

HAFL Master's Thesis Abstract

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English Title: **Sustainable integration of smallholder farmers into the global food system through social businesses and agroecology - the case of spices from Sri Lanka**

English Summary: Linking smallholders to high-value markets is a popular approach to development. Social businesses can play an essential role in this endeavor. However, for smallholders to benefit, interventions based on this approach have to meet certain criteria. If social businesses only focus on a narrow understanding of organic and fairtrade certification—limited to replacement of chemical inputs in an otherwise unaltered system—smallholders may not benefit.

Agroecological approaches, on the other hand, take a more holistic view and therefore create possibilities for smallholders' sustainable integration into global value chains. However, systemic engagement based on agroecology requires a complex, long-term intervention which social businesses might neither be willing nor capable to implement in its entirety.

Therefore, an integration of the practical social business approach and holistic agroecological principles needs to be developed to help to overcome the shortcomings of both approaches and bring long term benefits to smallholder farmers.

This Master's thesis explores the challenges and potential benefits of building social businesses on agroecological principles to sustainably integrate smallholder farmers into the global food system.

The objective is to contribute to the further development of inclusive, fair and sustainable value chains by critically analyzing how an intervention of a small company following agroecological principles could help to address smallholder farmers' challenges in the case of trade with spices from Sri Lanka.

The state of research about smallholder farmers and the export market, social businesses, and agroecology as a tool for rural development are explored. A concrete intervention in the Sri Lankan spice value chain by a social business is described and the main challenges for smallholder farmers in the global food system are identified.

Based on these findings, the thesis derives generally applicable recommendations for successful partnerships between social businesses and smallholder farmers in global food value chains with the overall



objective to increase the inclusiveness and sustainability of the global food system.

To overcome the identified barriers for smallholders in a holistic way and to integrate smallholders into global value chains, a new approach is proposed: Agroecological Social Business (AESB). Considering a transformation of the global food system, not only the sheer size of the problem but also the complexity of possible solutions can be overwhelming. But a pragmatic breakdown of the agroecology approach can be combined with the social entrepreneurship approach to address the shortcomings of both models. AESB draws from elements of both social business and agroecology and reconfigures those into a holistic approach spanning ecological, social, and economic dimensions.

AESB is based on the intention to sustainably change the global food system, using a specific business case—focused on exporting crops—as a starting point.

This new approach may serve as a blueprint to Soulspice (the company behind the case study) and other social businesses and development actors in the agricultural sector for establishing their operations with smallholder farmers in Sri Lanka and elsewhere.

Keywords: Smallholder farmers; social business; agroecology; food system

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