was Sumifru. The prices of fertilizer and other inputs are higher, but the price remains the same
MH	:	How much is the price?
JO	:	200 pesos per box
MH	:	How many kgs per box?
JO	:	13,5 kg
MH	:	So, when did you decided to end the contract?
JO	:	Yes, we had been joining the company for many years since my fathers. But my father has died, then we decided to get out. He was the one who takes care of the contract. Because when we asked money from them, they cannot help us, so we decided to stop. They just only limit to give you money. Whatever the rules, you need to follow
MH	:	Where do you know how to end the contract?
JO	:	Yes, we know. Because the growers are the one who has the meeting.

		And there was somebody who helps us and guides us to decide which one is we agree.
Mau	:	Do you have a lawyer?
JO	:	Yes, we also have a lawyer. We cannot implement the roles if we don’t have lawyers. The people have decided the rules, but the attorney is the one who makes it legal.
MI	:	So, the attorney will sign?
JO	:	Yes, of course, the attorney will sign and also the officers of the company will sign the paper of the rules.
MI	:	So, the attorney makes it legal?
JO	:	Yes, the attorney studies the rules. All of the people/members have been agreeing, then it is oke.
MH	:	Have you ever deleted one of the articles or adjust of the contract?
JO	:	Yes, it could happen. We can adjust the contract. We have an annual meeting then we talk about our problem and solution. Because a lot of the growers want to out of the company, they cannot choose the price.
MH	:	How long did you join the company?
JO	:	6 years
MH	:	When you were still joining the company, how can you get the fertilizers?
JO	:	The buyers outside give you some benefits as well. They are supporting us.
MI	:	Can you choose the buyer?
JO	:	Yes, the buyer that you choose also have fertilizer and anything.
MH	:	But, when you were joining the company?
JO	:	They were providing everything, even provide the people. But interest as well. Whatever the price, there is interest. They have everything for the farms, but you can also but to the market. Now, because it is your own, you can decide your own. But under the company, you cannot choose the price outside.
Mau	:	What about workers?

JO	:	The company also provide the workers and they will be deducted from your boxes.
MH	:	The company provided the workers and they will be deducted from your boxes, correct?
JO	:	Yes.
MH	:	How did you get out?
JO	:	We just talked to them because we are the owner.
MH	:	Was there any penalty?
JO	:	No, because we talked at the end of the contract period. But if they agree to you to finish the contract, then it is fine, as long as they are agreed.
MH	:	For the general meeting, once a year? What did you talk? And was the company join?
JO	:	Usually, we choose and vote for the new officer’s election. Then study all the rules, review the rules, reminders, then talk about the problem in this year. They were also evaluating all of the income for the whole year.
MH	:	Was the company did something for the problem?
JO	:	Yes, they review their income. They had sharing incentive. So, every year they divided to all people.
Mau	:	Do you join the union?
JO	:	No
MH	:	So, the only way to discuss with the company is through a general meeting
Mau	:	There is also grower’s association
JO	:	Cooperative. Now, because we are separate, the cooperative is the one who deducted our boxes.
MH	:	Do you get any benefits?
JO	:	Yes, we got health and other insurance
MH	:	What is the name of the cooperative?
JO	:	MARBCO, Marsman Agrarian Reform Beneficiaries Cooperative

APPENDIX E
TRANSCRIPT INTERVIEW WITH JU AND VE – CONTRACT GROWERS

Name and Age	:	JU (58) and VE (58)
Occupation	:	Contract Grower with Marshman
Address	:	Puerto Azul, Barangay Tibalog, Sto. Tomas
Date Interview	:	April 11, 2019
Interviewer	:	Mahesti Hasanah (MH) and Mau (translator)

1. There are many mini-plants here, over hundreds, and the owners are the villagers as well as growers. The price per box now is 340 pesos, but if the stock k lees, it would be 400 pesos.
2. Marsman first rent the land in 4,500 a year, but now it is 15,000, and the company will pay the taxes as well. So, 15,000 is net income. However, the profit of Marshman is 70,000 weekly, but the growers do not feel the same. Marsham rent area is over 1,000 ha. Many growers are losing their land because of the Panama diseases, and they need to rehab the property now.
3. Both of us want to end the contract with Marshman, but it is still 5years left. But, there is one officer who intervenes people to do not sign the end of the deal because the company doesn’t want to lose the land. The company also always ignore the people request to have a meeting.
4. Marsman controls their land, and they cannot enter the plantation.
5. Impact: some people block the cable and chop some trees. The choppers are the one who did it from inside the plantation. Result: 11 leaders sent to jail for two weeks by the company. Then the police just released them.
6. Nana JU joins the union named DAMLU, Davao Marshman Labor Unions. But it is under the company, and the president was afraid because the company threatened to kill him.

7. Contract: Nana JU throws out the copy of the contract and now only the leader who has the copy.
8. At first, her husband is the one who signed the contract for 30 years in 1989. But the company. Then the company asked the wife to sign another contract for another 30 years. And she didn’t know it. Now, she made a case to change 30 years into five years. The case is still going on now, and she starts a protest at 2013 by blocking and cropping the trees.
9. Now, the company still paying the rent, and she doesn’t have a job. She gets money from her sari-sari shop and as a dressmaker.
10. There is no family work in the company.

APPENDIX F
SUMMARY FGD WITH CONTRACT FARMERS

FGD Summary in San Agustin, Barangay Pantoran, Sto. Tomas (April 10, 2019)

1. Growers are under contract with NEH (Nader and Ebrahim s/o Hassan). All of the growers there do not know the meaning of the contract due to it is written in English, and it was well-drafted by the company only. Additionally, there was no discussion, even lawyers, when they have signed a contract due to the company went to the door to door approach them and asked them to sign the contract. The company did not give them explanation or socialization on contract. In the end, their land converted from rice field into a banana plantation.
2. Reason: they used to have a cooperative, but it had debt **Php 2,448,784,06**. Then, the company said to them that by renting their land through the contract for five years, they could pay their debt. The first agreement, around 2013, the payment was 35,000 PHP, then in 2015, it was changed into 50,000 PHP every year, excluding tax, which means the growers must be deducted the payment for taxes. At first, the arrangement of tax payment was 60% the company and 40% the growers, but now the growers pay 100%. Additionally, the deduction and taxes are states in the contract article 4.1, but they do not know about it.
3. Implementation: the company provided all of the chemicals and fertilizer. The growers do not get any benefit. They ask the company, and the company has been promised to give them some benefit, e.g. health insurance. However, the company does not comply with it.
4. Violations:
   - Article 4.1: one of the family forced into regular work in NEH as long the contract exists.
   - Article 5.2: the company should pay all expenses on land, nevertheless, the company does not do their responsibility.

APPENDIX G
TRANSCRIPT INTERVIEW WITH MA AND ME – CONTRACT FARMERS

Name and Age	:	MA (53) and ME (50)
Occupation	:	Contract Growers with Sumifru
Address	:	Nabunturran, Compostela Valley
Date Interview	:	April 09, 2019
Interviewer	:	Mahesti Hasanah (MH) and Maureen (translator)

MH	:	I am researching for banana grower for my school. How long have you joined AVA agreement or contract with Sumifru?
MA	:	25 years. Going back my contract is with my Stanfilco for 25 years, when Stanfilco left, the Sumifru took the contract, but still 25 years.
MH	:	Are you always planting banana?
MA	:	No, sometimes only. I only need to plan once.
MH	:	Then they can change the product?
Mau	:	Yes
MH	:	When you plan banana, what about the price?
MA	:	150 – 180 per box, the Sumifru also provide the seeds. If its peak session, the price gets high, but it is not, the price is going down.
MH	:	How much is the price in peak session?
MA	:	180 pesos, and 150 pesos for not peak session
MH	:	Why did you sign a contract with companies?
MA	:	Going back, whenever they sign the contract, they promise to have a high profit. When you plan banana, they promise to give a good salary as well.
PJ	:	They have very good income than they plan rice. They said that plan

		banana cavendish will be better for their life.
MA	:	Yes, but they plan banana, the result is not good. In 1 ha there is one grower and one work. So, the grower still needs to pay the worker under minimum wage. The lowest is 250 pesos. And if they have 2 ha, there will be another work and grower.
MH	:	In the process, how was it? Are they provide the contract? Are you just sign the contract?
MA	:	We just sign, without reading it. and I don’t have the contract now
MH	:	Why?
PJ	:	The time when then grower put the product in packing house, the grower doesn’t get many incomes because of the deduction of fertilizer, which is very overpriced, another over price input, while the farmers need to consider the minimum wage. Right now, the company buys per box 180 pesos, but if the banana goes to another country, it prices 1,200 per box. It is very different.
MH	:	She said she doesn’t have the contract? Where is the contract now?
PJ	:	I think the company keeps the contract. It is one of the ways of the company to treat them, they can get a charger or find cases if they contract follow what is said in the contract. For instance, the farmers sell the banana outside the company. Then it could be a case. But it is also because the farmers don’t have the contract.
MH	:	How long is the banana is a harvest?
MA	:	Once a week.
MH	:	How much do you get?
MA	:	Depends
PJ	:	For example, she harvests 40 branches, and it will sell around 30,000, but after deduction, the farmers will get 3,000.
MA	:	And you need to minus it for the worker. The farmers get 3,000-4,000 will deducted for the worker.
MH	:	Weekly?
MA	:	In two weeks. Some of them take the banana in the night, so that they

		can sell it outside the company. We steal the banana. The price outside is higher.
MH	:	Where, in the market?
MA	:	Sell in the mini plant, Uni Frutti. Because the price is higher and there is no deduction.
MH	:	You said the company provided fertilizer and seeds, is there anything else?
MA	:	Chemicals, material spray, and other equipment
MH	:	On aerial spray. Are they also provide personal protection?
PJ	:	They provide protection, but it is not good. The material is standard. That is my sometimes the workers work with their hand, and expose with the chemicals. But in Davao they ban it, but in Compostela Valley, it is still happening.
MH	:	In the process of the contract, is the government involved in the process, such as socialization?
MA	:	No, it is directly between farmers and the company. The government knows about it, but they don’t intervene.
MH	:	What about the NGO, are they accompany you?
MA	:	No, only growers and Sumifru.
MH	:	Do you have health insurance?
MA	:	No
MH	:	And what if you are sick?
MA	:	Use insurance as a worker. But as a grower, no benefit.
MH	:	Is the company go the field to check your plantation?
MA	:	Yes
MH	:	When?
MA	:	Everyday.
MH	:	Like in the morning?
MA	:	Morning or noon
MH	:	What they usually do in the plantation?
MA	:	Checking and inspection, the grower will tell the couch if there is any

		banana sick, they the coach will speak to the company. Then the company will make sure that the growers do not lie.
MH	:	Is the name coach?
MA	:	Yes,
MH	:	You said that you could change the plantation, what is you don't plan banana, is the company still going there to check?
MA	:	If we have a contract, the company will always check the plantation.
MH	:	About the worker, do you think one person is enough for 1 ha?
MA	:	No is not enough, at least two. The job is packing the banana, crooning, de-leaf, nutrition the tree, injection, toto, bugs.
MH	:	Then how can you solve the problem?
MA	:	The worker just works in the limit, in ten bananas, the work only can do 5. As long as he can do it
MH	:	What about the family, are they also help you in the field?
MA	:	Yes
MH	:	And are you pay?
MA	:	One of my family tends to help in the situation getting worse. Help without pay. We called it quits, equal
MH	:	Now, if you have any problems, where do you usually go? Are in government, company or NGO?
MA	:	We go to the company. If there are banana sick, we ask the medicine to the company, then they will give the medication.
MH	:	What if the problem outside the banana? Have you ever complained to the company?
MA	:	No. was going back when our mother signs the contract, so we don't know how the deal is. We don't know what should be complaining. The mother didn't read it, just signed it.
MH	:	Do you have a regular meeting with the company?
MA	:	No. the company just have a meeting when they need to report the banana, the toxic, not just the usual meeting. When there is a problem with the harvest or banana, then we have a session

MH	:	About the picking up, is the company inform you?
MA	:	Yes, we have scheduled, including on harvest
MH	:	One more, how do you usually haired the worker? Is the company involve?
MA	:	No, we just looking directly, because we are the one who pays them. The company is not there, only accepted.
MH	:	In general, what do you like about the contract?
MA	:	No, I don’t like. It fails. I even don’t know the contract itself.
MH	:	So, do you know when the contract will end?
MA	:	No, the company doesn’t acknowledge the union as well. The company thinks the union against them. So, when usually there is a meeting, I don’t get the invitation.
MH	:	Before you join the meeting with the union, do you need permission from the company?
MA	:	No
MH	:	What the union usually do?
MA	:	I’m the one who against the company, and some of the growers support the company because the company gives them a position as manager, couch, or other higher places. So, they don’t have any problem with the company.
MH	:	Is the union for the growers or workers?
MA	:	For workers, NAMASUFA
MH	:	I want to clarify, you don’t sign the contract, only your mother?
MA	:	No, it was my mother. I just fill up her, because my mother is very old and fragile
MH	:	Last question, do you want your children to become banana grower?
MA	:	No, I send my children to school. And the chemicals also too dangerous for them. I have six children, one of them is teacher, two of them are still in the school, one of them already has family, and one more is working abroad, and one more is in the plantation only help.
MH	:	And what about your story?

ME	:	The Sumifru rent my land. Every year, for 1 ha, they pay 15,000 per year. And I have 4 ha now. My mother still paying the taxes every year. The Sumifru only 15,000 without the tax
MH	:	How much is the tax?
ME	:	Almost 3,000 per year
MH	:	And how long is the contract?
ME	:	25 years as well
MH	:	Do you know the contract?
ME	:	Yes, we have
MH	:	So, you are the one who signs the contract?
ME	:	No, my mother. She is a retired teacher.
MH	:	When the Sumifru rent the land, they also plant the banana?
ME	:	Yes
MH	:	And what is the role in the plantation?
ME	:	I am just waiting for paying once a year. I work in the company in the packing plant. One of the articles in the contract said that as a worker, you would be regular. The company promise when they sign the contract, they will be a regular worker, but now I'm still a contract worker.
MH	:	Do you know when the contract will end?
ME	:	It started in 2011, and now it is still going on
MH	:	Which means it will end in 2036?
ME	:	Yes.
MH	:	Is it the standard length of the contract? Or the Sumifru has a shorter period?
ME	:	The contract has 4 pages contract. But it is still 25 year.
MH	:	How long have you been a worker in a packing house?
ME	:	Since 2011
MH	:	Almost 8 years then.
ME	:	The minimum wage is 391
MH	:	Is it daily?

ME	:	Yes, we have benefit, health benefit, social security system (SSS), housing loan. And we can get a loan in the bank, because of my mother pension. So, the concern in the rent payment which is very low. 15,000 and there is a deduction for holding tax 1,000 plus. And Sumifru is the biggest banana exporter here, it from Japanese

APPENDIX H
TRANSCRIPT INTERVIEW WITH MI – KMU

Name and Age	:	MI (45)
Occupation	:	KMU Sto. Tomas
Address	:	San Agustin Barangay Pantaron, Sto. Tomas
Date Interview	:	April 09, 2019
Interviewer	:	Mahesti Hasanah (MH) and Maureen (translator)

MH	:	Agreement between grower and company
MI	:	The company owned a market which has the market. They want to gain super profit. The company doesn't give up the land because it sources profit. The rent for the whole year is lower than 15,000 per ha. The company is a renter, and the owner is the one who pays the taxes.
Mau	:	The previous interview they mentioned about the holding tax
MI	:	It depends on the agreement between the owner and the company. There is also the case that the company who pay the tax, but the common situation here is the owner who pays the rent.
Mau	:	So, it depends on the land, the company pay 15,000 without the tax
MI	:	For plant the banana, the grower needs seed. The company is to rent and buy banana products.
MH	:	Wait, what I understand is the company is rent the land and manage the land. Is true?
MI	:	Only the land, then they produce the banana. The problem is how to sustain the product in good quality? They need to buy fertilizer. Do you know aerial spray?
MH	:	How the grower sustains?
MI	:	By taking a loan in the company. There is a lot of problems here. If

		you have the land, then you have the title. The title of the land is given to the company, then the company loan to the bank by using the growers’ title. Then the money used by the company to make another profit.
MH	:	So, it is like layers, the grower loan money from the company, then the company loan money from the banks.
MI	:	The rights of the company are to loan because the land is rent. But, before the company get the title, the company paid one-year rent. Then the company can produce money from your title.
Mau	:	We saw a banner which said that NGO is not allowed
MI	:	Yes, the owner is the Lorenzo
MH	:	One of the family here
MI	:	Yes, the land is under CARP at that time. The owners are beneficiaries. That is why they not allowed NGO to intervene, and that is not our NGO who work there. Because the Lorenzo use the land by their self, they not following the program
MH	:	Should the land be distributed to the farmers?
MI	:	Yes.
Mau	:	Do you know the policy of the contract?
MI	:	The contract said that one of the family members of the landowner automatically become the regular workers of the company.
Mau	:	That is why one of the responded from the Sumifru fill from her mother
MI	:	A lot of growers are going for 25 years. The product of the growers is very lower.
Mau	:	Yes, 150 per box
MI	:	Do you know zero profit? They need to buy inputs, materials, fertilizers, spray. Hence you cannot get benefit from your land. The grower needs to pay the wage of workers 250 daily. The regulation of the Philippines said that if you don’t have 20 workers in your area, particularly in growers’ owners, then you don’t have any rights to

		follow the minimum wage.
MH	:	So, if they have workers lower than 20, they can pay under the minimum wage. Who said that?
MI	:	DOLE
MH	:	I meet Melody from Namasufa, and they protest in DOLE
MI	:	Yes, because of the Sumifru in Compostela Valley is denied them as a regular worker. They struggle for almost years now, more than 4 months. The responsibility of Sumifru just gives it away to the service provider. The company doesn’t respect the decision of the supreme court in Manila. It stated that the workers in Compostela Valley are the workers in Sumifru. They do not come back to Davao until they get protection to get back to work. The labor secretary is giving the decision in Assumption of Jurisdiction, it says that the officers are affected and able to get back to work. The other problem is the union is not CBA. The company should be recognizing the union. And that is the main reason here as well, company doesn’t recognize the union. They are just avoiding it. If you have a union, CBA, the company required to give you benefits.
		April 11, 2019
MI	:	The contract is 25, but they didn’t know, they didn’t read the contract. Then in the last part of the arrangement, it states that another renew for 25 years. So the land is occupy by Marshman overall in 50 years. They didn’t participate the contract, it was only the company. After the contract done, then the land owners just signed it.
MH	:	How much is the rent per year?
MI	:	I’ll ask the owners. Then they were emotion. The land owner blocked with the panel, the cable for hanging from the land to the packing house. Then the company comply the case to the owners, because the land now is under Marshman rent. The lawyer in the court said to the land owners because she signed it.

MH	:	How many people are blocking the cable?
MI	:	Most of all the people who lives here
MH	:	Over hundred?
MI	:	Almost three hundred families
MH	:	Do you know how huge is the land?
JU	:	Everyone is 1,5 ha.
Mau	:	Do you know how much is the pay rent per year?
JU	:	5,500 per year

BIOGRAPHY

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