

Inclusive Business and Its Contribution to Farmers Wellbeing in Arsi Ethiopia: Empirical Evidence

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Abstract : Inclusive business models which integrates low-income people with companies value chain in a commercially viable way has gained momentum for the perceived potential to contribute to poverty alleviation and food security in developing countries. This article investigates the impact of Community Revenue Enhancement through Technology Extension (CREATE) project of Heineken brewery on smallholder farmers' wellbeing in Arsi zone Oromia regional state of Ethiopia. CREATE is a Public-Private Partnership (PPP) between Ministry of Foreign Affairs of the Netherlands and Heineken N.V. which source malt barely from smallholder farmers in three zones of Oromia. The study assessed the impact of CREATE on malt barley productivity, food security and new asset purchase in Arsi zone by comparing households that participate in the project with non-participating households using propensity score matching method. The finding indicated that households that participated in the CREATE project had higher malt barley productivity and purchased more new assets than non-participating households. However, there is no significant difference on food security status of participating and non-participating households indicating that the project has a profound impact on asset accumulation than on food security improvement.

Keywords : inclusive business, malt barley, propensity score matching, wellbeing

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