

## Entrepreneurial Economic Development, Self-Agency and Sustainable Peace in Rural Honduras

### The Lagunitas-Lafayette College Coffee Project

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#### Introduction

The coffee-farming project in the Yoro region of rural Honduras was a collaborative effort between residents of the village of Lagunitas and students in the *Engineers Without Borders* (EWB) chapter at Lafayette College. While an important project goal was to create a sustainable economic activity that could improve the lives of residents in Lagunitas, the overriding intent of the project was to imbue the values of entrepreneurship, self-agency and peaceful co-existence as foundation and instrument towards the villagers' pursuit of self-empowering and wealth-creating economic activities. Another important intention was to promote co-learning between students and villagers, especially regarding the values and interests that are common between them, though articulated differently because of their varying circumstances. This would help make both students and villagers alike more sensitive and effective respondents to the complex demands of world citizenship.

The project was awarded a grant from the Kathryn Wasserman Davis Foundation during the spring of 2007 as part of the "One Hundred Projects for Peace" program. Its focus was on facilitating the villagers' pursuit of sustainable and profitable coffee farming as a complementary activity to the water infrastructure that had previously been put in place through a collaborative effort by Lafayette students and villagers. The Lafayette team worked fulltime on the project during the first half of the summer, and traveled to Honduras for up to three weeks during the latter half of July and early August to collaborate with the villagers on possible adjustments and project implementation.

#### Purpose

The intent of the project was to help create an economic environment that would foster sustainable peace. Towards this end, the project sought to encourage among the villagers an appreciation of entrepreneurship as a lived value and the development of entrepreneurial skills. It also encouraged the assignment and protection of property-rights, the practice of self-agency, and a general understanding and appreciation of markets. The hope was that by strengthening the conditions for private market entrepreneurship to create inclusive and sustainable wealth, it would encourage cooperation and goodwill between villagers on village governance issues and on sustainable peace.

The Lafayette team intended to combine its capabilities in finance, project design, economics, management and research with the Lagunitas community's contributions of farming skills, and entrepreneurial and sweat equity. The goal was to plant and grow new coffee trees and restore Lagunitas's substantial but fallow-lying holdings of mature and still potentially productive trees. The Lafayette team would assist the Lagunitas farmers with determining, and possibly obtaining, the proper equipment for coffee farming and processing, given the practical constraints posed by the remoteness and rural nature of the Lagunitas community, including its lack of electricity.

#### Accomplishments

The summer visit by the Lafayette team to Lagunitas accomplished many of its important aims.

*First*, a collaborative agreement was reached between the farmers and the Lafayette team which resulted in the design and construction of infrastructure to develop tree nurseries for 13,000 new coffee plants.

*Second*, the thirteen farming families of Lagunitas, with technical and research support from the Lafayette team, intensely negotiated among themselves and agreed on the terms by which their collective, named *Manos Unidas* (United Hands), would restore to full production the 2,500 coffee trees

owned by Porfirio Castro in return for seventy percent of the revenue generated over the next four years. (The four year time span was based on the time it would take for the 13,000 newly planted trees to become productive.) The revenue from the restored coffee trees would revert to Porfirio Castro at the end of the four years with the understanding that ten percent of the revenue over the following two years would be used to create a fund to support school participation for the children of Lagunitas. The negotiations resulted in agreements on property-rights, equity share, governance and revenue distribution, and a commitment to study the possibility of extending the model to the other coffee tree farms throughout Lagunitas.

*Third*, a partnership was established between the Honduran Coffee Institute (IHCAFE) [whose office is located in Yoro, about a one hour bus ride away], the Lagunitas farmers, and the Lafayette team, whereby IHCAFE agreed to provide on a continuing basis educational, technical, logistical, marketing and market support for Lagunitas coffee farming, and to source, at wholesale prices, machinery (gas huller, for example) and non-capital inputs such as seeds, fertilizers and fungicides for the project.

*Fourth*, the families in Lagunitas, despite some continuing reservations over the increased risk exposure they would face under a more entrepreneurial economic development framework, are warming to the opportunities it would present for them to be fuller agents of their own economic and social circumstances. They have –in a thoughtful, reflective, and deliberately “one step at a time” way–embraced the notion that the possible wealth creation from their entrepreneurial initiatives could improve the physical quality of their lives, help finance the educational ambitions of their children, better protect their old and disabled, broaden their range of freedoms, and promote sustainable peace.

*Lastly*, significant individual and co-learning arose from the collaborative process that governed the relationship between the Lafayette team and the residents of Lagunitas. Some of this learning was technical, as in the new methods that emerged from the evaluation, repair, and improvement of the community’s water system that had been implemented by previous EWB teams from Lafayette, and as in the lessons on appropriate technology that were learned during the design and construction of the nurseries for shade-grown coffee trees and from the failure and re-design of the bicycle coffee bean grinder and the coffee roaster. Of greater importance, however, were the lessons learned about the values and ambitions that were common to the residents of Lagunitas and the members of the Lafayette team. Despite their humble and impoverished situation, the residents of Lagunitas showed a willingness to undertake increased business risk for the chance to be fuller owners of their own fate. This, they believed, gave them their best chance to improve their lives in a sustained way. Entrepreneurial economic development and self-agency have therefore easily gained traction as lived values and processes among them, and formed the foundation on which the project could be implemented.

## **Summary**

Lagunitas’s high altitude and fertile and mountainous environment were assessed to provide perfect conditions for farming high-quality shade-growing coffee. These conditions, when combined with the demonstrated interest by its residents in pursuing entrepreneurial economic development, bode well for the potential success of the Lagunitas-Lafayette College Coffee Project and Lagunitas’s self-empowerment. The major lesson of the project is that the Lafayette team’s assistance of fertilizers, fungicides, barbed-wire, seeds, bicycle-grinder, huller, roaster, and design help with the coffee nursery, while important and catalytic in imbuing important development values, paled next to the Lagunitas residents’ own commitment to being entrepreneurial, to pursuing self-agency, and to developing a collective structure by which they can smartly pool their resources and equity (including sweat equity) for wealth creation, economic development, expanded freedom and sustainable peace.

## **Evaluation of Sustainability**

The United States Environmental Protection Agency considers the three ‘pillars’ of sustainability to be ‘people, prosperity, and planet’; that is to say, social, economic, and environmental factors must be considered in evaluating the sustainability of a given system. By this definition, the coffee project being implemented in Lagunitas has the potential to become a sustainable endeavor, with real prospects of facilitating lasting peace.

The Lafayette team, being respectful of the privilege it was afforded to co-learn through a collaborative process with the residents of Lagunitas, made every effort to establish a working dialogue with community members about their situation and their needs, about their interests and ambitions, and about how the project resources could have the greatest positive impact promoting entrepreneurial economic development, self-agency and peace. The project, therefore, focused on engaging every farming

family in Lagunitas in discussions, and care was taken to make sure that *Manos Unidas* was inclusive in its decision making process, and in how it shared its benefits and risks. The intended end result is for the residents of Lagunitas to have the tools, including entrepreneurial skills and confidence, to pursue self-development.

As a final note, the project was designed and executed with considerations for its potential impact on the environment. As a result, all of the coffee for this project will be shade-grown beneath native forest cover. In fact, large trees were left standing wherever possible in the creation of the coffee tree nurseries. This farming practice will maintain important forest habitat, while also preserving the soil and promoting groundwater recharge, and will thus provide great benefits for the local watershed. Care was also taken to ensure that any exposed soil in the tree nurseries would be covered, either by the natural canopy or by constructed "roofs," so that erosion of this soil would be prevented. Also, the work done during the trip on the community's water infrastructure, from watershed protection to greywater control and management, was done with the objective of harnessing significant environmental benefits.

