

Analysis of the Employment Generation Potential of the Cavendish Banana Value Chain in Mindanao, Southern Philippines

Larry N. Digal

University of the Philippines Mindanao

Correspondence

School of Management,
University of the Philippines
Mindanao, Mintal, Tugbok
District, Davao City 8022,
Philippines

E Indigal@up.edu.ph

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Abstract

The labor generation potential in value chain analysis has not been well studied in the value chain literature. This paper aims to examine labor generation potential of the Cavendish value chain. A value chain framework was used and covered the municipality of Sto. Tomas, Davao del Norte, as the study area. Total jobs generated were estimated based on full-time jobs (i.e., 8 hours per day, 26 days a month or 312 days a year). With the use of case approach, key informants interviews and focus group discussions were conducted covering 30 informants coming from different types of growers, laborers, and other stakeholders. Data from a survey conducted in Sto. Tomas in 2014 was also used to supplement primary data. The chain contributes significantly in terms of job generation particularly in the production node. Corporate and multinational growers contribute about 71% of the jobs generated in Sto. Tomas while the corporate grower with leaseback arrangement, cooperatives, independent growers, and individual contract growers contribute about 7%, 7%, 4%, and 11%, respectively. Using the estimate of 2.3 workers per hectare from the jobs value chain analysis, total full-time jobs estimated for the province of Davao del Norte reached more than 77,000 and about 183,000 for the entire island of Mindanao. However, there are issues that limit opportunities for job creation along the chain. If the key issues in the chain are addressed and strategies are implemented, employment in Mindanao is estimated to increase by 28%.