

# ICAEM2015 ICOOP2015

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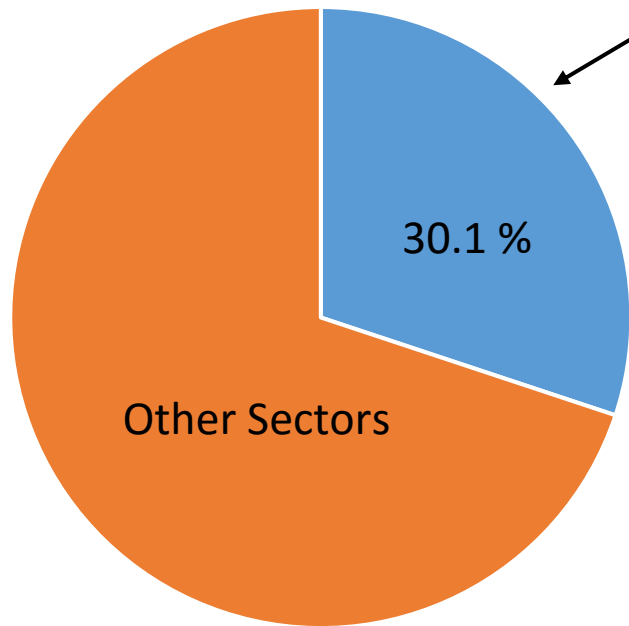
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# **Assessing the Employment Conditions and Patterns among Selected Agrarian Reform Cooperatives in the Banana Industry**

Dayaganon, Ellson & Aguinaldo



# INTRODUCTION



Agricultural Sector = Informal Sector

Potential Entrants:  
1.15 million

**Philippine Labor Force**





## Banana Industry

- Important contributor to the country's employment
- Issues: agrarian reform, environmental degradation, sustainable development, food security, and labor rights violations

# Agricultural Workers

*Mandated Minimum Wage Rate*

Plantation: PhP307.00

Non-Plantation: Php303.00

Seasonal Farmworkers: Php307.00





# Objectives of the Study

This research paper intends to assess the employment conditions of the chosen agrarian reform cooperatives. Specifically, it aims to accomplish the following objectives:

- Identify the employment categories existing in the Agrarian Reform Cooperatives (ARCs) and get relevant data on the employment number of farmworkers.
- Assess the employer-employee relationship under ARCs
- Identify the factors affecting the perception of farmworkers of being well-off





# DATA

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ARCs	Population Size	Sample Size
SFARBEMCO	168	15
AMS-MARBEMCO	53	18
AMS-KARBEMCO	83	28
TOTAL	304	103





# RESEARCH LOCATION



*Figure 2. Map of Davao del Norte*







# METHODOLOGY

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- Case studies
- ECONOMETRICS: Binary Logistic regression
- Statistical analysis





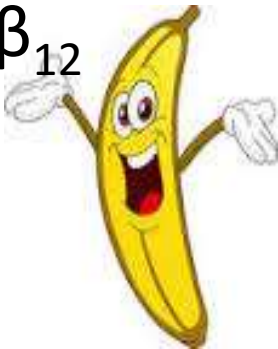
# METHODOLOGY

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- **ECONOMETRICS:** Binary Logistic regression –STATA software

MODEL

working condition =  $\beta_1 + \beta_2 \text{ age} + \beta_3 \text{ sex} + \beta_4 \text{ civilstatus} + \beta_5 \text{ education} + \beta_6$   
 $\text{yrsofschooling} + \beta_7 \text{ inc} + \beta_8 \text{ sssben} + \beta_9 \text{ prodarb} + \beta_{10} \text{ ratehap} + \beta_{11} \text{ coop} + \beta_{12}$   
employment category



where:

workcon	help-out's working condition in the ARC; 1 if well off, 0 if otherwise
age	age of help-out (continuous variable)
male	dummy variable for gender (1 if male, 0 if female)
single	dummy variable for civil status (1 if single, 0 if otherwise)
educ	number of years of schooling finished by the help-out (continuous)
yrsho	number of years the help-out worked in banana plantations
inc	average monthly income received from the ARC/ARB
sssben	access to social security system benefit (1 if active member, 0 if otherwise)
prodarb	average monthly number of bunches harvested by the ARB
ratehap	happiness rating of the help-out in the ARC
coop	ARC where the help-out works
empcat	employment category of the help-out



# CASAMA COOPS

- SFARBEMCO – Soriano Fruits Agrarian Reform Beneficiaries Employee Multi-Purpose Cooperative
- AMS-KARBEMCO – Alberto M. Soriano- Kapalong Agrarian Reform Beneficiaries Employee Multi-Purpose Cooperative
- AMS-MARBEMCO- Alberto M. Soriano- Kapalong Agrarian Reform Beneficiaries Employee Multi-Purpose Cooperative

# PRODUCTION OVERVIEW

Agrarian Reform Cooperative (ARC)	Average Production (boxes per month)	Total Land Area (ha)	Number of ARBs	Land Area per ARB (ha)
SFARBEMCO	15000	106	56	1.9
AMS-MARBEMCO	10000	82.36	144	0.57
AMS-KARBEMCO	33000	172	216	0.79

# WORKFORCE IN ARCs

ARC	HELP-OUTS		Total
	Area Help-outs	Processing Help-outs	
SFARBEMCO	112	56	168
AMS-MARBEMCO	5	48	53
AMS-KARBEMCO	10	73	83
Total	127	177	304



# *Employment Categories*

<b>Agrarian Reform Cooperatives (ARCs)</b>	<b>Area Help-outs (AH)</b>	<b>Processing Help-outs (PH)</b>
<b>SFARBEMCO</b>	CATEGORY 1	CATEGORY 2
<b>AMS-MARBEMCO</b>	CATEGORY 1	CATEGORY 3
<b>AMS-KARBEMCO</b>	CATEGORY 1	CATEGORY 2

# Employment category against access to credit

- Options identified: Family/Relatives, Co-workers/ARBs, Coop Lending, and Other Coops/Lending Institutions.

Category 1 – all except coop lending

Category 2 – other coops/lending institutions

Category 3 – other coops and lending institutions

# Employment category against relationship to ARB

- Links identified: Immediate Family, Relative, In Law, and Not Related.

Cat 1 – strong

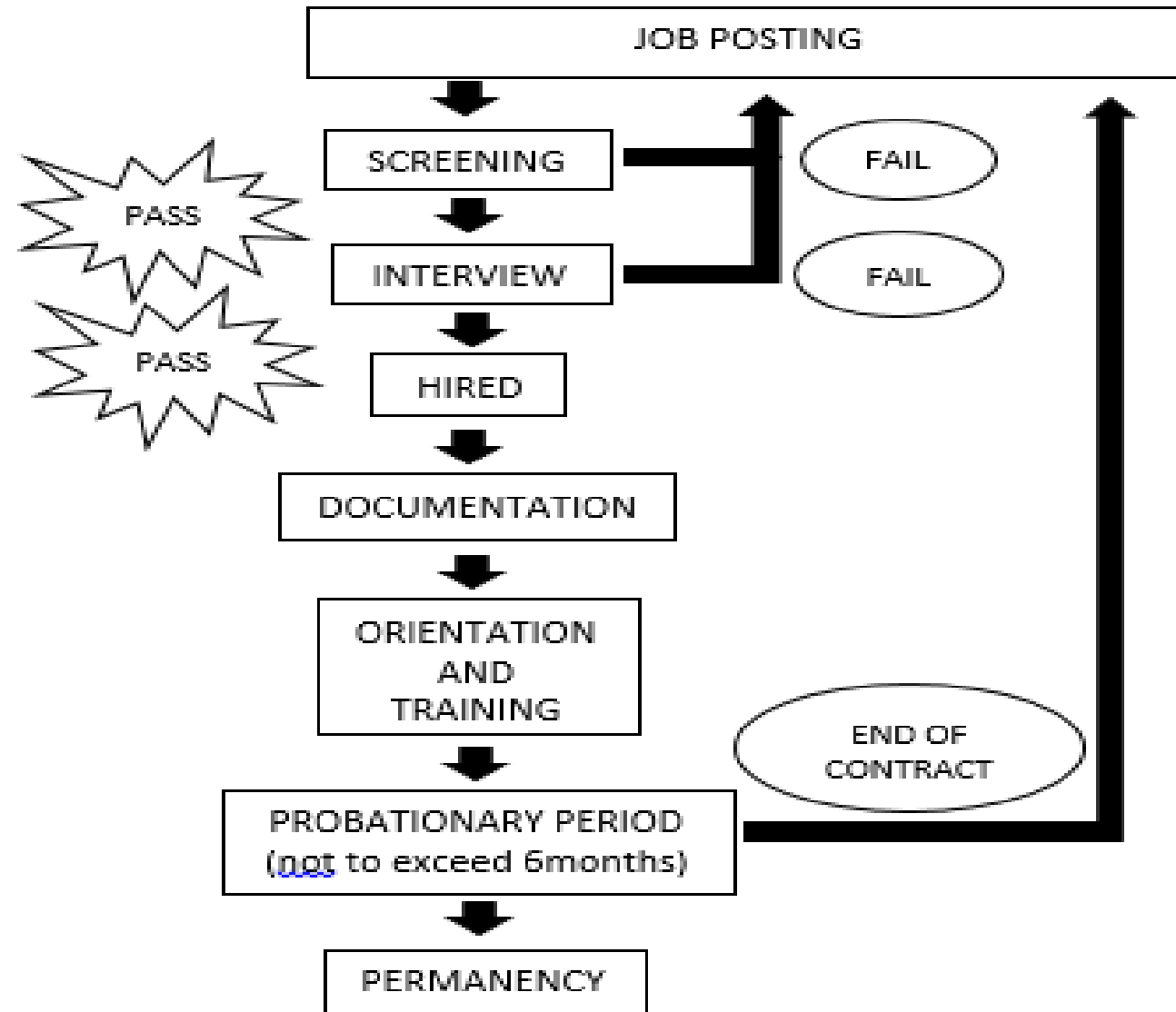
Cat 2 – weak

Cat 3 – strong

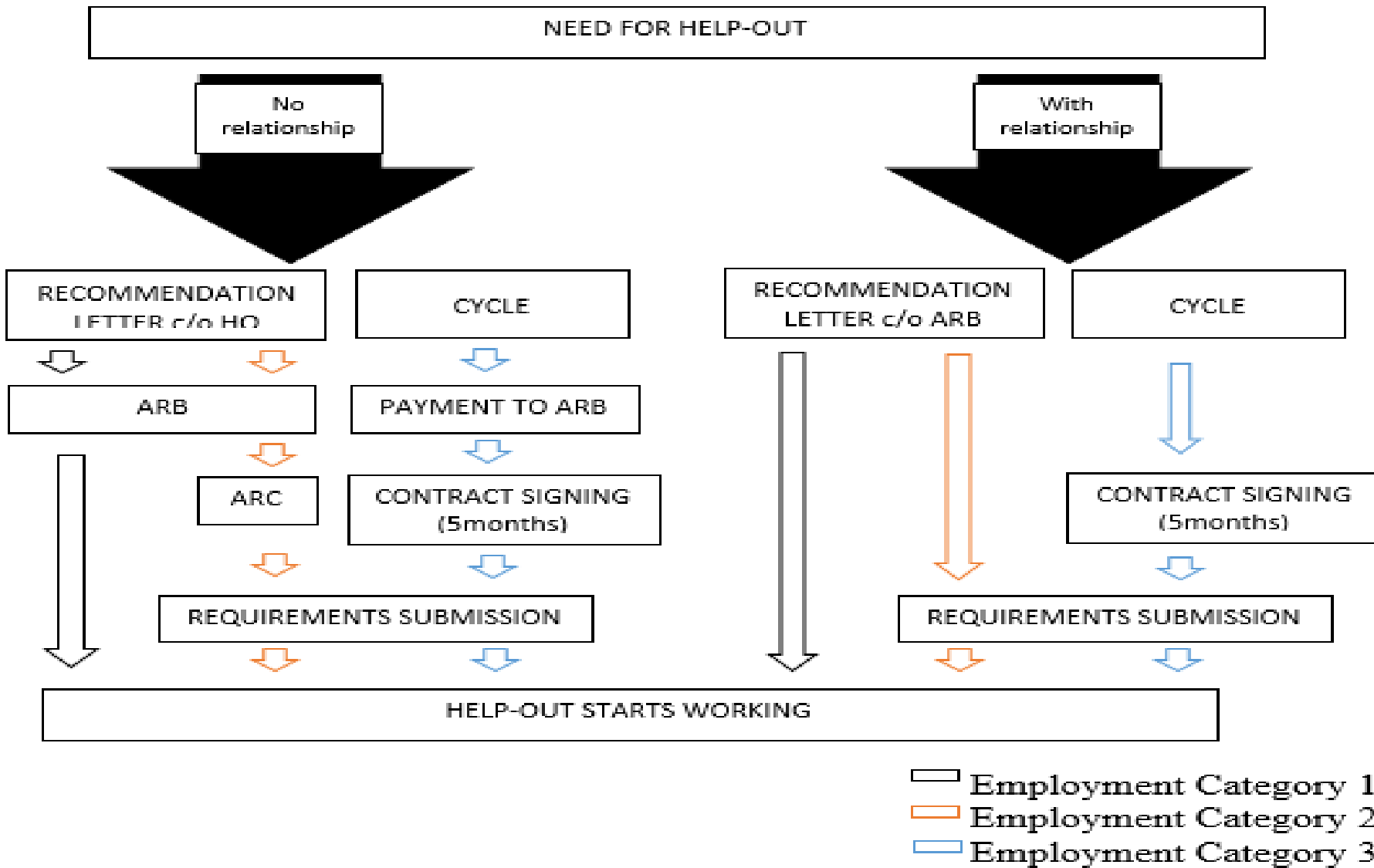
# *Employment Process*

- Hiring
- Compensation
- Nature of Contract Agreements

# Hiring



*Figure 14. Ideal hiring process.*



*Figure 15. Actual hiring process under ARCs.*



# *Working Condition*

- workcon =  $\beta_1 + \beta_2 \text{ age} + \beta_3 \text{ male} + \beta_4 \text{ single} + \beta_5 \text{ educ} + \beta_6 \text{ yrsho} + \beta_7 \text{ inc} + \beta_8 \text{ sssben} + \beta_9 \text{ prodarb} + \beta_{10} \text{ ratehap} + \beta_{11} \text{ coop} + \beta_{12} \text{ empcat}$

# Convergence achieved after 5 iterations

VARIABLE	COEFFICIENT
Educ	.2555067**
Sssben	1.222624**
Prodarb	.0085705**
Ratehap	1.514249*

\*\* 10% level of significance

\*5% level of significance

# Conclusion

- Employer-employee relationship in the ARCs is the main problem that must be addressed with certain law amendments as it is crucial in identifying workers' basic rights and limitations.
- Social security and insurance are needed to counteract the forces and policies leading to problems in the agricultural sector.

# Recommendations

- Payment for employment slot should be omitted
- Employment based on kinship must be regulated and workers must be treated fairly regardless of affiliation, with the same hiring process

# Recommendations

- Law amendments

## Art. 101 of the Philippine Labor Code

-Give proper definition and provide clear provisions for “workers paid by results”, “pakyaw”, and “non-time work” because they are the most vulnerable and unstable types of workers

Minimum wage should be followed by all sectors of the country and provide proper allocation of wages for those who work below eight (8) hours.