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ARTICLES

An assessment of 'Inclusive' Business Models: Vehicles for Development, or Neo-Colonial Practices?

Case Studies from Ghana and Kenya

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Abstract
In a period of decreasing aid budgets and increasing private sector engagement in the Global South, *Inclusive Business*-referring to a business model that integrates marginalized people in the company's value chain as suppliers, distributors, retailers, or customers to the mutual benefit of both the company and the community has become a preferred development strategy. However so far the impacts of inclusive business models on the livelihoods of these 'marginalized people' have remained elusive. With this paper I aim to contribute to a better understanding of the impacts perceived by the communities. Starting from the idea that the rural landscape is socially differentiated, I scrutinize the impact of inclusive business models on the ground at the level of the farmer communities in two very different settings: the savannah of North-Ghana and the green valleys on the slope of Mount Kenya in East Kenya. The findings indicate that diverse groups in the communities are impacted differently by inclusive business models. Both companies catalyse trajectories that in the long term might have negative repercussions on the livelihoods of smallholders. These long-term, or unintended, impacts are obfuscated in frameworks used to assess inclusive business models. Inclusive business models can only be a partial answer in overcoming poverty and food insecurity.

Keywords Inclusive business models · Participation · Farmer diversity · Community

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Introduction

A consensus among development practitioners is that one cannot speak of development if it is not 'inclusive', as the benefits of progress should be widely shared. The term 'inclusion' took flight when in 2016 the United Nations formulated its Sustainable Development Goals (SDGs) with the slogan: "leaving no one behind". Social inclusion, according to the UN, is a process of improving the terms of participation in society through enhancing opportunities, access to resources, voice and respect for rights, particularly for disadvantaged people (United Nations, 2016). Soon after the launch of this slogan the WEF followed to recognize the backlash of unequal development: "Slow progress in living standards and widening inequality have contributed to political polarization and erosion of social cohesion in many advanced and emerging economies". It launched an inclusive development index that takes criteria such as life expectancy, depletion, and investments into account, to measure development beyond an increase in GDP. Inclusion is now central to development policy and the standard for any development intervention supported by public money (Gupta & Pouw, 2017; Otsuki & Helvoirt, 2017). An example is the Facility for Sustainable Entrepreneurship and Food Security (FDOV) of the Dutch government that supports public-private partnerships provided that they are inclusive, e.a. show demonstrable positive effects on low-income groups.

Coinciding with a stronger engagement of the private sector in development aid (Mawdsley, 2015), particularly the notion of *inclusive business models* received a lot of attention. Inclusive business largely refers to a private sector approach directed to or involving people at the base of the economic pyramid by making them part of a company's core business value chain as suppliers, distributors, retailers, or customers (FAO, 2015; IFC, 2011; Worldbank, 2018). It is exactly this 'making them part' that distinguishes inclusive business models from any other CSR strategy in which a company aims for profit while pursuing also societal goals. Inclusive business models aim to improve the situation of marginalized and vulnerable people through "productive" integration into the market economy (Fukuda-Parr & Hulme, 2011; German et al., 2020; Schoneveld & Zoomers, 2015). Job creation, enhanced agricultural production and incomes, technology and knowledge transfer and market access are the means assumed to improve the lives of the poor (IFC, 2011; World Bank, 2018; Kelly et al., 2015; SNV & WBCSD, 2011).

In policy discourses inclusive business models are often contrasted with charity and development aid. Business relations would be more equal relations compared to donor relations in which the marginalized are mostly dependent beneficiaries. Moreover, companies invest for the longer term and as such, it is stated, they lay the foundation for long-term growth (UNDP, 2013, p. 8).

Nevertheless, so far the impacts of inclusive business models on the livelihoods of marginalized people have remained elusive. With this paper, I aim to provide a richer understanding of how target communities perceive the impact.

I am specifically interested in how farmers are engaged in the business model and what this participation means for their livelihoods and the community as

a whole. I build on the literature on inclusive business models and empirical research on contract farming. Contract farming is a private sector-led development strategy that shows resemblances to inclusive business models in that the company engages smallholders in its core business model.

In many of the private sector-led interventions communities are regarded as homogenous groups with common interests that are willing to make collective decisions when negotiating with investors (van Westen & Zoomers, 2016). However, case studies show that contract farming arrangements impact community groups in diverse ways, with different outcomes for each group (Scoones et al., 2018; Vicol, 2017). In general, the more affluent and educated farmers are more likely to participate in contract farming and farmer organizations (Bijman & Wijers, 2019; Bizikova et al., 2020; Ton et al., 2018; Vabi Vamuloh et al., 2019; Schoneveld et al., 2021; Schoneveld, 2022).

With this paper, I aim to contribute to a better understanding of the impacts of inclusive business models. I do so by scrutinizing the perceived impact on the ground at the level of the farmers in the rapidly expanding agribusiness frontiers in Ghana and Kenya. I examine two questions: First: Which farmers participate in the inclusive business model and on what terms? Second: What are the effects of the inclusive business model on farmers' livelihoods and on the communities as a whole?

In what follows, I first provide an overview of how inclusive business models are conceptualised in the literature and assessed in practice. Building on the literature on inclusive business models I elaborate on my approach to the case studies. Section three discusses the methodology. The case studies are presented in section four. In the discussion and conclusion, I trace parallels between de case studies and I reflect on the assumptions underlying the current promotion of inclusive business models as a development intervention.

Studying Engagement as Indicator of Inclusion

Inclusive business models refer to business initiatives that involve low-income and disempowered populations in their core processes to generate a win–win relationship (Sopov et al., 2014). It is this 'being part of the company's core processes', that distinguishes an inclusive business model from any other business model. However, what participation means in practice is rarely studied.

As German et al. (2020) open their article: "Up till now there is no global policy instrument that embodies international consensus on what inclusive business means in practice, let alone, how to assess whether a company is inclusive." Most assessment frameworks measure impact at the level of outcomes by using indicators such as farm income and productivity, the number of smallholder farmers reached and amount of training provided (Chamberlain & Anseeuw 2019a, 2019b; Mangnus, 2019). See for example the Business Call to Action tool (Pelaez et al., 2019) and IRIS assessment tools to assess inclusive business models (GINN, 2008; Ghosh & Rajan, 2019). The resulting metrics provide little insight into whether or not sustainable livelihood changes are achieved and to

what extent a company has contributed to this. Moreover, the possible negative impacts and longer-term costs such as depletion of natural resources or exhaustion of farmland are not taken into account. As German et al.(2020) remark: "The notion of inclusive business and sharing value implies that the agency lies with agribusiness firms that share value with less endowed value chain actors."

Development-oriented institutions have encouraged a broadening of the scope of assessments by elaborating guidelines that go beyond merely output or outcome measurement. For example, IIED and FAO developed a conceptual framework to assess how a business model shares value with its' consumers and suppliers (Vermeulen & Cotula, 2010). This model recognizes four dimensions of inclusion: *Ownership* assesses who owns what part of the business and other important assets such as land and processing facilities. *Voice* refers to the extent marginalized actors can influence key business decisions. *Risk* refers to who bears the commercial (i.e. production, supply and market) risks, but also includes wider risks such as political and reputational ones. The fourth dimension deals with the distribution of *reward*: the sharing of economic costs and benefits between the company and its suppliers, this includes price setting and finance arrangements.

The dimensions of this framework help to understand what true participation in a company entails, However, focus remains limited to the internal processes and to those producers that are part of the business model. As such the effects of a business model on the wider community remain obscured.

A framework developed by German et al. (2018) takes a slightly broader approach and assesses several impacts on a community scale. Based on stakeholder interviews, the authors identify five pillars of inclusive business models: 1. Effective arrangements for voice and representation 2. Inclusive and fair value chain relations 3. Respect for land rights and inclusive tenure arrangements 4. Employment creation and respect for labour rights 5. Contribution to food security. This framework recognizes that inclusive business models might have implications for people not taking part in the business models. An example is an increase in local food prices as a result of higher-quality crops being exported. Nevertheless, the framework does not value the needs, desires or experiences of the communities targeted. Nor does it allow for assessing the longer-term development pathways brought about by the companies.

In a recent article, German et al. (2020) assess whether the inclusion of smallholder land and labor in focal value chains improves livelihoods in forms as valued by participating households. This time they do not adopt a fixed set of criteria to assess inclusivity, instead they apply a loose framework of open-ended questions. They study whether producers have freedom of choice in the allocation of their land and labor, irrespective of the direct outcomes of participation in an inclusive value chain. They also study whether experiences differ among differently positioned individuals and households. They pay attention to the temporal dynamics of the inclusion/exclusion of family farms. Moreover, they ask questions about wider evolutions such as changes in land, production and labour and how those not involved are affected by these processes of agrarian change. Reliance on a fixed set of parameters, they argue, can obscure issues and effects that are important in specific contexts or for particular groups.

Central to my study are the experiences of the farmers. I use the framework of Cotula and Vermeulen (2010) to better understand how farmers participate in the business models. To get a better understanding of the wider impacts of the business model on the community, I use the open-ended question method of German et al. (2020). I am aware that with this approach the efforts the companies invested or they risk they have born remain out of the scope. Nevertheless, my focus is on the experience of the communities the companies work with.

Methodology

This paper builds on primary qualitative data from two case studies. (1) Masara N'arziki a farmer association that sources maize in North Ghana and (2) Bean, an export company procuring French beans from smallholders in Kenya. This study is based on empirical research performed by researchers from the International Development Studies (IDS) group of Utrecht University in the Netherlands, within the scope of the larger 'Follow the Food' research programme that ran from 2016 to 2020. The objective of this research programme was to enhance understanding of the impact of (foreign) agribusiness investments on local food security, livelihoods and natural resources in Sub-Saharan Africa. To this end, various agribusiness models in Kenya, Ghana and Ethiopia- countries known for their substantial influx of (foreign) agribusiness investments as well as their food and nutrition security challenges-were researched.

The cases were selected through purposeful sampling (Patton, 1990). I selected cases that could contribute to a better understanding of smallholder engagement in inclusive business models and their effects on the wider community. The cases differ in both socio-economic and agroecological context. However, in terms of set-up and objectives, they show similarities. Both companies worked with a large number of farmers that sold their produce to the company in return for inputs on credit and services such as training and advice. By supporting the farmers to improve their productivity and guaranteeing them a market, the companies aimed to improve farmers' income. The two cases received public subsidies to facilitate the engagement of smallholders from the Facility for Sustainable Entrepreneurship and Food Security (FDOV, 2012) of the Dutch Ministry of foreign affairs. FDOV finances Public Private Partnership (PPP) projects in the area of sustainable entrepreneurship and food security. In total 49 investments have been supported between 2012 and 2021. Investments were required to demonstrably contribute to better local and regional availability of food and to target 'poor households'.

Data were collected through a combination of household surveys, interviews and focus group discussions. Secondary data were used to triangulate the findings. With the help of the framework of Vermeulen & Cotula (2010), I study farmers' motivation to participate. I research to what extent farmers are involved in the design and strategic decisions of the company (*voice*), what *risks* they bear and what services and *rewards* they get.

Inspired by the framework of German et al. (2020), I study whether the inclusion of smallholders improves their livelihoods in ways valued by them. Empirical

evidence on the heterogenous effects of contract farming raises questions about how community members not participating in the inclusive business models are affected by processes of change. A second set of questions, therefore, concerns the wider and longer-term effects of inclusive business models on the community as a whole.

In Kenya, specifically the community of Kaanwa, 110 farmers of which 25 were working for the company were surveyed. On average the households farmed 0.8 ha, with the majority (60%) having less than the average. Of the farmers that did not work for Bean 29 had access to irrigation, and 56 didn't. The focus group discussions and in-depth interviews involved 60 smallholder households, randomly sampled from the list of 110 survey respondents; 20 households from each category. Five key informants including a representative from Bean, a local agricultural expert, and three irrigation project leaders were interviewed to better understand the local agribusiness context. Survey data were analysed using STATA (version 13) software. In Ghana, data were collected through participant observation, in depth interviews with key-resource persons (5), semi-structured interviews with farmers (15) and four focus group discussions with purposively sampled farmer groups that took part in the business model. On average farmers participating in the inclusive business model cultivated 2.3 hectares. Even though the company claimed to work with female farmers, in the communities this research took place no female farmers took part.

In these focus groups farmers would individually list and rank the most important changes they observed in agriculture. Subsequently, the groups discussed whether and how the changes related to the activities of the maize association. The findings were supported by existing literature, as well as meteorological and land use data.

Case studies

Ghana, Maize for Prosperity

This case study is about Masara N'arziki, a farmers' association in the North of Ghana that sources maize from its members to sell to the processing industry in the south of Ghana. Ghana showcases a country that strongly encourages agri-business development intending to modernize its agricultural sector and enhance national food security. Its 'agricultural policy is directed toward linking smallholder farmers to agribusinesses (Mangnus & van Westen, 2018). This study focused on the Upper West Region. Besides being characterized for its' vast agricultural lands, the Upper West Region is also the poorest region of Ghana with about 68,3% of its population below the poverty line in 2018 (Ghana Statistical Service, 2020).

In 2009 two agribusiness companies, Wienco, a Dutch-Ghanian joint venture and Yara, a Norwegian nitrogen fertilizer company with a subsidiary in Ghana, established the farmers' association Masara N'arziki. According to the mission statement of the association, the aim of the founders was twofold: expanding the market for inputs and fertilizers and procuring maize on the one hand and contributing to agricultural development in Northern Ghana on the other hand. By increasing crop yield and at the same time providing a guaranteed market, farmers would increase

their income and be able to move out of poverty and food insecurity (Waff, 2009). The board of the association consisted of a representative of Wienco and Yara, a staff member and several farmer members. The staff working for the association was employed by Wienco. Subsidized by the Dutch Ministry of Foreign Affairs (FDOV) two NGO's were involved in training farmers in good agricultural practices.

Participation

Masara N'arziki started with 1250 farmers in 2009 (Prorustica, 2013) and counted 10,000 members by 2015 (Interview). To become a member of the association farmers had to form a village-level group of 8 to 10 farmers. These groups then entered into a contract with Masara N'arziki. The association delivered inputs and extension services on credit to the groups that would repay with a share of their maize produce after the harvest. Most of the farmers participated in the business model because of the quality inputs (Interviews). This was confirmed by a decrease in membership one year when the government decided to distribute free inputs. The contract that farmers signed was legally binding and compelled farmers to sell all their products to the company. In practice, however, most farmers would only sell the amount needed to repay their inputs. Except for the years in which the price offered by Masara N'arziki was much higher, the majority of the farmers sold at least part of their surplus, individually to itinerant traders. This was confirmed by a quantitative study from Lambrecht and Ragasa (2018) who explain the side-selling by the fact that the buying moment of the association did not align with members' needs for instant cash after the harvest.

Interviews revealed that membership in practice was less stable than the impression given in the documents of the association. Farmers moved in and out of the contract because of other livelihood opportunities. Some farmers moved to cities in the South of Ghana, others went to taste their luck in the mines of Bole. But more important: the business model of Masara N'arziki's changed over time. First, the group contracts were replaced by individual contracts as it turned out that defaults by some group members harmed the interests of committed farmers (interview manager). Second, Masara N'arziki stopped working in communities with a high default rate and concentrated on communities with a good track record of maize delivery. Third, at the time of conducting the interviews, the association was re-orienting its strategy. It considered to work only with the larger scale farmers (that owned a minimum of 5 acres) as they were deemed more reliable in terms of repayment and delivery of quality.

In terms of the framework of Vermeulen & Cotula (2010): Farmers participating in the business model saw their yield and income increasing (*rewards*) (Ragasa et al., 2018). About *voice*: interviews and focus group discussions revealed that farmers had the feeling they had little influence on the operation and direction of the business. The board, in which farmer representatives took part, set the price for inputs and maize, however, all other terms of trade were decided by the management. The *risk* was being born by both parties. In interviews field officers of Masara N'arziki complained about farmers being not 'serious' and not loyal to the association. Similarly, farmers talked about 'the association not responding to their needs.'

Also in group discussions farmers referred to the association as an entity at a distance. Interviews revealed that few of the farmers regarded Masara N'arziki as a business they co-owned.

To force farmers to take their contractual obligations towards the association seriously, Masara N'arziki took defaulting farmers to court. In case farmers would not show up police was sent to the villages to chase them (interviews farmer, Masara N'arziki staff). Farmers perceived this as an intrusion and either refused to show up, or were taken to court and resigned membership afterwards. As a consequence of the increased tension between farmers and the association several of the extension officers of Masara N'arziki admitted to be afraid of visiting the villages (interviews).

In terms of *ownership*: farmers owned the land, Masara N'arziki the transport and storage facilities. Nevertheless, that did not make the relation reciprocal; whereas farmers are rooted in specific places, the association could shift its 'sourcing area whenever dissatisfied with the collaboration. They enjoyed, what Vicol (2017) calls 'geographical flexibility'.

One event makes clear how this geographical flexibility works in practice: In 2016, input delivery was delayed and farmers bought fertilizers elsewhere or sprayed too late which lead to disappointing yields. Many farmers were unable (according to the interviewed farmers) or unwilling (according to interviewed Masara N'arziki staff) to pay back the inputs they received on credit. Subsequently Masara N'arziki stopped working in communities with a high default rate and concentrated on communities with a good track-record.

Wider Community Effects

The activities of Masara N'arziki speeded up certain-already ongoing- trends impacting different groups in the communities in diverse ways. First, it contributed to mechanization and an increase in the use of inputs (see also: Chapoto & Ragasa, 2013). "*Several NGOs distributed inputs before, however as there was only subsistence farming, there was no market for produce. Masara N'arziki opened the region and because they distributed inputs, the application became common practice in maize cultivation." (interview farmer).* The process of mechanization negatively impacted poorer farmers in two ways: "*The plows first attend the bigger and richer farmers, often times they arrive too late at my place, I should already have planted*." (Interview farmer). Also it meant less demand for laborers. In the past poorer farm households offered their labor to the bigger farmers to gain more income. Second, the increase in productivity and increased demand for maize resulted in an expansion of the area cultivated with maize (UDS, 2016) leading to near mono-cropping in the project area. *"Ten years ago millet was the dominant crop. These days it is difficult to find millet. The same counts for yam. For the energy it costs to grow one acre of millet, you can cultivate seven acres of maize."* (Interview farmer). The local farming system has become increasingly vulnerable and fragile, also given the fact that maize is prone to climate change. *"Farmers continuously grow maize, soil fertility has decreased tremendously and as such, farmers are now dependent on fertilizer. Adding to that the application of chemicals and the deep plowing have left their traces*." (Interview farmer). Masara N'arziki encouraged farmers to apply

conservation farming techniques, however, a survey of UDS found that these have not been adopted by farmers (UDS, 2016).

Third, as a result of all this foods that used to be widely grown and consumed have virtually disappeared from local diets. The diet has become maize dominated and as such less nutritional diverse (Mangnus & van Westen, 2018). Interviewees mentioned that their diet has shifted towards being more maize-based. Ingredients for typical local plates such as Kenkey, Fufu and TZ are increasingly made from maize instead of sorghum and millet. As one of the interviewees mentions: "*Whether you like it or not, you have to eat maize. If you want beans or millet, you have to go to Burkina Faso as it is absent on the local market here.*".

Another effect of the unlocking of "Ghana's breadbasket" was the fact that much of the maize produced was transported to Southern Ghana, where prices were higher. This also led to a price increase locally, negatively impacting poorer households that were partly dependent on the market for their maize (Hjelm & Dasori, 2012).

Kenya, French Beans to Modernize Agriculture

Kenya offers a compelling research area for studying inclusive agribusiness. In 2008, the country launched its long-term development strategy, Vision 2030, which outlines the aspired transformation of the agricultural sector, particularly through attracting foreign investment (GoK, 2012). Food and nutrition security are high on the governments *Big-Four Agenda*, in which it proposes an increased role of the private sector in agriculture (KEPSA, 2017). This case study scrutinizes the case of *Bean*, a company claiming to be inclusive. *Bean* is an export company that sources French beans from smallholder farmers in the community of Kaanwa, Tharaka Nithi County. At the time of this research, the company collaborated with an international NGO, a Dutch private agricultural service provider and the Kenyan agency for export crop regulation to provide 48,500 smallholder farmers with production support and a guaranteed market. Besides the market linkages and input provision offered by *Bean*, farmers benefitted from soil tests, biological pest control and training in good agricultural practices and business skills. The assumption underlying *Bean*'s business model was that a profitable crop and a guaranteed market would enable farmers with only small parcels of land to enhance their income, enabling them to buy food and become food secure (FDOV, 2012).

Participation

For the cultivation of beans, access to water is necessary. Only about 20% of the farming households are members of the irrigation schemes in the community, according to the farmers that took part in the focus group discussions. Lack of financial capability was the main reason for non-participation. As a result, many farm households were not able to cultivate French beans. Besides access to irrigation also land size played a role. Contrary to what the company and the NGOs expected, that a high-value crop would be the solution for farmers with little land, the latter turned out to be a barrier for them to take part in the business model. A notable number of respondents stressed that

precisely these small parcels of land forced them to focus on producing food crops for their households. The farmers working with Bean were better off in terms of physical and economic capital.

Voice, one of the four criteria of the inclusion framework of Vermeulen and Cotula (2010), farmers had little influence on the way the company operated. The company yearly established a price, quality requirements, and delivery dates. Also included in the contract was an agreement on the provision of inputs (seeds, chemicals and fertilizer) of which the costs were deducted from the final purchase price. *Bean* applied strict criteria about the quality of produce. French beans that did not comply with their quality criteria were rejected. Moreover, *Bean* decided on the time and place farmers had to deliver their beans.

In terms of *rewards*, most farmers surveyed indicated that their motivation to engage in a contractual relationship with *Bean* was driven by the promise of a guaranteed market. Remarkably our data showed that none of the farmers was able to improve their income through French bean cultivation. Farmers explained that they continued bean farming as it provided a steady flow of cash income: on a two-weekly basis they would deliver beans to the company (Wangu et al., 2021).

In their working relationship with *Bean*, Kanwa's smallholder farmers experienced numerous challenges. Several times the provision of inputs and pesticides was delayed. In interviews, farmers explained that no action was taken to address their complaints. The representative of *Bean* acknowledged this problem but blamed the extension officers (interview). Other farmers complained about the unavailability of the recommended chemicals in local shops. Nevertheless, the *risk* of failed production was with the farmer. Even in the case of environmental hazards, the company would still deduct the share of production necessary to recover the inputs provided to the farmer. Vice versa the representative of *Bean* expressed his dissatisfaction with the fact that many farmers did not show up at the training sessions or use the suggested farming practices.

Wider Community Effects

Working only with the better-off farmers the inclusive business model in theory could have reproduced patterns of differentiation already under way. Nevertheless, as even farmers part of the inclusive business model did not gain in terms of income or food security, an aggravation of wealth inequality should not be feared. However, a negative impact on the community as a whole, but possibly even more so on the poorer farmers can be expected in the long term. Kaanwa area is prone to droughts and since the establishment of the irrigation scheme farmers have seen the river drying up faster. This negatively affects the productivity of other (food) crops.

Discussion and Conclusion

In this paper, I explored inclusive business models in practice. I scrutinized the business models of Masara N'arziki, a maize sourcing business in Ghana and Bean a French beans sourcing company in Kenya. Specific to the cases was their goal

to contribute to farmers' livelihoods. My objective was to better understand the impacts of these business models at the level of the farmers and their communities.

Building on the literature on inclusive business models, I examined two research questions. First: who participates and on what terms? Second: what are the effects of the inclusive business models on farmers' livelihoods and their communities as a whole?

In response to these questions, the following points can be concluded: in both models, the terms of farmer participation were strongly steered by the agribusiness. The companies had first set up their business model, next NGOs were involved to facilitate the engagement of local farmers. In both cases being part of the business model for farmers merely meant signing a contract and receiving services in return for produce. In terms of the assessment framework of Vermeulen & Cotula (2010) the smallholders who were part of the two business models formally had little *voice* and *ownership* when it came to price-setting, quality criteria, the terms of delivery of produce and the future direction of the business. This is in line with the findings of two evaluations of the FDOV program (IOB, 2017; KIT, 2016). Most business models, these studies conclude, are set up by a company. Together with NGOs, companies designed activities that were expected to contribute to the livelihoods of the farmers involved and fitted within the span of the planned business activities. This top-down approach to engaging smallholders led to mismatches and unintended consequences at the level of the communities which I will discuss point by point:

First, farmers did not feel ownership and pulled out as soon as more interesting opportunities arose, such as in the case of Masara N'arziki where farmers left the company once the government started providing inputs for free.

Second, both cases show that inequality in the community, in terms of economic capital and physical assets such as land and water, is reflected in who participates in the business model. Like any other business model, inclusive business models sourcing from smallholders are not scale-neutral, they require produce of a certain quality and scale. Therefore in practice, they tend to work with the more affluent members of a community. In the Kenya case, only farmers that had access to irrigation could participate. In Ghana, the company was shifting to working only with farmers that owned a minimum of 5 acres to reduce the risk of harvest loss. In Kenya, cultivation of French beans negatively affected water availability. In Ghana, mechanization disadvantaged the smallest farmers. At worst, the inclusive business models reproduce patterns of exclusion and inequality.

Going back to the literature on inclusion: few assessment frameworks allow for evaluating the long-term impacts of business models on local communities, for example on natural resources and socio-economic inequality. However, as the case studies show, both companies affected the agroecological environment, in particular on the farming practices and the crops grown and as such on poverty and inequality in the long run. In Ghana diets became less diverse and in Kenya water scarcity became more severe. In both cases this negatively impacted the marginalized.

For inclusive business models to contribute to inclusive development, companies and development agencies have to adopt a better-informed understanding of the social and economic situation of the farming communities they aim to work with. To overcome the diverging expectations and mismatches of objectives, it is important

that in the 'design phase' of inclusive business models there is actual participation and input from local stakeholders that goes further than just 'informing' them how the business is going to work and how they can participate.

More in general, when it comes to reaching development outcomes such as poverty alleviation, donors and governments should reflect on whether a private sector approach is most effective. For many companies working with low-income segments of the population is a high-risk investment. As the analysis of Murray and Overton (2022) shows: even though private sector-led development is presented as cost-efficient compared to development aid programs led by NGOs, in most cases public support is essential for the companies to work with the poorest. Moreover, the activities that are deployed to contribute to local development are always strongly linked to the goal of the company. In the cases of Masara N'arziki and Bean, farmers would only receive training in farming practices that aligned well with the objectives of the company. As Blowfield and Dolan (2014) assert, business ideas often imply adapting the poor to the needs of business, rather than adapting the economy to meet people's needs. This implies that inclusive business models can only be a partial answer to overcoming poverty which has often more structural causes.

This paper made a specific contribution to better understanding the impact of inclusive business models on the livelihoods of the marginalized by researching the lived experiences of farmers engaged in the business models. My analysis suggests that future research focusing on the context of inclusive business models can make a significant contribution to enhancing the broader positive outcomes of these investments. Nevertheless, inclusive business models as a strategy will never be sufficient to realize development objectives such as poverty alleviation. Any such strategy should be accompanied by policies targeting the poor in both social services (health, education, skills training) and alternative employment opportunities.

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Data Availability Data can be requested from the grant recipients.

Declarations

Conflict of interest The authors declare that they have no conflict of interest.

Ethical Approval Original research was carried out according to guidelines/codes of good scientific practice (Dutch Scientific Research Organisation).

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