

ASSOCIATIVE SUSTAINABILITY BUSINESS MODELS IN THE SPECIALTY COFFEE NICHE

A Mixed Method Study Assessing the Impact of ASBMs to Quality and
Sustainability Challenges Within the SCN Actors in Norway and Uganda.

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University of Agder, 2022
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This Master's Thesis is carried out as a part of the education at the University of Agder and is therefore approved as a part of this education. However, this does not imply that the University answers for the methods that are used or the conclusions that are drawn.

University of Agder, 2022

Faculty of Business and Law

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Executive Summary

Purpose The coffee industry is traditionally known for ethical and sustainability challenges at the upstream. Specialty coffee is likely to make a difference through ethical sourcing strategies, more effective production practices, and higher quality products. This requires business models which rely on collaboration, association, and partnership.

Problem statement How can associative sustainable business models solve sustainability challenges within the specialty coffee sector?

Design/methodology/approach Using a mixed method, we collected data from 184 Ugandan coffee farmers via questionnaires, Focus Group Discussions, key informant interviews, and transect walks. Furthermore, we conducted semi-structured interviews with one trader, one exporter, two estates from Uganda, and three roasters, one importer from Norway to examine the impacts of relationships between coffee producers and processors on sustainability and quality.

Findings Our findings showed that specialty coffee is based on direct relationships between upstream and downstream. This is also in line with the existing literature. However, relationships in different forms make it complicated. We found that connective businesses play an important role, especially where the farms are of small sizes, like in Uganda. The core of the specialty coffee niche is that actors rely on building and maintaining long-term relationships to increase quality. The findings indicated that collaboration, cooperation, and partnerships in sustainable business models within the specialty coffee niche can lead to socio-economic sustainability. Especially when stakeholders are acknowledged beyond elements.

Keywords: Environmental, Social, and economic, Stakeholder theory, Business model innovation, Relationships, Collaboration and Partnerships, Agricultural value chains, sustainability challenges, Specialty coffee Niche, Smallholder farmers, SDGs

Acknowledgement

This thesis has been written as a final part of our Master of Science in Business Administration at the University of Agder, School of Business and Law here after giving us a Norwegian title – SIVILØKONOMER. This is unbelievable for both of us let us start by saying to ourselves THANK YOU LORD, we made it.

This thesis started on a genuine interest on sustainability challenges in agro-supply chains, which later evolved to focusing on Coffee niche believed to have Business Models that create value to all stakeholders. With one of us origination from Uganda, a nation that depends on coffee together with Norway where most consumption takes place, we saw this an opportunity to engage with Actors in Norway and Arabic Farmers in Uganda to come up with this thesis. It has been a steep learning curve for us not only for coffee sector, but in general the Sustainability Business model Innovation. We need innovative business models to tackle sustainability challenges. That said, we could not have managed without valuable data. We thank the Norwegian Specialty Coffee Roasters and Importers who participated in this study both from Oslo and Southern Norway. We also extend our thanks to some Ugandan Exporters, Quality Managers, Arabic farmers, Traders, Estate owners and our gate keeper that travelled to areas around Mt Elgon to fetch data.

Various contribution through feedback, support and advice has been crucial to competing this project. Special thanks to our Supervisor Associate Prof. John Arngrim Hunnes, for his invaluable guidance and motivation. We would also like to thank our friends and families for moral support. Special thanks to families Korsvik and Malkari.

We would like to thank the University of Agder (UIA) and the faculty of Business and Law, Department of Economics and International Business for the flexibility offered to both of us aside our full jobs and family mothers, to finish this master's degree providing us with academic competence with their engaging courses, real world- cases and international challenges

Declaration

I Valerie-Peggy Immy Korsvik, together with Martha Malkari, declare that this master thesis entitled: *Associative Sustainability Business Models (ASBM) – An Assessment of Relationships’ Impact to Quality and Sustainability Challenges within Specialty Coffee Niche Actors in Norway and Uganda* is our original work and that it has never been submitted for any academic award to any institution of learning apart from the University of Agder in Norway.

Kristiansand, June 2022

Valerie-Peggy I Korsvik

Martha Malkari

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List of Abbreviations/Acronyms

ASBM	Associative Sustainable Business Model
BM	Business Model
BMC	Business Model Canvas
DT	Direct Trade
FOP	Factors of Production
GVC	Global Value Chain
GCSC	Global Coffee Supply Chain
ICA	International Coffee Agreement
ICO	International Coffee Organisation
IPCC	Inter-Governmental Panel for Climate Change
RCM	Relationship Coffee Model
SBM	Sustainable Business Model
SBMC	Sustainable Business Model Canvas
SCA	Specialty Coffee Association
SDGs	Sustainability Development Goals
SHF	Smallholder Farmer
SSCM	Sustainable Supply Chain Management
TBL	Triple Bottom Line
TLBMC	Triple Layered Business Model Canvas
UCO	Uganda Coffee Organisation
UCDA	Uganda Coffee Development Authority
UN SDGs	United Nations Sustainability Development Goals
WCED	World Commission on Environment and Development
WBCSD	World Business Council for Sustainable Development

CHAPTER ONE: INTRODUCTION

Coffee is a widely consumed and traded commodity globally (Fao.org, 2022), valued next to oil (Bager & Lambin, 2020a), and an integral part of many people's lives. The global market is anticipated to reach US\$ 145 billion in 2025, growing at a compound average growth rate of 4.60% between 2022-2027 (Finance.yahoo, n.d.), of which an increasing amount is the high-end specialty coffee, a segment of direct sourcing and high quality attributes that reward premium to farmers (CBI-Speciality coffee, 2021; Gerard et al., 2019). There are approximately 250 million, mostly smallholder farmers (SHFs) that stand for the production of around 400 billion cups consumed every day (Samper & Quiñones-Ruiz, 2017b) specialty coffee included (CBI-Speciality coffee, 2021; Gyllensten, 2017). Unfortunately, farmers are on the frontline of social, economic, and environmental challenges. The land suitable for coffee is expected to reduce by 18% by 2050 (Haggar & Schepp, 2011; Ovalle-Rivera et al., 2015a). This does not only leave the farmer in a problem but also coffee businesses. While most focus is on the environment, poverty is also persistent (Cordes et al., 2021; Sachs et al., 2019). The farmers' average income is below the poverty line, which is less than a dollar a day (Cordes et al., 2021, p. 5).

The specialty coffee industry is a high-value niche market where coffee is differentiated by quality, flavour, and origin (Fischer et al., 2020; Gerard et al., 2019) and known for intangible attributes such as social and environmental sustainability (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 41) Furthermore, specialty coffee roasters seek to establish and develop long-term relationships with producers who can supply the coffee they want through direct negotiations. The US specialty coffee roasters coined such negotiations in the early 2000s under the term "Direct trade" (DT) (Gerard et al., 2019, p. 2)- referring to a social-economic sustainability label describing coffee purchased and sourced through direct negotiations, in addition to regular travels to farms to collaborate with farmers on improving coffee quality and price premiums. Thus, specialty coffee industry represents an opportunity for coffee producers.

Research shows such DT models have a future potential (Gerard et al., 2019). For example, (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 30) when coffee farmers can connect with the end market directly and transparently, new opportunities will arise and improve their situation, yet this

is not easy following various challenges in the developing countries where coffee originates. In brief, the specialty coffee industry dates back to the 1960s. Small roasters in the US aimed to shift consumers' perception of coffee from mass consumption that did not respect the art of coffee and farmer to distinctiveness and respect (Roseberry, 1996a, p. 764). The evolution of specialty coffee is described in waves (Borrela et al., 2015, p 41) which we illustrate in chapter two. The growing demand for specialty coffee follows high quality and direct sourcing (Baffes, 2006; Gerard et al., 2019) coupled with the social sustainability dimension where concerns such as high prices to growers and the geographical preference of origin and the gourmet taste (Fischer, 2017; van Keulen & Kirchherr, 2021) are core.

One country in which the production of specialty coffee takes place is Uganda. The country is the 2nd biggest coffee producer in Africa and the 8th globally (ICO, 2020; UCDA, 2019), failure of access to a high-quality market is a great concern both to farmers and the nation at large (Morjaria & Sprott, 2018a; Mwesigwa, 2019). The farmers are getting poor prices for their coffee due to quality issues, of which the Uganda Development Authority (UCDA) has been challenged to improve by the international coffee organisation (ICO). On the other hand, there are mixed debates about Uganda's quality issues, complaining that the international market is only consumer-focussed, ignoring the coffee producers' demands (The EastAfrican, 2022).

Following this complaint, a credible regional media reported that Uganda has resigned from the international coffee agreement (ICA), stating concerns about siding with international consumers.

They demand that ICO should begin to take in value added coffee instead of only the green beans, transparency on whom sets the coffee prices through the global price indicator price-such price favours the downstream that import green coffee because they add value later get decent prices, UCDA also adds that coffee classification through ICO, ignores the uniqueness as the birthplace for Robusta and Ethiopia being the origin of Arabica. These among others has led the UCDA quit the ICA effective 01.02.2022 (The EastAfrican, 2022).

This citation lines with recent research concerns, for example (Gerard et al., 2019; Ovalle-Rivera et al., 2015a; Rueda et al., 2017b). There is so much we do not know about initiatives in the coffee industry that can address social, economic, and environmental challenges, yet, as Borrela et al.

(2015) puts it ‘‘when coffee farmers are able to connect with the end market in a direct and transparent way, new opportunities arise such as to better understand the market requirements, adapt their products to clients’ needs and achieve competitive advantage by offering differentiated products’’ (p. 30-31). This sum is seen as the future to sustainability challenges, yet the road is not straightforward. It is clearly seen in this case also when the Ugandan nation decides to quit the ICO and ICA. The effect it has on producers is uncertain. Still, the concern of quality is crucial towards getting a competitive coffee price (Mwesigwa, 2019) which gives a farmer a better standard of living (Borrella, Mataix, & Carrasco-Gallego, 2015; Gerard et al., 2019) as well as the consumer who gets value for money- a win-win situation.

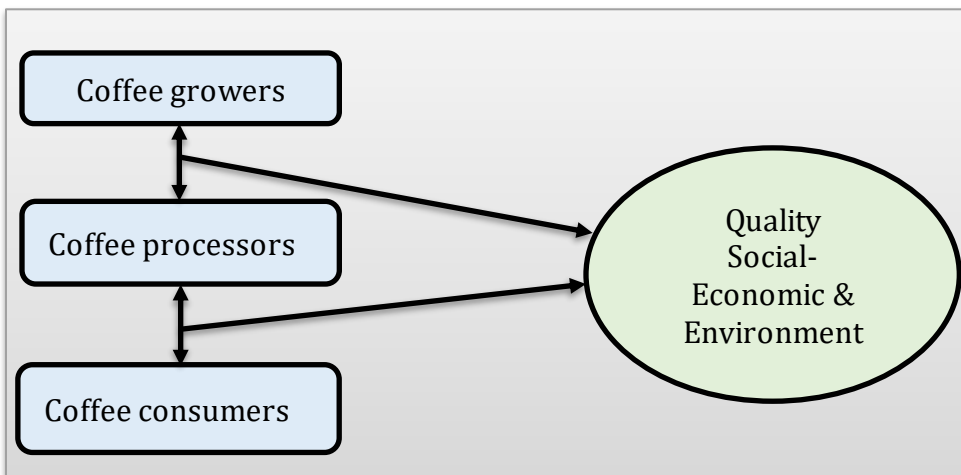
Academic literature shows that companies with good and integrated business models (BMs) can solve sustainability challenges through BM (N. Bocken et al., 2013; Osterwalder & Pigneur, 2010). The term BM does not have a consistent meaning due to its fragmented literature (see-chapter 3). Empirical studies however show that BMs give indication on value creation. The complexity of sustainability starts from the BMs to find innovative ways of integrating the three aspects of (economic, social, and environmental) in the value creation, hence the term sustainable business models (SBM). Frameworks such as archetypes (N. M. P. Bocken et al., 2014), flourishing (Upward & Jones, 2016) and triple layered business model canvas (TLBMC) (Joyce & Paquin, 2016) are among examples of SBMs often discussed in literature. As an ever-growing study area, recent studies are looking at innovative BMs in forms of collaboration between various stakeholders as the way forward to sustainability challenges (Cadby et al., 2021; Gallo et al., 2018a).

Business relationships in various forms are being studied in SBMs as crucial toward sustainability challenges (Glavee-Geo et al., 2020; Hernandez et al., 2018). Innovative companies are believed to have an essential role in creating sustainability values (N. Bocken et al., 2013, 2019; Schaltegger et al., 2012b). Since its rise in 1982 (Bacon, 2005, p. 500), the specialty coffee segment has changed the future direction of coffee in which close relationships with producers are a core value of the BM (Hernandez et al., 2018), with a potential to solve coffee producers’ problems in the long run (Boaventura et al., 2018; Gerard et al., 2019; Rueda et al., 2017a).

1.1 Research problem

Agricultural chains such as those in the coffee industry depend on relationships between producers and processors to consumers (Gallo et al., 2018a; Hernandez et al., 2018; Martin et al., 2019; Ponte, 2002)⁷. Although final consumers play an important role in sustainability debates (Weber et al., 2021), we limit our focus in this study to relationships between coffee producers and coffee processors¹.

Figure 1. 1 Conceptual framework



Source: Own construct

Geographically dispersed value chains (Freudenreich et al., 2020a; Norris et al., 2021) often use the terms Upstream and Downstream (Bozarth & Handfield, 2019; Lambert & Cooper, 2000), to refer to network of providers that function together to create products needed by end customers. Upstream direction is the earliest point of the supply chain where activities begin from, whereas the downstream is the latest position of the chain. For a coffee value chain (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 30; Ponte, 2002) the producers is at upstream with several tiers up to the export level, while activities closer to the consumers including roasters, retailers are at downstream (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 30). Conceptual framework shows the processors are at downstream and the producers at upstream. The double arrows indicate important relationship at both ends of stakeholders (Freudenreich et al., 2020a) believed to create

¹ We refer to producers as those who are involved in primary activities in producing countries (Borrella, Mataix, & Carrasco-Gallego, 2015; Gerard et al., 2019), and processors as roasters and importers in consuming countries

value both ways. We conceptualise this value important and can have a direct implication on sustainability challenges and quality of specialty coffee to all actors. With this as a background, this thesis aims to assess whether SBMs within the specialty coffee niche where the business relationship is a core can be a potential to solve sustainability challenges faced by actors. Specifically, our main research question is *How can relationships within a business model promote sustainability in the specialty coffee sector?*

Furthermore, we ask the following sub-questions:

RQ1: What relationships are there between different actors in the specialty coffee industry?

RQ2: How do different actors understand and work with sustainability and quality?

RQ3: What impact do relationships have on coffee quality and sustainability?

1.2 Thesis outline

In addition to chapter one the rest of thesis is built as follows; chapter **2**: An overview of coffee value chain, structure, and characteristics of specialty niche. Then Uganda and its coffee value chain, Norway, and its value chain. Lastly, the sustainability initiatives overview& challenges, and we conclude with an interlink. **3**: Theoretical framework and studies on business models, sustainable business models, and collaborative business models with associative traits - those designed collectively to act as weapons against sustainability challenges. **4**: Methodology **5**: We present Upstream findings paying attention to within analysis, similarities, and differences. In chapter **6** Downstream findings, we then integrate the data from within and cross analysis to answer our research question and the sub questions linking them to SBM literature and theory within. Lastly chapter **7**, presents discussions leading to thesis summary, limitations, and future research.

CHAPTER TWO: STUDY AREA AND CONTEXT

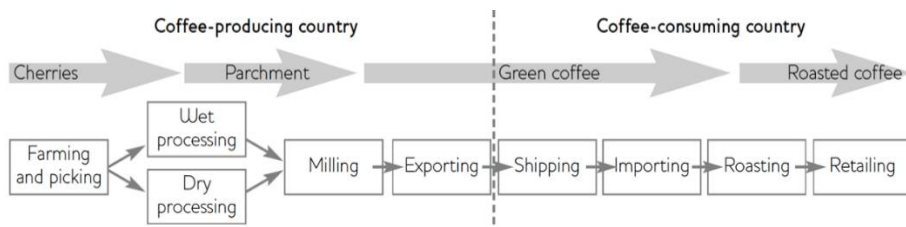
In this part, we start with the general coffee value chain to understand the different levels the coffee passes through from the upstream to the downstream and the actors involved. We follow the global coffee market in general, species of coffee beans on the market, and brief about pricing mechanism, sustainable threats to coffee globally, then the specialty coffee market, types of beans, and quality standards in this market. We then look at Uganda and the specialty coffee market, challenges for the Uganda market, and sustainability challenges to the Uganda market. Further, Norway's specialty coffee consumption market follows before we conclude with a comparison.

2.1 General coffee value chain

2.1.1 Value chain and actors involved

Coffee is a tropical commodity that links producing countries in the global south with consuming countries in the global north (ICO, 2020; Samper & Quiñones-Ruiz, 2017b, p. 2). The mainstream commodity coffee value chain in Figure 2.1 (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 29) is characterized by an uneven value distribution among actors involved. While smallholder farmers (SHFs), leveraging 70-80% (Panhuysen & Pierrot, 2020), sit with a peanut (Cordes et al., 2021), control of market shares is with lead firms-roasters and importers who govern the chain in the hands-off way (Borrella et al., 2015, p30) These big roasters have maintained their dominance in the value chain due to among others, effective management of information asymmetry on quality (Borrella et al., 2015, p3). They roast and pack in their own labels without quality and origin disclosure to the consumer.

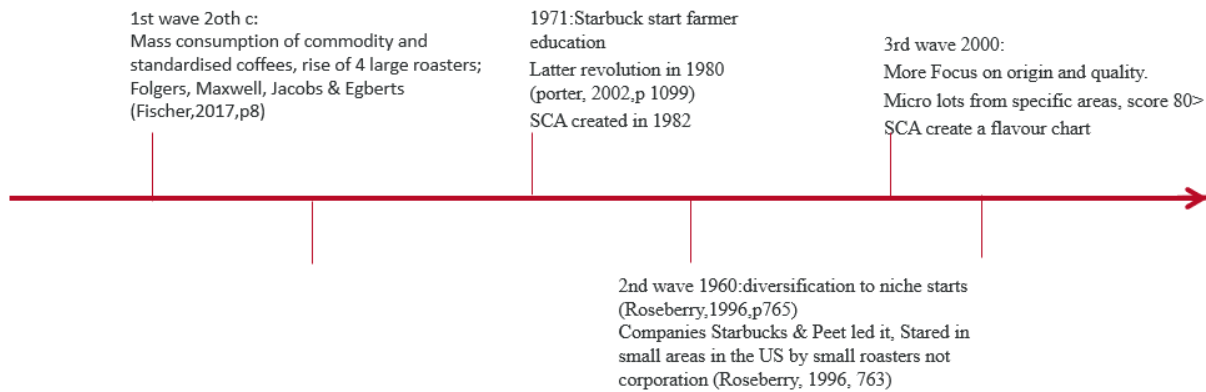
Figure 2. 1 Global coffee supply chain (GCSC)



Source: Accessed (Borrella et al , 2015, p. 30)

However, the trend is now changing, in which coffee is no longer a homogeneous product. The last decade has seen the coffee sector changing due to several factors (Fischer, 2017; Fischer et al., 2020; Fischer, 2021b; Roseberry, 1996a; Rosenberg et al., 2018): an increasing sensitivity towards sustainability issues (Borrella et al, 2015), consumer awareness of producers challenges, a growing demand on quality and origin attributes all these show that coffee is coming out of the commodity status.

Figure 2. 2 Phases of the coffee industry



Source: Own construct based on (Borrella et al 2015, p. 32)

The coffee industry has undergone different phases characterised by the quality of the commercialised coffee and the information disclosed about it Figure 2. 2. The third-wave coffee is currently transforming the industry through their unique value chain that narrows the distances between coffee growers and global buyers (Hernandez-Aguilera et al., 2018), as a way of getting their required quality. This needs a closer presence within all supply chain levels, from growing to

harvesting, processing, trading, roasting and brewing (Borrella et al, 2015). Therefore a third-wave roaster is deeply embedded; for example Borrella et al. (2015) “They are making great efforts – and investment – to educate consumers understand coffee as a specialty beverage such as wine or beer with its wide variety of flavors and differentiated brewing techniques and vertically integrating themselves to the retail side” (p.4). Because of this, a roaster directly reaches the upstream part of the supply chain to find their coffee, enabling them to initiate direct trade relationship.

2.1.2 Sustainability Challenges in the coffee industry

Despite the coffee sector evolution that has seen its restructuring (Bacon, 2005; Krivonos, 2004), the coffee farmers face several social, economic, and environmental challenges, among which many have addressed (Cordes et al., 2021; Gresser & Tickell, 2002; ICO, 2020; Sachs et al., 2019; Samper & Quiñones-Ruiz, 2017b). We present these challenges in table 2.3 below.

Table 2. 1 Sustainability challenges faced by coffee farmers

Social challenges	Economic challenges	Environmental challenges
Ageing farmers (Samper & Quiñones-Ruiz, 2017b, pp. 2–3)	Price volatility for green beans (Cordes et al., 2021)	Tree cutting
	Currency exchange issues	Soil erosion (Stocker et al., 2014).
Migration of young people away from farming due to poor income (Cordes et al., 2021)	Rising Living standards	Limited water supply
	Lack product information	Coffee pests and diseases
	Lack market information	Climate changes (Haggard & Schepp, 2012; Ovalle-Rivera et al., 2015a)
Poor access to education and health facilities	Poor quality	
	Food insecurity, food malnutrition	Aging coffee trees
Infrastructure		
Lack finance, insurance hedging		
Lack of institution support	Poor service through farmer organizations	
Gender inequality	Landowner uncertain	

Source: Own construct based on various sources

2.2 The third wave of coffee believed to be a solution

2.2.1 Specialty coffee

One main attribute that is bringing the coffee industry from the commodity status is the quality (Fischer, 2021a; Ponte, 2002). Specialty coffee is associated with coffees of remarkable attributes in aroma, flavour, body sold as whole beans, and beverages found in café bars (Hernandez-Aguilera et al., 2018; Ponte, 2002). It ranges from higher quality coffee, both single origin and blends, to untraditional coffees such as flavoured coffees and those with stories that aid in traceability (Borrella et al. 2015, p.4)(Borrella, Mataix, & Carrasco-Gallego, 2015, p. 4).

Specialty coffee is the most dynamic segment of the industry with 20% of global consumption, a retail sales market increasing from \$ 30 billion only in the USA in 2014 to a forecasted revenue of \$ 117.89 billion in the Global North entirely (Bager & Lambin, 2020a; Borrella, Mataix, & Carrasco-Gallego, 2015; CBI-Specialty coffee, 2021; Hernandez-Aguilera et al., 2018). It is believed that participation in this market can offer opportunities to over 100 million people in the Global South, responsible for over 80% of global coffee production, at the forefront of various social, economic and environmental challenges (Hernandez-Aguilera et al., 2018, p. 2). The quality, which is the main attribute of specialty coffee, is often assured through DT.

2.2.2 Quality

Experts emphasise that quality is strictly about what is “in the cup”- They say that hype and PR does not matter in a blind cupping because the quality is either there or not. All very upfront and meritocratic, it would seem. But who adjudicates that quality? the coffee world notion of “quality” strives for solidity and objectivity... (Fischer, 2017, p. 3)

The highest criteria for specialty coffee is quality, based on Specialty coffee association (SCA) measuring standards-The coffee tasters’ flavoured wheel² (Fischer, 2021a, p. 116). Fischer (2021)

² The grading of green coffee protocol is based on SCA green Arabic coffee classification (GACCS) and a defect handbook of 2004. The defect handbook defines what is considered defect, if not is in the book, then likely not a

sees this as an objective measure that does not represent the majority because, to most people, quality is subjective. Does it matter if you drink 75% or 90% score coffee if it gives you the experience you are looking for in a coffee cup? Fischer`s argument was

The third wave concern with quality in the cup overshadows appeals to social justice in production conditions. This is a post-justice infatuation with artisanry and authenticity that simply assumes that expensive coffee will be produced in ethic conditions. (Fischer, 2017, p.8).

While quality is the driving factor for specialty coffee, assumed to improve farmers' conditions, the arguments from Fisher (2017) set a critical perspective that quality may improve producers' welfare, where producers may not even know how to taste their own coffees in the similar fancy manner or to determine the quality (Fischer, 2017, p. 19). However, quality attributes are discussed by (Hernandez et al., 2018), as associated with practices that promote environmental sustainability. For example, organic and good agricultural practices.

2.2.3 Direct trade

The direct trade relationship fosters a direct communication that allows knowledge exchange between the buyers and suppliers (Bager & Lambin, 2020a; Borrella, Mataix, & Carrasco-Gallego, 2015; Gerard et al., 2019; Hernandez-Aguilera et al., 2018), giving a better understanding of market expectations and limitations, which help to develop relationships and partnerships that extend beyond market transactions (Borrella, Mataix, & Carrasco-Gallego, 2015). Furthermore, this new market segment is offering higher retail market prices that allow negotiations based on the C- coffee market prices³ (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 42) established by financial markets, making it challenge the status quo of the existing market, where there is information

defect. Beans with cupping scores in 80s are generally SC, however only those with cupping scores in the high 80s and above qualify for the third wave (Fischer, 2021a, p. 116).

³ Coffee prices are quoted by a pricing mechanism called contract pricing (c-pricing) it is a world benchmark and is contracted by importers. It is quoted on the Us stock exchange daily (Borrella, Mataix, & Carrasco-Gallego, 2015; Gyllensten, 2017). Indicator coffee daily prices can be accessed at (ICO, 2022) where they are referred to as composite indicator daily prices

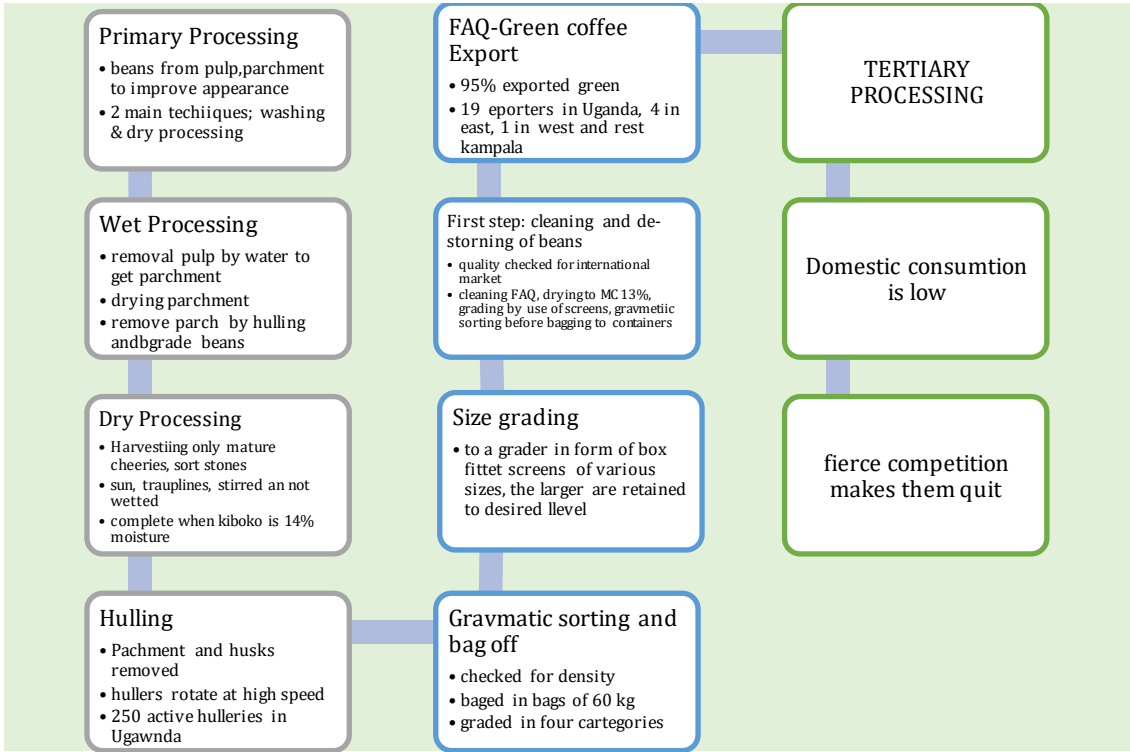
asymmetry, among others. A lot of empirical (Bacon, 2005; Borrella, Mataix, & Carrasco-Gallego, 2015; Hernandez-Aguilera et al., 2018; Reynolds et al., 2007) evidence reveals that quality driven buyers can create new types of partnerships through collaborative engagements and improvements in quality management to foster farmers ability to define their position in the global market.

2.3 The coffee Industry in Uganda

Uganda is the second largest coffee producer in Africa after Ethiopia and among the top 10 leading exporters (The EastAfrican, 2022). The biggest proportion of the Ugandan population lives in rural areas and depends on agriculture. The sector employs 65% of the population (Meier zu Selhausen, 2016; Musumba & Gupta, 2013), dominated by smallholder coffee growers (UCDA, 2019, pp. 4–5), on farms at sizes with average ranges between one and six acres (Meier zu Selhausen, 2016, p. 135). Farmers can be organized in small groups known as cooperatives (Meier zu Selhausen, 2016) which are the collective actions through which information on value creation activities is shared among members (Glavee-Geo et al., 2020; Musumba & Gupta, 2013). The coffee passes through a value chain, similar to Figure 2. 1, in addition to a complex eleven stage value addition process involving middlemen⁴ (SCA, 2022; UCDA, 2022), illustrated in Figure 2. 3.

⁴ Also known as brokers or local buying agents, is a term used in Uganda to refer to someone meeting various farmers to buy their coffee, raw or processed, sells it in a non-transparent way. they often trade in lower grades of coffee, mix it and demand own price. Middlemen can work on commissions for some volume exporters operating in Uganda <https://sca.coffee/sca-news/read/difficult-conditions-huge-potential-processing-coffee-in-eastern-uganda>

Figure 2. 3 Summary of value activities through coffee processing



Source: Own construct based on (UCDA, 2022)

The export of Ugandan coffee is based on ICO standards summarized in Table 2. 2, illustrating the coffee ratings and export profiles. Quality and price are rated much higher and thus more competitive for Arabic beans from Figure 2. 4 (UCDA, 2019, p. 4).

Table 2. 2 Uganda coffee export profiles

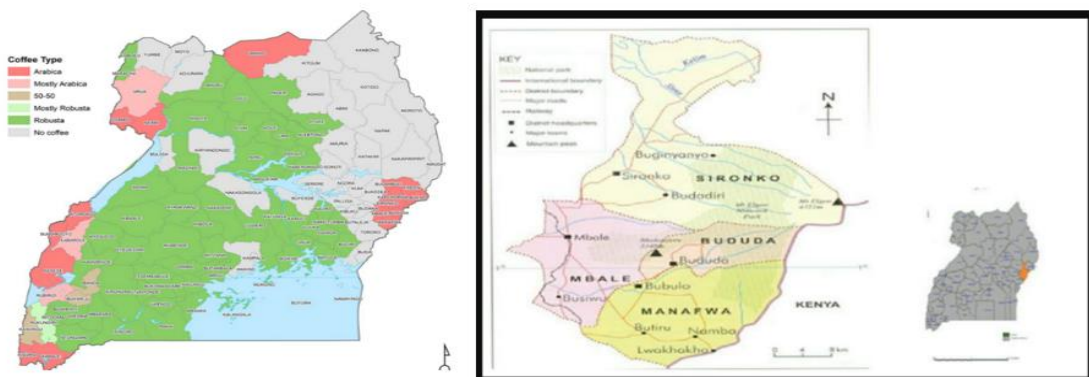
Categories of Uganda coffee for export profiles				
Arabic		Robusta		Other details
Washed	Natural	Washed	Natural	
Bugisu AA	Druga A	Screen 1900	Wur	Druga = natural Arabic
A	B	1800		Wugar = washed Arabic
PB	C	1700		Wur = washed Robusta
B		1600		
Wugar A ⁵				

Source: Own. construct based on (UCDA, 2022)

2.3.1 Arabica Coffee production and quality

Although The country produces both Arabica and Robusta, specialty coffee is linked to the latter, which is grown in the districts illustrated on the map in red (Morjaria & Sprott, 2018a, p. 4). The areas along the slopes of Mt. Elgon (Edaku, 2020), are characterised with single-origin sought-after by specialty traders, and consumers drink it as Espresso, making it highly demanded on the European market (Merwe & Maree, 2016; Ponte, 2002). Although Robusta exceeds in quantity by 80%, Arabica constitutes 25% of the value (Morjaria & Sprott, 2018b, p. 6).

Figure 2. 4 Coffee growing areas in Uganda generally and Bugisu region



Source: coffee varieties in Uganda accessed in (Edaku, 2020; Morjaria & Sprott, 2018a, p. 4)

⁵ Uganda types of Arabic, the most popular and highly priced is Bugisu AA, while Wugar A, b and C are from other growing areas not in Bugisu (east)(*Secondary Processing / Uganda Coffee Development Authority, n.d.*)

The prices generally vary depending on value addition; either they are sold as they are (kiboko) at a small price, or farmers make an extra effort. For example, the Figure 2. 6 shows that Arabic parchment fetches a better price, up to \$5 per kilo. The terms parchment and fair average quality (FAQ) differentiate coffee qualities. While FAQ is simply meeting the minimum trade requirement internationally (International trade center, n.d.), the parchment, on the other hand, is often relevant in the higher quality segment. The more ripe coffee is, the better price and quality it fetches- below a figure of ripe cherries and a coffee plant.

Figure 2. 5 Ripe coffee cherries and coffee trees



Source: Field findings

Figure 2. 6 UCDA trade portal

Home

Coffee Prices in the month of November

UGANDA TRADE PORTAL
ugandatrades.go.ug

DAILY COFFEE MARKET PRICES

In US Cents per lb. - 26/04/2022

SCREEN 18:	116.85
ROBUSTA - SCREEN 15:	111.85
ROBUSTA - SCREEN 12:	108.85
ARABICA - BUGISU AA:	215.70
ARABICA - BUGISU A:	214.70
ARABICA - BUGISU PB:	214.70
ARABICA - BUGISU B:	212.70
ARABICA - WUGAR:	213.70
ARABICA - DRUGAR:	194.70

In Uganda Shillings per Kg

KIBOKO:	2,400-3,000/=
FAQ:	6,000-6,500/=
ARABICA PARCHMENT:	9,000-10,000/=
DRUGAR COFFEE (CLEAN):	8,000-9,000/=

CONNECT WITH US

Source: Accessed from UCDA report

2.3.2 The Sustainable and quality challenges in Ugandan coffee value chain

In addition to the environmental and economic challenges faced by SHFs globally, ref. Table 2. 1, socially are women farmers limited from participation (Meier zu Selhausen, 2016, pp. 133–134). This social and culture exclusion is a barrier for women from participating in market negotiations. Poor prices will be given due to principal-agent problems (Meier zu Selhausen, 2016), and limited resources do not only affect the social but also the economic aspects. In addition, entering in cooperatives' membership requires collateral in terms of land titles that women lack.

2.4 The Norwegian coffee- context

After Finland, Norwegians are among the most coffee drinkers in the Nordics (Gundersen, 2020), with an estimated consumption of four cups per day (*Kaffeavhengige nordmenn*, n.d.). They import approximately 40 000 tons, predominantly Arabic. Table 2.3 illustrates imports from East Africa, where Uganda has less offered than neighbouring countries such as Ethiopia, Kenya, and Rwanda.

Table 2. 3 Coffee imports from Africa

	Mengde 1 (M1)			Verdi (kr)			Mengde 2 (M2)		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
09011100 (m1=kg, m2=nei) Kaffe, ubrent, koffeinholdig									
Import									
BI Burundi	6 493	8 883	21 065	510 995	715 490	1 010 081	0	0	0
ET Ethiopia	222 574	190 417	241 033	11 909 313	13 518 699	16 480 852	0	0	0
KE Kenya	1 467 661	1 495 092	1 420 837	85 220 523	94 023 334	92 487 751	0	0	0
CD Kongo	0	0	292	0	0	12 316	0	0	0
MG Madagaskar	0	0	151	0	0	8 279	0	0	0
RW Rwanda	41 888	81 096	59 054	2 030 696	3 735 255	3 238 220	0	0	0
TZ Tanzania	11 687	63 099	3 216	578 807	1 441 316	243 153	0	0	0
UG Uganda	40 773	5 306	2 171	711 391	478 369	148 745	0	0	0

Source: 08801 External trade in commodities accessed: (SSB, 2022)

In Norway, there is an increase in the consumption trend where sustainability can affect consumers' perception (Nichols et al., 2019) because they are informed about coffee producers' conditions. Already are sustainable environmental initiatives identified in the mainstream coffee industry (Miljøvennlig kaffeanlegg starter produksjonen, 2021; Norsk-Energy, 2019; Sjø, 2020) to remain relevant.

2.5 Conclusion

In this section, we have looked at the coffee evolution that is believed to be a game changer in the future and that participation in it will give coffee producers dominancy. It depends on the forms of collaborations that are expected to create value; however, the quality context in Uganda is unclear in relation to specialty coffee since coffee is mainly on volumes.

In the next chapter, we present and discuss some scholars' theories and frameworks to understand SBMs and the role of relationships in addressing and maybe solving sustainability challenges in the specialty coffee sector.

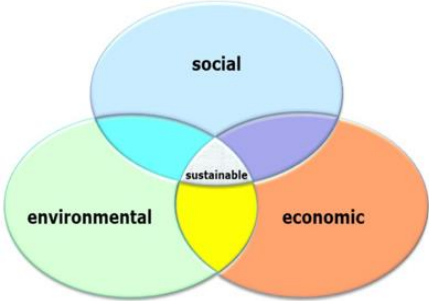
CHAPTER THREE: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

The chapter presents existing literature related to the study. To identify the research gap, we reviewed previous peer-reviewed research studies and theories related to the study. In the first part we present the concept of sustainability development into business through triple bottom line (TBL) concept. Part two is about the sustainable business models, its conceptualisation, and definitions. In the third part we combine the concept of sustainability, business model and relationships to present the literature and framework related to SBM in specific the ASBM. Then, the theoretic framework where among others the stakeholder theory which is a central theory in discussions of sustainability models TLBMC is presented. And lastly conceptual framework that summarizes the literature review and theories discussed.

3.1 Sustainability

The relevance of the term sustainability in business literature is widely discussed (Bager & Lambin, 2020a; Samper & Quiñones-Ruiz, 2017b); for example, corporate sustainability where in-depth discussions stretch to strategies that incorporate sustainability (Freudenreich et al., 2020a), and in general discussions on various BMs that can incorporate sustainability (Schaltegger et al., 2016a). Sustainability is a result when Social, Economic, and Environmental dimensions are integrated as illustrated in Figure 3. 1. The environmental is about taking care of nature and climate as renewable resources, the social is about a fair and decent life for people, and the economic is about securing financial security for society and people. This perspective challenges the traditional way of running businesses, that focus barely on profit maximisation for companies, which Elkington (1997) conceptualised as Triple Bottom Line – TBL (Elkington, 1997). Triple bottom line is believed to be a foundation for sustainability (Shrivastava, 1995).

Figure 3. 1 Sustainability dimensions

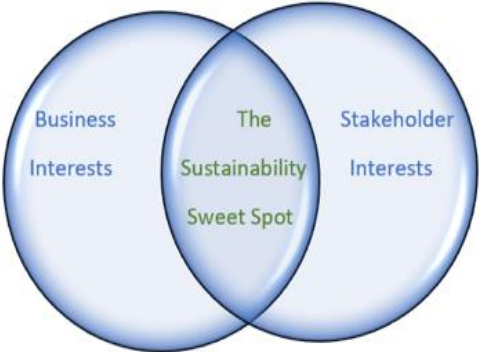


Source: Sustainable development growth in the EU (ESDE, 2019, p. 63)

3.1.1 Triple Bottom Line TBL

Elkington (1997) suggested to implement sustainability development into businesses through developing a TBL that extended on traditional profit measure to incorporate with environment and social dimensions (Elkington, 1997). The figure as illustrated (Carter & Rogers, 2008, p. 365) shows how the dimensions are interrelated to enable corporations leverage to stakeholders. However Economic only is a short term because the long-term sustainability requires simultaneous satisfaction of all three dimensions since they are interrelated (Dyllick & Hockerts, 2002). Businesses that target the long-term sustainability enjoy a sweet spot illustrated Figure 3. 2, where profit enjoyment is in line with the pursuit of a common good, and it gives a direction to innovation in various directions (Savitz, 2013, pp. 37–39)

Figure 3. 2 The Sustainability sweet spot



Source: Own construct based on (Savitz, 2013, pp. 37–39)

Thus, a sustainable corporation is one that creates profits for its shareholders while protecting the environment and improving the lives of those with whom it interacts (Savitz, 2013). In the rest of our work, we adapt the sustainability understanding based on the TBL foundation.

3.1.2 Business Model

The literature on BM is too wide and is still young and fragmented (Elkington, 1997), although (Osterwalder et al., 2005, p. 4) cites Bellman Clark (1957) from whom the term first appeared, and in an abstract of a peer paper by Jones (1960). The term increasingly gained popularity since the mid-90s. The popularity was linked to internet and tech advancement (Osterwalder et al., 2005; Zott et al., 2011). There is no one general definition of a BM but common themes are identified from model scholars and are used in their contexts (Zott et al., 2011, p. 1035). At a general level BMs have been named as; (Zott et al., 2011, pp. 1022–1023); statements (Stewart & Zhao, 2000); a description (Weill & Vitale, 2001); a presentation (Morris et al., 2005); design and architecture (Dubosson-Torbay et al., 2002, pp. 15–18; Teece, 2010); a conceptual tool or model with set of elements and their relationship (Osterwalder et al., 2005, p. 3). Following our research question and the theory; we follow the understanding of the BM in line with literature above.

3.2 Sustainable Business Models (SBMs)

An overview of approaches and definitions related to SBMs will be presented in this part. Literature is fragmented, with no common definition (N. Bocken et al., 2014; Boons & Lüdeke-Freund, 2013a). This resonates with Freudenreich et al. (2020); there is no comparable conceptual perception of SBMs. It may be because sustainability development does not specify a specific content but rather a process where three dimensions are balanced in a continuous measure. However, an original conceptualisation is traced to Stubbs & Cocklin (2008) (Hernández-Chea et al., 2020).

Definitions and conceptualisation

Literature posit Stubbs & Cocklin (2008) were the first to describe the characteristics and components of an SBM (Stubbs & Cocklin, 2008b). They conceptualised SBM as a model that drew on Economic, Environment, and Social aspects of sustainability to define organisations'

purposes, uses a TBL approach in performance measurement, considers the needs of all stakeholders rather than prioritising their expectations, treats nature as a stakeholder and promote environmental stewardship, and encompass a system and firm level perspective (Stubbs & Cocklin, 2008b, pp. 121–124). Considering the TBL aspect, the author highlights the importance of People, the Planet, and Profit (3ps). While Sustainable organisations express their purpose, vision, and mission in terms of social, economic, and environmental outcomes, profits are the means to achieve these outcomes. Stubbs & Cocklin (2008) posit “An organisation must make profits to exist, but not just exist to make a profit” (p.123), pursuing sustainability is the right thing to do as well as the smartest for any organisation. Thus, cherishing sustainability and putting stakeholders' success first leads to a strong and profitable business.

3.2.1 The Sustainable Business Model and Canvas

Researchers use different functions and tools to describe SBMs (N. Bocken et al., 2019; Joyce & Paquin, 2016; Lüdeke-Freund et al., 2016). The business model canvas (BMC) is widely adapted for business model innovation. It is a popular tool for innovation both in new and established businesses but with no specific sustainability focus (Osterwalder & Pigneur, 2010, p. 15). However, because businesses are created in society and thus cannot exist alone (Elkington,1997), we ,therefore, refer to the SBM canvas as an adapted version of a BMC that integrates sustainability aspects (N. M. P. Bocken et al., 2016; Joyce & Paquin, 2016; Lüdeke-Freund et al., 2016; Upward & Jones, 2016). The SBM canvas is easily adaptable to BMC; therefore, they are alike and often found easier to apply in business research innovation, hence its popularity.

Table 3. 1 Sustainable Business model canvas (SBMC)

Value Creation		Value proposition			Value delivery	
Key stakeholder	Key activities	<u>People</u>	<u>Planet</u>	<u>Profit</u>	Customer relationship	Customer segments:
Suppliers	Processes	Positive impact for society	Positive impact on the environment	Superior value given to customers compared	Channels-link	Target Group for offering
Distributors	Tech etc	common interest				
Banks etc						

	Key resources & capabilities			to competitors	customers & how products reach them
		Cost structure for entire stakeholder	Revenue for stakeholder		
		Value capture			

Source: Own construct, adapted from (N. Bocken et al., 2019) based on Osterwalder & Pigneur (2010)

The SBMC upgrades from the BMC by adding the value proposition that focuses on 3Ps- (people, planet, profit), sustainability (Elkington, 1997; Stubbs & Cocklin, 2008b) and a combination of key business components into; value proposition, value creation and delivery and value capture (N. M. P. Bocken et al., 2014, p. 44, 2016; Schaltegger et al., 2016a, p. 267). The value proposition is the product offering for the market (what and for whom?), Value creation and delivery are the activities and resources needed to push the proposed product on the market (how is the value provided?), and lastly, the value capture is the entire system, it captures costs, revenues, and distributes profits (how is money made?) (N. M. P. Bocken et al., 2016; Johnson et al., 2017, p. 231). Table 3. 1 thus illustrates a SBMC that includes the building blocks of these components. The value proposition with the 3Ps, are people, planet, and profit; Value creation: key stakeholders, Key resources, and capabilities as well as key activities; Value delivery has customer relationships, customer segments, and the channels and lastly, the value capture which has cost structure and revenue stream for stakeholders. Unlike the traditional BMC that considers profit first (Joyce & Paquin, 2016; Upward & Jones, 2016), SBMC considers profit also, but does not exist just for that. A broad focus is on value creation and capture at the bottom line to be spread reasonably to all stakeholders (N. Bocken et al., 2019; N. M. P. Bocken et al., 2016; Lüdeke-Freund et al., 2016; Stubbs & Cocklin, 2008b) . Even though maximisation is not the mantra here, it does not limit the growth perspective, but instead gears it when value is created for all.

Designing an SBM is not rigid; it depends on the context and resources that are possessed. Some authors make it even easier by separating the components (Joyce & Paquin, 2016). The environment, economic, and society can be worked on a separate canvas. First, the key is to analyse the value mechanisms and their components and the structural and cultural capabilities, partnership

networks, and collaborations. The internal resources possessed and the networks (Freudenreich et al., 2020a; Norris et al., 2021; Pedersen et al., 2021) are seen as necessary for sustainable development goals achievement. A foundation study conceptualised characteristics of all these networks creating their own model ASBM (Gallo et al., 2018b) based on the particular study context.

3.3 Associative Business Models

The term Associative can include all forms of collaboration starting from small teams to cooperation with people (Montgomery et al., 2012). It is believed that SBMs designed collectively may be a solution to pressing sustainability challenges, and the literature presents case studies, for example, (Casadesus-Masanell & Ricart, 2010). Casadesus-Masanell & Ricart (2010) mention the co-operative that has improved lives of own workers, A chocolate company which partnered with fairtrade to offer high-quality beans, broke the chain on man domination in cocoa to empower women in Africa, A producer's cooperative that generate wind power and target a part income to energy efficiency investment in Wales (Cato et al., 2008). These among others show a variety of associative behaviours implemented in BMs. While many scholars agreed that associative SBMs could help in many of the sustainability challenges and barriers, help businesses fulfil their sustainability, and increase chances for survival in the globalised economy where market control is for large firms, it is not until recently that studies took a step to study the need for collectivity and partnerships for ventures to succeed in creating social wealth and solving sustainability problems (Montgomery et al., 2012). However, the SBM literature lacked a theory to understand a linkage on how collective entrepreneurship and business collaborations related to BM innovation. Therefore, a theory was developed from Gallo et al. (2018) to understand how collective behaviours impact and explain the strategies and BMs sustainable ventures adopt, and how they address sustainability challenges.

3.3.1 Associative Sustainable Business Model (ASBM)

Gallo et al. (2018) suggest ASBM as an innovative BM where value creation in the TBL is based on associative behaviour and partnership. (Gallo et al., 2018a)

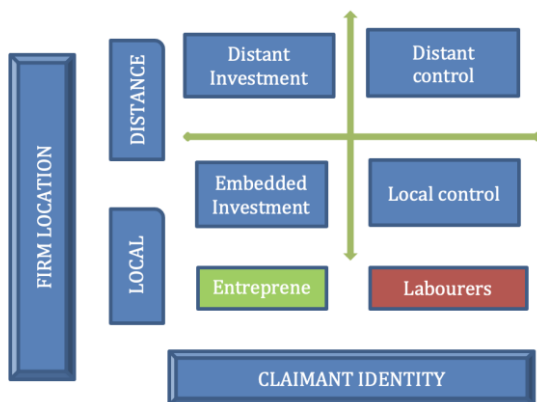
It includes several types of BMs ranging from informal resource sharing with suppliers to firm ownership shared across a variety of stakeholders and different association forms such as strategic alliance, partnerships, cooperatives, or joint venture (p.906)

This study laid a foundation for SBM with associative traits based on two constructs and four categories as well as linking the ASBM to broad literature. Propositions were generated, which were key to enhance thorough understanding.

3.3.2 Components

Firm location on (Y-axis) and Claimant on x-axis, which further led to identification of four categories Gallo et al. (2018, p.912); Distant Investment, Distant Control, Embedded Investment, and Local Control. Firms located at a distance from factors of production (FOP) were categorised as either Distant Investment or Distant Control depending on the nature of the investment. Those depending on entrepreneur investment and at a distance from FOP were termed as Distant Investment, while those relying on majority equity ownership by labourers were Distant Control. Additionally, Firms located in proximity to FOP were categorised as either Embedded Investment or Local Control, depending on the type of investment relied on. Those relying on entrepreneur investment are EI, while those on majority equity ownership by labourers are Local Control.

Figure 3. 3 Associative sustainability Business model - ASBM Matrix



Source: Own construct based on Gallo et al. (2018) p.913

Gallo et al (2018), further explored the linkage of their findings with previously established SBM frameworks (N. Bocken et al., 2013; Schaltegger et al., 2012a). The findings supported Schaltegger's assumptions- based on corporations. Predicting Gallo et al. (2018) "as firms move from defensive to accommodative and finally to proactive sustainability strategies, they engage more core drivers of business cases for sustainability" (p. 914). Naturally, companies or organisations that accommodate threats or challenges are solid, and they have strategies in place to react, as the framework of Schaltegger et al. (2012) put it through the BC4S.

3.3.3 Application

The study combined the theory of these results with the empirically grounded matrix of ASBM ,Figure 3. 3, to make three propositions (Gallo et al., 2018b, p. 914)

- Firms with ASBM that locate value creation near the production sources will contribute more to bc4s than those located at a distance.
- Those with ASBM that create equity ownership for laborers will contribute more to bc4s than those that do not
- Those firms with ASBM that include both 1 and 2 above will contribute more to bc4s than firms that implemented only one or the other.

3.3.4 Critique

Even though this study can be challenged for not being statistically tested, their findings are logically based on strategic characteristics. It is also possible to test them with other models that leverage sustainability and recognise various stakeholders (Freudenreich et al., 2020a; Norris et al., 2021).

3.4 Theoretical Review

3.4.1 Collaboration and partnerships in sustainable business models

Recent studies believe in collaboration and partnerships as instruments to face sustainability challenges (Gallo et al., 2018b; Hernández-Chea et al., 2020; Pedersen et al., 2021). The relation coffee model (RCM)- as an agricultural model, facilitated sustainable practices to SHFs and quality in supplies. At the same time, the collaborations and partnerships need a special design which is still missing due to the complexity of multistakeholder relationships (Freudenreich et al., 2020a; Norris et al., 2021). However, not all collaboration and partnerships are equally effective to sustainability challenges (Valbuena-Hernandez & Ortiz-de-Mandojana, 2022). Growing research recognises this category as ASBM (Gallo et al., 2018b) to categorise all collaborative BMs with collaborative traits. However, it is worth knowing that there are specific definitions based on the aim of partnership and collaboration which we do not go in depth here.

More studies are looking at collaborations; for example (Pedersen et al., 2021) recognise it as a transformation vehicle to sustainability with a broader and critical stakeholder approach (Freudenreich et al., 2020a; Norris et al., 2021). Through collaborative cross-sector BMs, such as mixing with the market, state, and all those on the ground, this can be a start for a fruitful pollination. However, there is still no straight answer on how these partnerships function to deliver value. It is not a straightforward answer given the many challenges. Both Norris et al. (2021) and Valbuena-Hernandez & Ortiz-de-Mandojana (2022) suggest looking at resources within, not only the stakeholder relationships (Freudenreich et al., 2020a) These relationships alone cannot function without mapping the resources enabling the collaborations and partnerships to be effective.

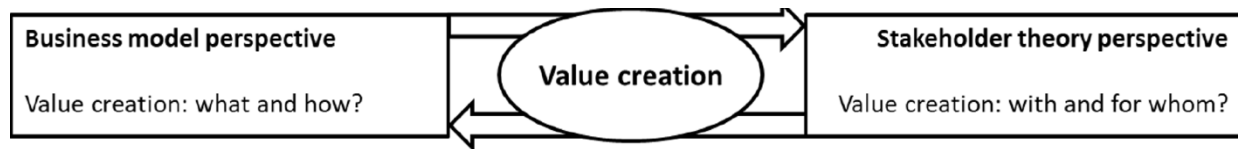
The value creation in collaborations is not straightforward, even with a multiple stakeholder approach (Freudenreich et al., 2020a). A critical perspective is needed to be aware of what Pedersen et al. (2021) refers to “the weak interpretation and the strong interpretation” (p. 1044). The weak is where there are limited levels of community interaction and thus fewer decisions on own sustainability issues, while the strong overrides and has frequent interactions and considerations instead of one fit for all. It is necessary to have a strong interpretation of sustainability partnerships

whereby we must consider local constructs to precede. This fits well with the expanded value creation perspective (Freudenreich et al., 2020a). Firstly, expansion is required regarding the types of value created with and for various stakeholders. Secondly, the outcome shows the different types of value exchanges between stakeholders and focal business (Freudenreich et al., 2020a, p. 2).

A change in perception of stakeholders in the value creation process from a uni-directional flow between the focal business and its customers to a mutual relationship that recognises both as recipients and co-value creators (Freudenreich et al., 2020a, p. 9) can indeed be instrumental in the partnerships as illustrated in the figure below.

This simple framework is a reminder that value in collaborations should be from both sides in a transparent mapping.

Figure 3. 4 Business model and stakeholder theory perspective on value mapping



Source: Accessed (Pedersen et al., 2021, p. 4)

However, the stakeholder theory perspective has been challenged to being corporate fixed (Norris et al., 2021), focusing on a direct relationship with focal business and their stakeholder (Freudenreich et al., 2020a, p. 15) is seen as narrow where relationships are at distances. In cases where sustainability problems often originate from indirect supply chain relationships (Norris et al., 2021, pp. 3965–3969), an added perception of understanding extended relationships beyond two sides is suggested. This perspective is true, especially in geographically dispersed BM where stakeholders are multitude. In analysing the SBM concept, two theories employed were stakeholder theory and resource-based view, which resulted in an integrative framework that consolidates organisation-centric SBM and inter-organisational from a relational view.

3.4.2 Stakeholder theory

This is a theory on which sustainability is grounded, yet we must be critical of it.

However, we have observed literature critics of blindly following the stakeholder theory, especially in collaborations and partnerships. The latest literature indicates that partnerships and collaborations fail to be effective if resources are not mapped; hence a resource-based view is suggested to complement stakeholder theory (Applegate et al., 2022; Freeman, 2010; Norris et al., 2021; Valbuena-Hernandez & Ortiz-de-Mandojana, 2022)

3.4.3 Sustainable models for Niche market and Business case for sustainability

To analyse directions towards more sustainable, Schaltegger et al. (2012;2016) links business model perspective to examine business model innovations adapted by companies contributing to sustainability transformation. They were from the niche segment and the mainstream – they coined as “niche pioneer and convention mass market” (p. 267). They found Sustainable Niche markets business models faced challenges while scaling up sustainability transformation into mass market as summarised (Schaltegger et al., 2016a, p. 278). Their value proposition offers differentiated products and sustainability is a core element, their value creation and delivery have clear target groups and specialised distribution channels, and the value capture has high margins and buffer inflated costs due to small volumes. The challenges for sustainable transformation with value proposition can be that the consumption reduces especially where quality leads to longevity, for value delivery they must be observant while scaling as it can affect sustainability and ensuring profits while reducing prices and costs.

The article proposes a need to understand how sustainable entrepreneurs and their business models can trigger market transformation instead of focusing on size. Size may not matter; niche markets despite of their small market share can exert substantial influence on mass markets when it comes to sustainability transformation for example through mechanisms such as “BM replication or mimicry”(Schaltegger et al., 2016a, p. 266). They suggest attention to be on of a BM element instead as a way of gaining a better understanding on the possibilities and limitations of sustainability transformation of markets. The Business case for sustainability has earlier been studied by Schaltegger et al. (2012) simply to describe businesses that economically flourish as the engage in sustainability. There was an interrelation between the four generic BM pillars (Osterwalder & Pigneur, 2010) and business case drivers based on the chosen sustainability strategy. The drivers of a business case are variables that affect economic success and are related

to traditional BM success such as costs, profit and margin, reputation brand among others, while the three strategies back these are defensive, accommodative, and proactive (Schaltegger et al., 2012a, pp. 12–14).

3.4.4 The Social layer of TLBMC

The Social canvas layer as explained by Joyce & Paquin (2016, p. 1477) extends the original BMC through filtering an organisations' BM and impacts via a stakeholder approach. Stakeholders can vary due to scope of organisations' operations. The critical issue in this canvas is for an organisation to seek a way of balancing the interests of all their stakeholders instead of only focusing on own economic gains. Measuring an organisations' social impact is a challenge to most organisations, but as Joyce & Paquin (2016) mention different approaches are being innovated such as the ISO-2600 standards, as well as social life cycle assessment (SLCA) (Jørgensen et al., 2007) . All these have the stakeholder in the centre as they measure organisations social impact. According to Joyce & Paquin (2016) a list of stakeholders includes among others “employees, shareholders, community, customers, suppliers, governments, interest groups, to others suggested to include groups like, the poor, media and even non-human actors like natural ecosystems” (p.1477).

However, an organisation stakeholder may vary due to context and characteristic of their operation (Bager & Lambin, 2020a; Hernandez et al., 2018) this layer is wide but also gives flexibility to use. Therefore, in line with BM extension the social layer has nine components we illustrate in Figure 3.5 and are further explained as follows.

- Social value: Those values that reflect to the aspect of organisations' mission that has a focus of creating value to their stakeholders.

- Employee: This component opens to consider employees as a core stakeholder in organisation.

- Governance: The governance shows which stakeholder an organisation is likely to identify and engage with and how they must navigate.

- Community: These are social relationships built between supplies and their communities where the resources they depend upon are, and this vary from organisation.

- Society culture: Organisations potential impact on society.
- Scale of outreach: Following the length of existence an organisation, it creates a trait in form of relationships that create value to their stakeholders over time.
- End user: This is a space concerned with how an organisation address the needs of their customers.
- Social impacts: This addresses the social costs of activities an organisation engages in.
- Social benefits: Positive effects resulting from an organisation' activities.

Joyce & Paquin (2016) present TLBMC which is associated with brainstorming, enabling creativity more broadly, from within the organisation to getting out and adapting “the inside out approach” (p. 1475). The nature of our thesis incorporates a broad perspective of the upstream and downstream such that we adopt the use of TLBMC, because of its flexibility. As discussed above, one can separate the canvases depending on materiality.

Figure 3. 5 Social stakeholder business model canvas



Source: accessed (Joyce & Paquin, 2016, p. 1483)

However, TLBMC is simply a tool which may limit its exploration and assessment capability towards potential innovation; that is why we look at it in the context discussed above. A convincing argument for using TLBMC is according to Joyce & Paquin (2016) “Provides an intuitive

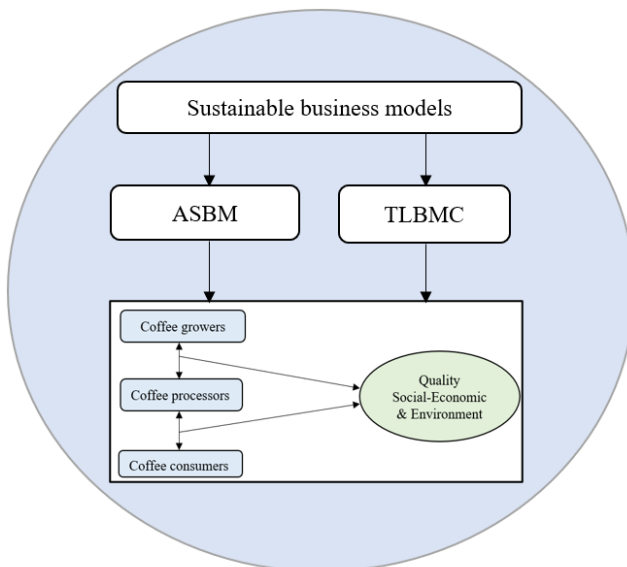
visualisation of the organisation and value creation which may be used to provoke conversations around changes in an organisation” (p.1484).

The complexity of various stakeholders is a core in our thesis due to the span of up and down streams. Testing the work of Gallo et al. (2018) with frameworks in this direction aids a reliable study that can give useful knowledge both academically, practically and to actors interested in our thesis. Furthermore, testing the Joyce & Paquin (2016) framework can be interesting; it is a famous framework used, as well it suits our thesis because we focus on relationships, hence social stakeholder BMC has been used for coffee settings.

3.5 Conceptual Framework

The role of conceptual framework is discussed by (Ravitch & Riggan, 2016) as necessary in extending augments and contextualising findings. In summary the literature review and theoretic concepts discussed above shows a network links between theoretic approaches of understanding SBMs, types of relationships and their impact on sustainability which are embedded in a ring of stakeholder a foundation of sustainability development. In the figure below we create a conceptual framework based on the discussions and the conceptual understanding building on the original in chapter one to show how this study was designed and its findings analysed with the study objective.

Figure 3. 6 Conceptual framework



CHAPTER FOUR: METHODOLOGY

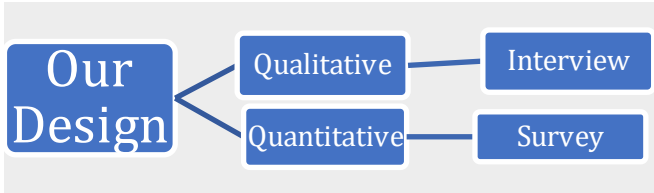
When drafting a thesis, it is crucial to clarify the method followed to answer the problem at hand. This helps the reader understand how results were derived at, and whether they are credible. The aim of this chapter is to explain the methodology employed to attain our study results. First, we present the research design which explains the conceptual plan behind doing the study. We follow with the research instruments and how we applied them before the process of data collection. Finally, the reliability and validity are presented as well as ethical aspects and limitation.

4.1 Research design

Research design is important as it describes the plan on how data was collected, measured, and analysed to answer the research question. It describes the level of inference the researcher has with investigated phenomena, the unit of analysis, the study setting and time horizon (Clark et al., 2021). These choices must be made with significant consideration as the quality of research depends on appropriate design to correctly answer research question (Creswell & Creswell, 2018; Sekaran & Bougie, 2019). When starting our work on SBMs, we became aware of an article published by Gallo et al. (2018). They developed a matrix and prepositions to theorise ASBM. The findings were based on secondary information from four companies in an agricultural value chain and their focus on sustainability through associations. Therefore, we wanted to replicate the study by including the marginal voices of the farmers at the upstream and the companies at the downstream. The study thus used an exploratory approach that led us to choosing a mixed design. The study design was a mixed methods as illustrated in

Figure 4. 1, and therefore gathered both qualitative and quantitative data using a range of tools - questionnaires, Focus Group Discussions (FGDs), key informant interviews (KIIs) and transect walks (TWs) for first-hand (primary) data. We used results from the survey and FGDs to direct us with further questions with other actors.

Figure 4. 1 Research design

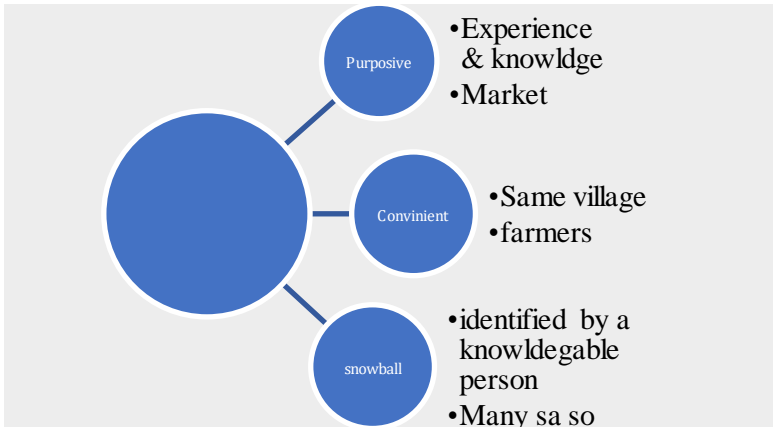


Source: Own construct

4.2 Sampling strategy

We identified our participants both in Uganda and Norway based on knowledge, experience, and residence. Our sampling strategy was thus a combination of purposive, convenient (Clark et al., 2021, p. 378) and snowball as illustrated below. We further explain the process in Uganda and Norway.

Figure 4. 2 Sampling strategy in summary



Source: Own construct

4.2.1 Sampling and recruitment in Uganda

In Uganda, we selected the areas known for high-quality Arabic beans due to their location see map in Figure 2. 4, illustrating the slopes of Mt. Elgon, a popular Arabic growing area. Based on background of one of us with roots from Uganda, we liaised with a gatekeeper to help us identify

participants in these preferred areas after receiving research permission (NSD, n.d.). The starting point was the village chief who later introduced the gatekeeper to farming communities. We initially had planned the sample in Table 4. 1, but upon reaching the cite some adjustments were made so the actual sample was, Table, much broader.

Table 4. 1 Planned Sample categories

Type	Description
Cooperatives	Non-profit, farmers join upon membership fee, to access training, markets, and other opportunities (Borrella, Mataix, & Carrasco-Gallego, 2015; Petrich, 2018; Rosenberg et al., 2018). One president to be interviewed
Estates	Wet processing, dry processing and cherry picking can be done here, or they can own the whole chain (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 29). We interview the founders
Small holder farmers (SHF)	Own less than 10 hectares, include independent and owned (Bongers et al., 2015; Gyllensten, 2017; Lambot et al., 2017) (Milford, 2004).

Source: Own construct

Before the actual data collection, the gatekeeper contacted the District Community Development Officer and the Crop production Officer from area illustrated in Table 5. 1 to help identify villages with a higher concentration of (Arabic) Specialty coffee farmers. They assigned a resourceful team to our gatekeeper, including a local language translator, to identify suitable participants for our study. The turn up was recorded (n = 165) out of 233, see Table 5. 2, took part, as well as focal groups and key informers basically from these areas as illustrated in Table 5. 1.

Since the study leaned more towards getting coffee farmers’ voices, views, and experiences (qualitative), research participants in the survey were recruited purposively from Arabic growing areas (‘Bugisu Sub-Region’, 2020), which further divided into clusters in the form of villages and parishes, Table 5. 1 (Clark et al., 2021). Other samples were through friends, websites, blogs, and tips from an Importer of specialty coffee in Norway, who mentioned some names during our preliminary discussions. We were also referred to a company that did not only deal in specialty coffee, but also had a certificate from the SCA, see PD in Table 4. 3. They carried out quality checking

before they exported the coffee- we saw them as important participants. Following the TW and FGDs discussions by our gatekeeper another important actor, quality controller, in one of the biggest multinational export companies (PE in Table 4. 3) was identified and interviewed. This process was on time management, and project phases budget driven and cumbersome to reach the small villages. However, we wanted to understand an Arabic farmer from whom a tasty cup of coffee originates. The gatekeeper was in the field for eight days Table 4. 4. We liaised with locals in various areas who appointed us nine enumerators (Three per district) to support and augment the primary data collection process. There are different dialects in these areas, we needed translators from English to Lumasaba (the local language of the study population). We were connected in this process all the time and we had to arrange meetings each day the gatekeeper was in field to take summaries.

4.2.2 Sampling and recruitment in Norway

In Norway, the key players in the quality-driven specialty market are importers and roasters. Our sample included Norway’s most knowledgeable specialty coffee actors.

Table 4. 2 Planned sample Category Norway

Type		Description
Roasters		Direct trade roasters that reach farmers (3) (Boaventura et al., 2018; Morjaria & Sprott, 2018a), and those accessing from specialty importers (1)
International (importer)	Trader	One key sourcing company in Europe, sells globally to specialty segment, and reaches Uganda where they have direct relationships (Gerard et al., 2019; Holland et al., 2016; Quiñones-Ruiz, 2020)

Source: Own construct

Finding Participants in Norway

Through proff forvalt (*Bedrifter / Proff® Forvalt*, 2022), we first made our spreadsheets based on the NACE code for coffee companies. We saw that specialty coffee did not have its own NACE; all was combined. Thus we contacted the Norwegian coffee information centre (Norsk

Kaffeinformasjon, 2022), which sent us a spreadsheet linking to specialty coffee actors in Norway. These spreadsheets acted as basis for coding and in depth reading of companies within specialty niche to whom we sent a request for participation. Where, due to ethical reasons we also specified that one of us was involved in the coffee business Table 4. 5.

The researcher as a participant

For scientific reasons in research, researchers should be open about their position where they feel can affect their research. According to (Yin, 2018) a researcher's position can also be a viable data source as long as reflexivity is considered (Berger, 2015; Delvetool, 2020). One of us is a specialty coffee entrepreneur originating from Uganda. This gave addition knowledge in the study.

Summary of Actual Participants

Overall, our study consisted of 192 participants- see Table 4. 3, of which upstream was overrepresented. Literature recognises sustainability challenges being heavy on a farmer, and on our case coming up with such representative sample makes us get at a core of the farmers’ construct. In Norway the participants had a good experience in their fields as well equipped with knowledge as findings in chapter six indicate, see page 84. For purposes of anonymity, Table 4. 5, we created fictive names for the participants. For ethical reason (Table 4. 5) we use fictive names while referring to participants. Producers upstream are PA, PB, PC, PD and PE, while companies at downstream are in form of CA, CB, CC and CD applicable in the rest of presentation.

Table 4. 3 Summary of all Actual Participants Recruited in the study

Country	Sample category	No	Gender	Role	Age	Education	Informant
Uganda Respondents	Producer ID:						
	PA: Farmers	165 19		SHFs			PA & PA01

	PB: Estate 1	1	Male	Founder	44	Msc educ	PB1
	PC: Estate 2	1	Male	Founder	43	Civil Eng.	PC1
	PD: Trader	1	Male	Quality manager	35	Civil Eng.	PD1
	PE: Exporter	1	Male	Quality controlle r	36	MBA	PE1
Norway Respondent s	Company ID:						
	CA: Roaster1	1	Male	Founder	43	Highschool	CA1
	CB: Roaster 2	1	Male	Founder	-	MasterChe f degree	CB1
	CC: Roaster 3	1	Male	Founder	36	MScLaw	CB3
	CD: Importer	1	Male	Founder		Bachelor	CD1

Source: Field findings

4.3 Data collection Procedures

Data collection is how data-facts are presented to a researcher from the study environment (P. N. Ghauri et al., 2020). For a study embedded in an interpretative and constructivist paradigm, it was important for us to understand people's realities in the form of narratives and how they construct them (Clark et al., 2021). We collected our data through secondary and primary sources (Eisenhardt, 1989; Yin, 2018). Firstly, we accessed a lot of data (websites, white papers, national archives, journals) to know about the specialty coffee industry in general for both the downstream and upstream before we arranged for an informal discussion with a key importer in Norway.

4.3.1 Data collection Uganda

In Uganda, besides websites, governmental and non-governmental white papers, we went through other processes together with our gatekeeper; Focus Group Discussions (FGDs) (Clark et al., 2021, p. 453; P. Ghauri et al., 2020, p. 124), key informant interviews (KIIs) and transect walks (TWs)⁶ for first-hand (primary) data. Three (3) FGDs, with four participants (4) in each summing to twelve (12), and KIIs included seven (7) in which consisted of farmers and processors. This is in addition to the survey from a sample size of two hundred eighty-three (283), of which one hundred sixty-five (165) were surveyed. The FGDS and TWS were done in presence of a translator. The questions used in the survey were Likert types- see page 136, and the process of survey was carried out by use of iPads as we explain below. We also had a system for interview schedules that followed time slots as illustrated in table below, and a summary where main tools were semi -structured interviews and the survey.

Table 4. 4 Multiple Data collection methods and schedule

Producers and companies	Data method	Details	Date and time
Uganda			
PA: Farmers	Scheduled-structured survey	Administered – tabs and FGDs	From 12 th to 20 th April
PB: Estate 1	Semi-structured interview	Phone	25.04.22 kl. 18.00-19.00
PC: Estate 2	Semi-structured interview	Email & video	14.04.22, kl. 11.00-13.00
PD: Trader	Semi-structured interview	Video	13.04.22, kl. 12.00-12.57
PE: Exporter	Semi-structured interview	Email & video	23.04.22, kl. 18.00-18.53
Norway			

⁶ Transect walks are tools used to find primary data in settings of participants (*Tool Name: Transect Walk, n.d.*)

CA: Roaster 1	Semi-structured interview	Video	29.04.22, kl 07.30-08.25
CB: Roaster 2	Semi-structured interview	Face-to-face	02.05.22, kl 12.00-13.15
CC: Roaster 3	Semi-structured interview	Phone	10.04.22, kl 13.00-13.56
CD: Importer	Semi-structured interview	Video	19.05.22, kl. 10.00-11.11

Source: Own construct – field findings

Social Survey and questionnaire

We prepared scheduled survey questionnaires and shared them with our research assistant in Uganda, who later alternated them electronically using Open Data Kit (ODK), based on an open-source platform called Kobo Toolbox. It was not self-administered (Sekaran & Bougie, 2019) due to language barriers. The research assistant got help with some enumerators assigned to him, but they first had to undergo days of training to use the iPads. He reached each farmer; first was to have a chat with the farmers, some at their coffee farms or home see pictures in figure below (faces covered for privacy). We considered ethical practices illustrated in Table 4. 5 along the way. We instructed the gatekeeper to read the consent letter to each farmer before start. An illustration of the process can be seen below.

Figure 4. 3 Conducting administered social survey in Bugisu region



Source: Field study

We used the same design of questions as for the self-administered questionnaires (Hart, 2006) The only difference was administration. Through inspiration from a famously quoted qualitative survey “NASA tax load index”(Hart, 2006), we used Likert scale type questions such as Agree, strongly agree, disagree and counting, grading, and contrast questions- see page 136. These pictures on page also illustrate settings where the gatekeeper found respondents during social survey. Some were at the farm, at work, on their way to their gardens, others at home.

Figure 4. 4 Farmer interviewed while at the coffee milling machine



Source: Field study

Figure 4. 5 Transect pictures from data collection sites in Bugisu



Source: Field study

Interview

Interviews are considered the most used qualitative data collection tool, which can be in different forms, although they are commonly associated with a physical presence (Clark et al., 2021; P. N. Ghauri et al., 2020). Our interviews were by mail, video, phone and face-to-face. We prepared an interview guide and tested it before interviewing key informants (Clark et al., 2021, pp. 428–429). We needed some prior information on our participants values and expectations, so we sent an email beforehand (P. N. Ghauri et al., 2020, p. 115). In addition, we accessed open sources such as websites, to gather data that directed our questioning process. We wanted to maximise our time usage by not asking for information already available online. We coded this information- giving us a theoretical sample.

We started by sharing interview guides with knowledgeable persons within the coffee industry, and our gatekeeper in Uganda, before presenting them to our professor. Following critics on length, language, and translation issues we adjusted the tools following Clark et al. (2021, p. 429) suggestion. The gatekeeper was concerned about technical words, for example, saying “... *There are also some technical questions that might not be answered by farmers, e.g., 5 defects in 350 grams. Even translating into vernacular can be a problem*”. After the completion, our gatekeeper travelled from Kampala, the capital city of Uganda, to Bugisu region (Figure 2. 4) from 12th April - 20th in these specified areas (Table 4. 4) where samples were selected for interviews. After a preparation series, we conducted video, phone, and email interviews in line with Table 4. 4. We were set to start, meanwhile, we sent a semi-structured interview to one of the participants in Uganda, then received it filled. We followed it up and arranged a video interview for in-depth discussions.

Video call and telephone interview

We contacted some participants through video calls which lasted for a maximum of 1hr. 15. Usually, these interviews started informally, which helped break the ice (Clark et al., 2021). Before starting we asked for permission to record- see page 45. Sometimes we did not follow the structure of the guide, although we had them in front of us. We were mostly attentive and less writing. However, immediately after the interviews, we took a quick summary and then compared before

final transcribing ensuring we were at par. It turned out to be very expensive using telephones to Uganda, thus limiting us to structured introduction and formalising.

4.3.2 Data collection Norway

Apart from the survey the approach was similar. We carried out the same procedure of sending emails, reading, and pre-testing before we started the interviews. Virtual interviews were done in line with UIA's video interview codes. After introducing ourselves, we asked again for consent and recording before starting. Although we had permission to record the session, we engaged in active listening (Clark et al., 2021). We were active listeners probing along the way.

Interview conduct downstream- Norway

In Norway, we conducted video, face-to-face (F2F), and telephone interviews, lasting between 45-75 minutes, depending on the participants' convenience. To some, it suited as early as 7:30 (CA), while others preferred F2F interactions (CB) and telephone (CC). Prior to the interviews, we undertook cross-checking and other necessary preparations (Clark et al., 2021). Conversations went on both in Norwegian and English. While keeping in mind the ten tips and skills (Kvale, 1996), we listened attentively, focused, and produced questions in a normal sequence. Sometimes we did not follow the question order; other essential themes emerged through probing. For example, this enabled us to generate more information on sustainability practices upstream.

Post interview

Ghauri and others (Clark et al., 2021, p. 123; P. N. Ghauri et al., 2020) advise writing down the important points discussed and noticing practical details immediately after an interview. We did not start to transcribe right away. However, we talked and reflected on the meetings at once. We used our matrix planned before as a canvas to guide us. We also made a quick summary. We sent a follow-up message thanking respondents. Our first interview was with a respondent closely related to one of the researchers, from whom we requested feedback. Another post-interview activity was for us to scan our interview guides at the server, then we tried to write them clean. We used these besides as we were listening to recordings while transcribing. Based on our log, transcribing a 1-hour interview took us 7 hours. The transcription of interviews with informants in Norway was in Norwegian and translated into English by us.

4.4 Data Management Procedure

After all the necessary data is collected, the task is to organize this information to facilitate the case drafting (Clark et al., 2021; Sekaran & Bougie, 2019). We immediately uploaded all the recorded interviews, videos, pictures, and other data in folders on the UIA cloud, which our supervisor could also access if needed. We followed UIA steps to protect the data against unauthorized access through the *code of practice for processing personal data in research and student dissertation*⁷. We transcribed each interview; a spreadsheet was used, and we used fictive names for anonymity of the information given, see Table 4.3. Some interviews were done in the local language from Uganda, translating verbatim took place, and the same applied to Norway.

4.5 Data analysis

Whereas analysis is linear in the quantitative approach, where statistics are used, in the qualitative the process is back and forth as indicated (Marshall & Rossman, 2014, p. 112). Qualitative data analysis is a process of bringing order, structure, and meaning to the mass of collected data. Major interviews were transcribed verbatim post-hoc from audio recordings. The interview transcripts were analysed using Thematic analysis (Clark et al., 2021, pp. 538–539). We used this as a framework to code contents and defined common patterns. As the figure in appendix illustrates (page 145), we were transcribing in portions while looking for matching codes.

Our data analysis process started informally in discussions following interviews and receipt of field facts from Uganda. The formal analysis process proceeded according to a summary aided approach to analysis, including field data, interviews, writeups, coding, and conclusion drawing/reporting (Miles et al., 2020; Miles & Huberman, 1994), and giving the direction and structure such as pattern matching, explanation building and cross synthesis (Yin, 2018). For categorization, we initially followed (Gallo et al., 2018b) and our broader literature in the section (page 145), and, we sent an email to Gallo et al. (2018) asking for their code schemes. Then we explored linkages on well-established frameworks in the literature of SBM – TLBMC (Joyce & Paquin, 2016).

⁷ <https://www.uia.no/en/research/about-the-research/code-of-practice-for-processing-personal-data-in-research-and-students-dissertations/guidelines-for-the-use-of-video-when-conducting-interviews-in-student-assignments>

We deductively made a list of codes under generic business categories illustrated in the figure (Thematic analysis) on page 145. We did this process individually and then later compared it before deciding on the applicable, final codes. Based on these codes, we then looked back and forth in our transcribed data, and sometimes where necessary, we had to re-listen to audios. This process yielded results that we put in our spreadsheet. Sometimes we realized respondents mentioned issues we had not seen deductively. Therefore, out of observation, we have a column called inductive, under which we write emerging issues. For example, under quality, we only understood specialty coffee in lenses of (Fischer, 2017) as “Arabic beans with scores 80>”, while during interviews, some coffee actors, such as PD1 put it differently when he said...” *by the way...just you know Robusta is also specialty coffee...scores 80++*”. Therefore, in this case, we saw Robusta as an inductive code explaining specialty coffee by PD. We started paying attention to an emergency of behaviour based on two subcategories ASBM through this systematic way of looking at our data. For the survey data from Uganda, analysis was done through SPSS.

4.6 Research quality

In the following section, we reflect on our data quality and how we dealt with different methodological challenges. Although much data was collected at a distance, measures were in place to ensure data quality.

4.6.1 Reliability

The tools used were tested on-site, and even helpers received training. Although some interviews were done in the local language with a translator who could question any data noise, we arranged for someone else to check the translations, and most of them had minimal errors. The data is fetched from the Uganda Arabic area, and we assume farmers gave their honest responses, although cautions can be taken since sometimes, they wanted money to give answers. We have a representative sample, although care must be taken while generalising it. Uganda has 12 million farmers (NTV, 2022), and we only reached the smallest percentage, although it is the voice of specialty. We also include a case outside specialty coffee for comparison purposes.

4.6.2 Validity

Validity is about how well data is collected and interpreted so that the conclusions accurately represent a phenomenon. Our study used a combination of methods (Clark et al., 2021, p. 556; P. Ghauri et al., 2020, p. 86), - Triangulation because we needed to cross-check our findings and make our study valid. Through social surveys designed with Likert questions, we reached 165 farmers. We later used some of these findings to direct us to further questions we took up in semi-structured interviews with key partners. For example, our choice of conducting interview with the quality manager of a major exporting company was based on this. The primary data was backed up by secondary data in cases where it was accessible. Then we compared the results obtained through the two different methods.

4.6.3 Triangulation

Using multiple data sources is believed to enhance reliability results making the paper solid (Sekaran & Bougie, 2019). In addition to being a mixed study, we engaged with knowledgeable actors in the specialty coffee in prior discussions which aided designing relevant questions. We also teamed up with a knowledgeable gatekeeper attached to Makerere University in Uganda in our data collection process as we described before. Also, one of us is from Uganda and an actor in the market. Even though this must be in a reflexive manner (Berger, 2015; Delvetool, 2020), knowing the context enabled us easily to access the upstream and downstream. Hence a combination of all these and verbatim interview transcription contributed to making our data rich. Lastly, we have attached the tools used and any necessary information as the appendix for enabling replicability.

4.7 Permission

We followed UIA through the code of practice ⁴. An important clause in this code is to know whether one will collect and process personal data in their dissertation. If so, one takes responsibility for notifying The Norwegian centre for Research Data NSD⁸. Upon being cleared by (NSD) (Notification form nr. 921163) on 6th March 2022, we were set to start data collection.

⁸ <https://www.nsd.no/en/data-protection-services>

It is this agency in Norway that is responsible for handling and assessment of research projects in line with personal data protection and law.

4.8 Challenges and risks

The first challenge is on the researcher being part of her own research, potentially implying a conflict of interest. However, we would change roles between us to avoid this risk. Another challenge was the expected demand from participants. The coffee farmers shared with us honestly their information, yet they expected us to change the rules. Every time we had to remind them it was academic research. Some of them were so bold to asking ‘*what’s in there for me*’, yet we had no straight answer apart from keeping honesty. However, we contributed to some meals and tea while the gatekeeper was in field. More so was the need for farmers to see their pictures posted. Unfortunately, we had to disappoint them due to ethical guidelines (Table 4. 5). The few pictures we have posted have their faces covered. We found it expensive to conduct research in Uganda, due to volatility in currency rates.

There was also a risk in our data exchange, but we were very kin, because we collected the data on an online platform server (secured), and an APP called ODK collect – all these were secure to control risks.

4.9 Ethics self-assessment

We thoroughly followed ethical issues at each stage of our study, see summary table below. All participants completed a consent (NSD) (Notification form 921163

Table 4. 5 Ethics Overview

Research stage vs ethic issues	Type of ethical issue	How we adressed
1. stage: Before research	<ul style="list-style-type: none"> ▫ Examine standards ▫ Uganda permission ▫ Local Bugisu ▫ contacted University 	<ul style="list-style-type: none"> ▫ NSD-Nr 921163 ▫ University letter to Uganda (dated 01.02) ▫ Gate keeper ▫ Local chairman

⁹ We familiarised ourselves from here (UIA, 2022)

<p>2. starting the study</p>	<ul style="list-style-type: none"> ▫ Research problem ▫ Researcher is roaster makes a dilemma (Berger, 2015; NESH, 2022) ▫ participants in South, while we are in North 	<ul style="list-style-type: none"> ▫ we sent letters explaining the research and why participate in a humble way. we also informed that one was a roaster. ▫ We performed pre-discussions to ensure eloquence ▫ culturally aware one from Uganda
<p>3. Data collection- stage</p>	<ul style="list-style-type: none"> ▫ Pictures ▫ Participants ▫ Video interview ▫ Internet 	<ul style="list-style-type: none"> ▫ Consent for pictures ▫ we cover faces in case ▫ we provided a little reward upstream ▫ we informed them how data would be used for academics although some wanted market for their coffee ▫ We told them that their names and their company names would be kept confidential ▫ Gate keeper at upstream, observed culture
<p>4. Data analysis</p>	<ul style="list-style-type: none"> ▫ Privacy & anonymity ▫ Not disclosing other participants ▫ reflexivity 	<ul style="list-style-type: none"> ▫ We assigned fictious names to participants

CHAPTER FIVE: PRESENTATION AND ANALYSIS OF UPSTREAM FINDINGS

This chapter is dedicated to giving an account of the results and empirical data we collected from upstream following participants PA, PB, PC, PD, and PE (Table 4. 3). We will review the data and present our analysis before we further discuss the research questions. In the work of analysing and discussing the questions, we use information based on structured survey and semi- qualitative questionnaires in Appendix A. In the first part, we start with general findings to give an account for data gathering process and analysis. We then present the findings relating to the research questions. Throughout the chapter, we discuss findings in line with previously mentioned theories

5.1 The general findings

Based on our initially planned sample (Table 4. 1), we ended up with a sample size at the upstream of one hundred eighty-eight (188) participants. The SHFs (165) participated in the survey besides (19) Informers in focus groups. Moreover, two estates from different popular Arabic growing regions in Uganda, an exporter, trader, and two quality managers, took part. The composition of this sample is representative of a value chain in the coffee-producing country illustrated in Figure 2. 1 (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 30).

Since we aimed for the Specialty Coffee Niche, all the farmers were entirely recruited purposively in Bugisu subregion, at the slopes of Mt Elgon, where Arabic coffee is highly concentrated (Morjaria & Sprott, 2018a; UCDA, 2019). In total, three districts, three, sub counties, six, parishes, and eleven villages were sampled and studied. Information on age and sex was important for us to know the relationships between actors, so based on Table 5. 2, a summary of the distribution of respondents in each district by age group and sex is presented. Results showed that most of the respondents were 36 years and above. In the Sironko district, there were more female respondents (30) than males (25); in Bulambuli District, most of the respondents were male (40) compared to females (15), and in Bududda, the trend was the same as Bulambuli. We believe this sample was representative enough of the population under study.

Table 5. 1 Areas surveyed

Selected District	Sub County	Parish	Village
Sironko	Bukiiti	Bumadibira	Nachanikile
			Bugibedi
		Bugambi	Namudumbula
			Bumalunda
Bulambuli	Buginyanya	Bunatajje	Voloti Gibanyi upper Maduwa Gibanyi lower
Bududa	Kuushu	Kiwa	Toobwe
		Ibaale	Nashimbwa
		Bugobelo	Buloba
03	03	06	11

Source: Field study

Table 5. 2 Respondents in each district by age group and sex (n=165)

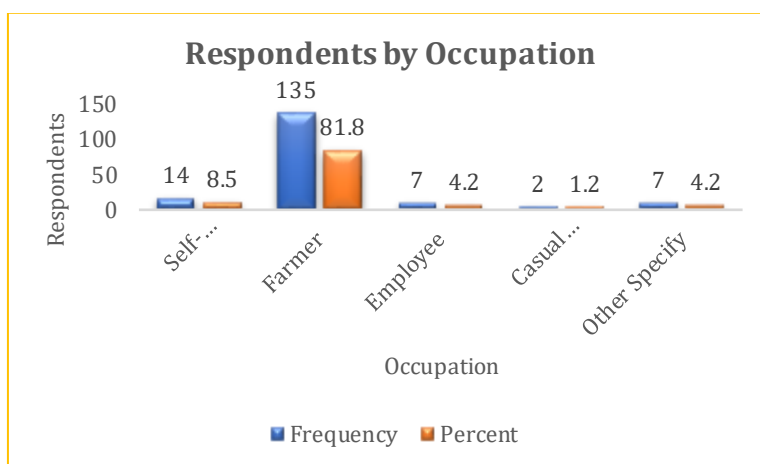
District			sex		Total
				Female	
Sironko	Age Group	19-25 yrs	2	4	6
		26-35 yrs	2	5	7
		36-45yrs	11	9	20
		Above 45 yrs	10	12	22
	Total		25	30	55
Bulambuli	Age Group	26-35 yrs	5	4	9
		36-45yrs	14	5	19
		Above 45 yrs	21	6	27
	Total		40	15	55
Bududa	Age Group	19-25 yrs	2	0	2
		26-35 yrs	6	6	12

		36-45yrs	12	2	14
		Above 45 yrs	20	7	27
	Total		40	15	55
Total	Age Group	19-25 yrs	4	4	8
		26-35 yrs	13	15	28
		36-45yrs	37	16	53
		Above 45 yrs	51	25	76
	Total		105	60	165

In addition to the farmers, the other participants, such as estates owners, Traders, Middlemen, and Quality managers, were all together representing the reality of coffee relationships at the upstream, as we shall see later in discussions, in general, our sample is representative.

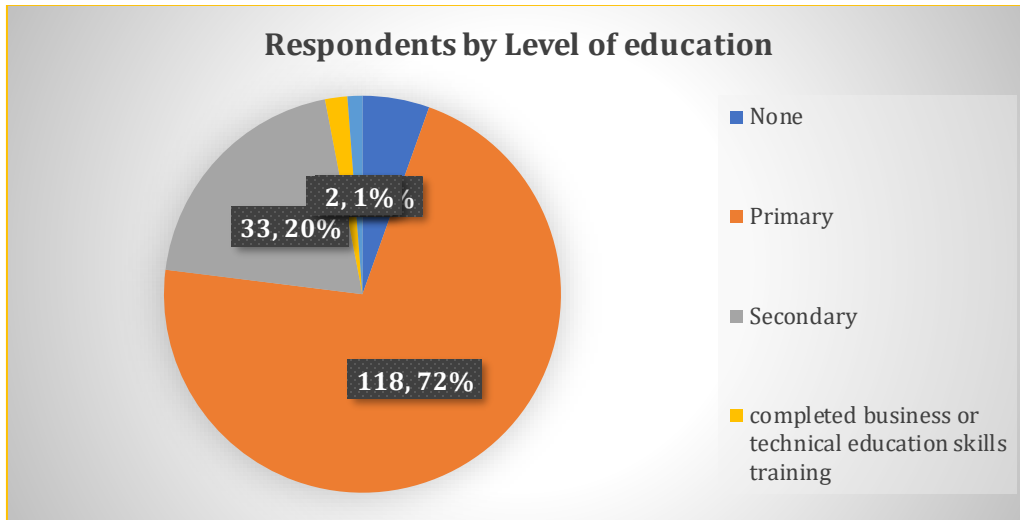
The samples further identified characteristics in form of education, marital status, and occupation that were important for us to understand to link their implication to research questions; A majority were married (80.6%), only 3.0% were never married. From Fig A, most of the respondents were farmers (81.8%), and only 1.2% were casual workers. From B, most of the respondents had attained primary education (72%), and only 1% had attained university education. Men were more engaged in businesses compared to women, and all were graduates. We now go over empirical findings starting with SHFs, which we named producer (PA).

Figure 5. 1 Respondents by Occupation



Source: Field study

Figure 5. 2 Respondents by level of education



Source: Field study

5.2 Producer PA: Empirical findings

5.2.1 Relationships that exist between different actors

While explaining results in the rest of the empirical findings on a scale of 1-5 and n=165, the mean and standard deviation is used, together with mean score intervals: *1.0 -1.8 Strongly Disagree, 1.90- 2.60 Disagree, 2.70-3.40 Not sure, 3.50-4.20 Agree and 4.30-5.00 Strongly Agree.*

Following the survey questionnaire with Likert-type questions (page 136), we started by determining the relationship between different actors in the specialty coffee industry—specifically, between coffee growers, middlemen, and processors. First, we wanted to find out from PA if they belonged to any coffee association within their locality. Results indicate that the majority (76%) did not belong to any association. Only 24% of the farmers were organised. Most of those that belonged to coffee associations had been members for 2-5 years, while others had been members for over five years. Findings revealed that the following coffee processing companies were active in the study areas; Bugisu Cooperative Union (BCU), Great Lakes Coffee, Kyagalanyi Coffee, Olam, Bumati, Bamuyonga, and Kawakom. These private coffee processing companies deal directly with farmers, buying, processing, and exporting coffee. The organizations also provide

other supportive activities to farmers, such as the provision of coffee seedlings, fertilizers, and farming skills.

We went ahead to solicit opinions, views, and perceptions of PA in relation to coffee associations. According to Table 5. 3, farmers had strong relationships with their customers (Mean score = 3.79, std= .986); however, they indicated that building relationships with other coffee farmers was challenging (mean= 3.63, std = 1.055). They also reported not all coffee was sold through coffee growers associations (mean= 2.27, std = 0.982). These findings were corroborated by Informant PA1, who had this to say.

“Here, apart from the big companies, we have individual people who move from home-home buying coffee. So, it is up to the farmer to choose, depending on the demands at hand. And we do not have specific buyers, whoever comes with a better price, we sell to that person or company.”

These findings point out that some of the coffee is sold through middlemen who then sell to registered coffee processors. The other fact is that farmers do not sell their coffee through cooperatives, estates, or directly to Europe.

Table 5. 3 Descriptive statistics on relationships (n=165)

Item	Mean	Std. Dev
Association is important	3.01	1.355
Coffee is sold via associations	2.27	.982
Relationship with my customers	3.79	.986
Sell coffee through cooperatives	2.08	1.062
Sell coffee through estates	1.63	.627
sell my coffee to roasters in Europe	1.53	.720
Sell coffee to roasters in Uganda	2.72	1.208
Building relationships with other coffee actors is challenging	3.63	1.055

Source: Field study

Community relationships

Furthermore, we sought opinions and views from respondents on community engagement with associative relationships. We can see that community leadership has played a significant role in organizing community participation in the coffee association (mean =3.49, std. = 1.074). However, structures to promote community participation seem not to be established (mean = 3.23, std.=.941) and are non-functional. This could explain why most coffee farmers have not yet embraced coffee growers' associations. In relation to this finding, respondents had this to say during the focus group discussions.

“Ever since Agricultural cooperatives societies were closed in the mid-1990s in Uganda during the privatisation process, we no longer have any active coffee association in these communities. Farmers are now on their own, and may be a few farmers are working with private coffee processors”

According to Borrella et a. (2015), the restructuring of the coffee industry made some cooperative societies extinct. Now farmers choose whom to sell to base on word of mouth. Long-term relationships give better room for sustainability and quality (Borrella, Mataix, & Carrasco-Gallego, 2015; Valbuena-Hernandez & Ortiz-de-Mandojana, 2022). But what is long term vs. short term? Who decides how the length for these farmers and what relationship is best?

Table 5. 4 Descriptive statistics, community engage associative relationships (n=165)

Items	Mean	Std. Dev.
Embraced coffee growers' associations	3.01	1.210
Community knows how the coffee associations are managed	3.24	1.076
Following several trainings there is change towards membership to associations	3.24	1.083
Community leadership and community participation in the coffee associations	3.49	1.074
Structures to promote community participation functioning	3.23	.941

Source: Field study

In line with field findings, the literature discusses relationships (Borrella, Mataix, & Carrasco-Gallego, 2015; Gerard et al., 2019; Hernandez-Aguilera et al., 2018) in specialty coffee, often

referred to as direct trade relationships, yet with no consensus what DT is as Borrella et al. (2015) mentions;

Direct trade does not have a unique standardised definition and the concept is often misunderstood by consumers and sometimes misused by coffee industry actors. Direct trade entails a direct connection between a roaster and a supplier who seek to build a sustainable long term and mutually beneficial relationship to grow, process and market outstanding coffee (p.33)

The core of these relationships is long-term for them to deliver sustainable impacts (Hernandez-Aguilera et al., 2018). In the RCM, the length was directly related to sustainability impact because SHFs could connect directly with partners who assisted them to refinance and getting on the market, similarly is the Connective Business (Borrella, Mataix, & Carrasco-Gallego, 2015). Here we see several relationships with the actors involved.

Short - long-term relationships and collaborations

Literature also acknowledges short vs. long-term relationships as a way to sustainability and quality (Hernandez-Aguilera et al., 2018) because they facilitate value sharing. Due to the presence of many private companies competing for coffee, farmers were not committed to associations for a long time. Farmers mentioned; Bugisu Cooperative Union (BCU), Great lakes coffee, Kyagalanyi Coffee, Olam, Bumati, Bamuyonga, and Kawakom- who buy their raw coffee. These resembled connective businesses (Borrella, Mataix, & Carrasco-Gallego, 2015; Hernandez-Aguilera et al., 2018), as they provided other supportive activities to farmers, such as seedlings, farming skills, and fertilizers. However, their value chains were conventional, leaving a farmer with the same questions of where and who drinks their coffee. Long-term relationships, as PB acknowledged, were crucial for the quality required:

” The first year was used to only sit with farmers and we together had to agree how our coffee ...value maximisation”

Accordingly, CD1 mentioned the importance of long-term relationships, stretching to seven years agreements until the quality was achieved, adding to his value proposition. However, for farmers to hold these long-term agreements requires trust between parties (Glavee-Geo et al., 2020). Informant PA01 in FDGs mentioned, *“whoever comes with a better price... we sell to that person or company...”* Farmers and other actors achieve a sustainable sweet spot (Savitz, 2013) when the relationship is longer yet very challenging at the same time.

5.2.2 Understanding and Working with quality and sustainability.

In reference to our introduction and the core of this study, it stems from the concern for the livelihood of farmers. Literature shows us many challenges they face hence not managing to get on the high-quality market for premium prices. Although we have gathered a lot and data telling us about their challenges, in this section, we want to discuss them in line with how they understand and work with sustainability and quality. Let us first understand how knowledgeable they are about the quality required on the market because the literature on SBM also acknowledges that it cannot be TBL without profit, although it should not be the main focus (N. M. P. Bocken et al., 2016; Boons & Lüdeke-Freund, 2013b; Joyce & Paquin, 2016; Stubbs & Cocklin, 2008b)

Knowledge about Specialty coffee

On a general note, specialty coffee knowledge was not for everyone to understand. However, farmers in attractive Arabic growing regions had some knowledge, according to findings from a quality manager in Uganda responsible for quality analysis. (Producer D): ‘*few farmers ...been exposed to the market.... I think only 20%...basically Bugisu...(.) ja a lot of cooperatives and initiatives* ‘. Accordingly, the results presented in table Table 5. 5, farmers knew what defect coffee beans were; although it still varied from the standard in the picture, they proudly presented defect-free coffee, Figure 5. 3. To SCA (2022), standards such coffee is likely to be rejected even though the farmers are proud of it.

Figure 5. 3 Farmer demonstrating difference between poor and good quality coffee



Source: Field study

Third wave Cupping score and grading

Borella et al. (2015) contextualises specialty coffee as a product differentiated by quality, flavour, origin, and even intangible attributes such as social and environmental sustainability (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 41), while others based on intrinsic discussion represented

by the taste wheel (Fischer, 2017, 2021b; Speciality coffee Association, 2022). Fisher (2021) sees this new lexicon developed by roasters and other actors as only tied to narratives of provenance and exclusivity that unintentionally create much of the value downstream, excluding a SHF that lacks the social and cultural capital needed to extract such symbolic value. In the same line Ponte (2002) also wondered if this was some kind of classic dependency pattern of some kind of global capitalism (Ponte, 2002). On the other side, this segment's history and development towards the SHF is a game changer (Bacon, 2005; Roseberry, 1996b).

Our findings (Table 5.5) on defects of coffee (mean= 3.19, std.=1.257) indicate the same direction as these discussions. Farmers, on a general note, understand these things differently than what the market expects. They understand farming because that is what they specialise in (mean = 3.84, std. = 1.284). We should also not forget that this is a scientific knowledge that is complicated as Fischer (2021) explains “requires triangulation, special vocabularies through such techniques great care is taken to align symbolic and material to values in science.”(Fischer, 2021b, pp. 118–119). How this is possible to a population dominated with primary education (Figure 5.2) is questionable. But since there is low education, the problem can be also of principal and agency that results in information asymmetry (Hernández-Chea et al., 2020). Importance of sharing knowledge in SBMs to information asymmetry can inhibit a business’s operation on TBL thus knowledge must be shared in an easy simple way easy for everyone. Other researchers discuss the importance of value sharing in BMs as a remedy for example (Hernandez-Aguilera et al., 2018), who sees RCM a cure for these kind of mishaps in the same line as Borella et al. (2015) who suggests Connective businesses (Borrella, Mataix, & Carrasco-Gallego, 2015) where such complexities face SHF.

Table 5.5 Descriptive statistics on knowledge and quality (n=165)

Items	Mean	Std. Dev.
Farming methods are important	3.84	1.284
Trace of coffee	2.02	.920
Market and pricing	2.43	1.043
Consumer knowledge	1.95	1.066
Price premiums.	2.50	1.267
Defects lower coffee grading	3.19	1.257

Source: Field study

Neither did PA know where their coffee went after selling it, nor did they have sufficient information about the coffee market and pricing. These discussions are not new to a smallholder and agro commodity (Borrella, Mataix, & Carrasco-Gallego, 2015; Glavee-Geo et al., 2020), yet the specialty coffee model is promising. Additionally, they were not aware of consumer preferences at all. In line with this finding, Informant PA03 had this to say.

“We understand the quality requirement of our coffee. We try our best to pulp it well, dry it well, sort it and store it under good conditions. However, the greedy middlemen, who when after buying the coffee from farmers, they mix it with coffee husks with the aim of getting profits. That is the challenge we have regarding managing quality”

The knowledge gap is expected; something yet can be done here as Borrella et al. (2015, p 41) suggest connective businesses based on the proposition of mutual value creation between businesses and the world poor (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 36). Connective businesses work with SHFs to reduce constraints, connecting farmers with specialty coffee roasters that would otherwise not have been possible. It is a successful history in other producer lands where specialty coffee is flourishing. This is in line with our findings from Informant CD1 (page 86) with a successful history in a neighbouring country, which could be the potential future for Uganda. This discussion on quality has various reflections; first, PA understands quality differently from the market. We saw that the gap in understanding is due to knowledge gap and distance, yet we see possibilities based on the literature on relationship models.

The Social, Economic, and Environmental challenges

In the next part, we wanted to first look at the sustainability challenges briefly to understand how PA thinks about these, then look at how they worked with sustainability. Results in

Table 5. 6 indicate PA faced Economic, Social, and Environmental challenges (Ovalle-Rivera et al., 2015a; Samper & Quiñones-Ruiz, 2017b). PA shows that the soil of their farms was healthy (mean = 3.65, std. = 0.875). However, farmers stated that they did not have sufficient bank credit to support their farming activities (mean = 1.99, std. = 1.192) and did not have sufficient information about the coffee market (mean = 2.67, std. = 1.180). PA also pointed out coffee pests and diseases (Ipcc, 2022; Ovalle-Rivera et al., 2015a) as some of the challenges they face, along with inadequate infrastructure in terms of roads, electricity, and water supply. Informant PA05 had this to say.

“Weather patterns have been a big challenge to farmers. When there is prolonged drought, the coffee trees are adversely affected, and the yield in that season will not be good. Even when there are heavy rains, the leaves, and the seeds are affected, making the yield to be of poor quality. The other challenge is the unpredictable prices. At times, the prices can go down to the extent of affecting the morale of the farmers. Also, there is a challenge of lack of better storage facilities, especially during the rainy season. Even some farmers lack adequate skills in managing coffee right from planting to harvesting”.

The literature points to similar challenges in addition to aging SHFs (Glavee-Geo et al., 2020). This is due to the migration of able-bodied young people to cities for better opportunities. The same trend was found in Uganda Table 5. 2 where only two out of 165 were aged 19-25. These problems are serious to low productivity and ongoing sustainability challenge, a worry that was also identified by CA at downstream wondering the future for coffee. There is indeed a need for radical implementation as we already noticed the SCA (Transactionguide, 2022), more to show later on this.

Table 5. 6 Descriptive statistics on the challenges (n=165)

Items	Mean	Std. Dev
Market information	2.67	1.180
Old coffee trees on farm	2.59	1.093
Financial security	1.99	1.192
Infrastructure	3.05	1.103
Healthy soil	3.65	.875
Water access	3.38	1.067
Coffee pests and diseases	3.04	1.347

Source: Field study

Furthermore, a wide gender gap was recognised in our study Table 5. 2. One way of improving income inequalities is by empowering women to invest, work and compete just as men do hence the SDG #5 In the UN white paper (A/RES/70/1, 2015). Women produce 50% of the world's food as well as commit most of their income to the welfare of their families compared to men; therefore, a step to help women create and participate in enterprises is transformative toward sustainability challenges (Akter et al., 2017; French Gates, 2014). The UCDA and Ugandan economy have a vision for 2040 “A transformed Uganda society from a peasant to a modern and prosperous country within 30 years”(UCDA, 2015, pp. 4–5). This cannot be attained when the gap is so wide as we saw in our survey. They mention a presence of strategic enterprises, but these were imbalanced. Women dominated in sorting the beans, while men were in transactions which was also confirmed from semi-structured interviews with PC1 and PD1, who mentioned they preferred to employ women to do these duties. PD1 added,

” We think women are more thorough so picking ripe beans suits them, at the same time it is not a demanding job, because they usually have lots of job in their houses, we do not want to make them tired.”

Businesses can be a positive influence in addressing problems for society and local communities (Elkington, 1997; Peterson, 2012). These findings seem to conform with the literature, and it seemed that PA knew about environmental threats given the extreme effect. They explained that

their crops were frustrating as they could not do much on them. These challenges were not unique to participants in the FGDs, although in different contexts.

Works in place for and on sustainability and quality

Findings showed us something was on the ground. Respondents agreed that there is a diversity of trees on their farms, and farmers further agreed that they reuse the coffee husks as farm fertilizers Table Table 5. 7. Additionally, on average, farmers agreed that they make efforts towards water management, practice organic farming, and terrace farming, and more so, their children work on the farm. However, it should be noted that farmers do not have access to solar energy and artificial fertilizers. The issue of children working is a concern in SDG forums, as it is likely to prevent children from attaining school. Linking to demographic characteristic (Figure 5. 2) the combination of working children and the low percentage (2%) of highly educated leaves us with the critical question of whether children are hindered from attending school? We did see any of the multinationals engaged in SDG# 4.

Table 5. 7 Descriptive statistics on the aspects of sustainability (n=165)

Items	Mean	Std. Dev.
Tree diversity	4.03	.589
Coffee husks as fertilisers	4.21	.572
I use artificial fertilizer	2.81	1.418
I use pesticide	2.67	1.349
Water management	3.56	1.155
Solar power	2.98	1.381
Terrace farming	3.79	.620
Organic farming	3.50	1.355
women in economic decisions	3.22	1.302
Balance responsibility	3.23	1.198
Children on our farm	4.08	.815

Source: Field study

Additionally, more information from PA06 illustrates other understandings of environmental sustainability in the form of tree diversity “Farmers here also plant matooke (bananas), such that

when it is a season for coffee, we can sell matooke to get cash. We also plant other fruits for sale such as avocado, oranges, and passion fruits. We also grow Irish potatoes for both home consumption and for sale”

Figure 5. 4 Tree diversity



Source: Field findings

Findings show different understanding of sustainability in the agriculture value-chain; for example, Hernandez -Aguilera et al. (2018) link sustainability to coffee quality, similarly to farmers. A specialty coffee actor, for example, PB01 sees intercropping destroying coffee quality... when he told us, he was shocked at seeing farmers mixing everything in their coffee farms. However, he practiced solar and other initiatives which farmers find expensive. In addition, our respondent PC, an exporter, and farmer, is interesting to bring in here because sustainability was to be understood as economic, whereby he secures financial independence to actors involved. We could see a similar perspective from some of our respondents at downstream, to whom sustainability was a word they did not want to use although practiced; for example, CA1, “I do not want to be the white man who goes to others and tell them what to do.”

Literature defines sustainability as a TBL effect, and these initiatives should create a synergy effect for all involved. In addition, it is easier when companies choose dimensions closely related to their business cores, strategies, and main activities (Valbuena-Hernandez & Ortiz-de-Mandojana, 2022). While some dimensions of sustainability dominate the literature, the takeaway is to align these with

Economic for them to be sustainable. Maybe it is not wrong for case CA to tell us that he does not do sustainability, but he does...” *I pay some money to farmers, provide seedlings...*”. We conclude that although there is a standard that tells what sustainability is and how it is measured, in situations where cross-sectional collaboration finds a place, one should have a broad mind that accommodates stakeholders’ diverse ideas (Pedersen et al., 2021, pp. 1041–1042)

5.2.3 Impacts of relationship on coffee quality and sustainability

Our findings indicate that relationships create sustainability for the actors involved (Table 5. 9, Table 5. 10, Table 5. 11).

PA get some support from different relationships they are engaged in so that they can be able to produce high-quality coffee. For example, Informant PA02, a crop production officer, had this to say.

“In order to ensure the sustainability of the coffee value chain, we provide supportive services to our farmers. For instance, apart from purchasing coffee, we provide bonuses to farmers at the end of the season, and we provide organic fertilisers, we also provide coffee seedlings and of other crop varieties such as avocado to enhance mixed farming. We also create awareness and agroecology and biodiversity.”

These pictures below are organics and avocado seedlings SHFs received. When the coffee season is off, farmers can depend on other crops such as avocado. Although these crops take even longer time to mature, if done, a shade is believed to protect coffee trees (Ovalle-Rivera et al., 2015a)

Figure 5. 5 Organic fertilisers provided by a sourcing company



Source: Field study

Figure 5. 6 Avocado seedlings from sourcing companies



Source: Field study

Furthermore, the results in Table 5. 8, show a more positive effect on coffee quality. PA agreed they picked only ripe coffee beans when they harvested the coffee. They also indicated that they knew the importance of separating coffee lots, sorting defected coffee beans from the others and that they had learned better ways of washing and drying coffee. There was an improvement following the relationships on the ground based on Table 5. 9.

Table 5. 8 Descriptive statistics, effect of relationships on coffee quality (n=165)

Items	Mean	Std. Dev.
I pick only ripe coffee beans	4.29	.456
I separate coffee lots	4.02	.833
I sort defected coffee beans	4.05	.864
Better ways of washing coffee	4.06	.631
Better coffee drying methods	4.13	.616

Source: Field study

Additionally, respondents agreed that they had been trained on modern farming techniques for coffee, motivated, encouraged, and given information on how to start income-generating activities, and trained on income, expenditure, and record keeping (Table 5. 9). However, respondents also

stated that they had not been provided with coffee seedlings, fertilizers, and other agricultural inputs, financial support, and not provided farming tools (hand hoes/tractors).

Table 5. 9 Descriptive statistics, impacts of relationships on sustainability (n=165)

Items	Yes	No	Don't know
Trained on modern farming techniques	95 (57.6%)	58 (35.2%)	12 (7.3%)
Received coffee seedlings	63 (38.2%)	98 (59.4%)	4 (2.4%)
Received fertilizers and other inputs	11 (6.7%)	151 (91.5%)	3 (1.8%)
Received financial support	8 (4.8%)	152 (92.1%)	5 (3.0%)
Farming tools (hand hoes / tractors)	37 (22.4%)	106 (64.2%)	22 (13.3%)
Motivated, encouraged to start Income generating activities	94 (57.0%)	51 (30.9%)	20 (12.1%)
Trained on income, expenditure and record keeping	86 (52.1%)	67 (40.6%)	12 (7.3%)

Source: Field study

In Uganda, coffee production is naturally organic and grows without artificial fertilisers, in line with findings here. Respondents (Table 5. 10)– 116 (70.3%) agreed to the adoption of environmental practices in their community following support from coffee associations and companies. They indicated various practices adopted such as inter-cropping with other crops like beans, coffee pruning and disease control, coffee stumping, digging trenches in the garden, and making contours. Others indicated that they practiced manuring terracing, shed tree planting, mulching, afforestation, putting buffer zones around the coffee plant, using organic fertilizers, water management, and soil erosion control. Furthermore, when respondents were asked whether they had sought alternative ways of improving the quality of their coffee, 137(83.0%) agreed. They pointed out that they were applying organic fertilizers and pesticides, attending training of farmers,

cutting off the old branches to enable the new ones to grow; drying on clean mats, drying coffee on a high stand, fermenting and washing with clean water, getting knowledge from other farmers, listening from radio programs on coffee farming, picking only ripe coffee and fermenting for three days, pulping, and waiting for it for three days to ferment.

Table 5. 10 Descriptive statistics, impact of relationships on sustainability (n=165)

Items	Yes	No	Don't Know
Have you changed your farming practices towards environmental conservation in your community since receiving any of the support provided by the coffee association?	116 (70.3%)	46 (27.9%)	3 (1.8%)
Have you sought alternative ways of improving the quality of your coffee?	137 (83.0%)	25 (15.2%)	3 (1.8%)
Have you started a new enterprise or business (keeping a cow, goat rearing, small shop) to supplement my coffee business?	149 (90.3%)	15 (9.1%)	1 (0.6%)
Has your coffee production increased in the last five years?	63 (38.2%)	67 (40.6%)	35 (21.2%)
Have your annual earnings in coffee increased in the last five years?	97 (58.8%)	60 (36.4%)	8 (4.8%)

Table 5. 11 Descriptive statistics, impact for Respondents in associations (n=165)

ITEMS	Before	After
Average number of clients had	3	3
Average number of Kgs of coffee produced	290.95	547.77
Average annual income (UGX)	1,196,974.36	4,060,897.44

Table 5. 12 respondents who were not in associations (n=165)

Question	Mean
What is the total number of clients you have?	6
How many Kgs of coffee are you producing?	398.54
How much are you earning annually from coffee? (UGX)	1,559,526.19

Source: Field study

5.3 Presentation of PB, PC, PDs' BMC, and analysis

Whereas we have mixed their perspectives in the survey findings, this section aims at understanding some actors we found unique in the study. We begin by introducing their BMCs to understand how they create value (Osterwalder & Pigneur, 2010). As we already saw in the literature, SBMs build on BMC and later divide the value proposition and value capture with broader stakeholders making it sustainable (N. Bocken et al., 2019; Joyce & Paquin, 2016; Stubbs & Cocklin, 2008b). However, it is important not to misunderstand sustainability as profit first (Joyce & Paquin, 2016, p. 1476).

5.3.1 Producer B (PB)

A Coffee Estate we named PB, was founded by a couple we identified as Informant PB1 and his wife, both origins of Global North. Below (Table 5. 13) we present PB's BM as a basis for our discussions on how they create value (Osterwalder, 2013; Osterwalder & Pigneur, 2010). However, first how they ended up in Uganda's deepest community near Bwindi Impenetrable forests. Following their love for adventure that led them to Gorilla trekking in Southwestern Uganda, PB1 and his wife combined their passion for charity, Uganda, and Coffee with their expertise as professional teachers from both Oxford and Dubai into the foundation of the PB coffee estate that runs on a both a direct and connective BM (Borrella, Mataix, & Carrasco-Gallego, 2015; Gerard et al., 2019) where relationships are a core. As they mentioned

“Initially from education. and a teacher for many years...the company sort of happened by accidents... as part of my teaching I was interested in charity work...my wife and I... decided to do volunteering...hmm as a teacher you have many holidays”

Table 5. 13 Business Model Canvas PB

Value creation		Value proposition	Value delivery	
<u>Key partners:</u> Local community+ 500 SHF Local school Banks in developed	<u>Key activity</u> wash, dry & trade coffee, Hulling, parchment	Direct trade from estate, fully traceable, specialty grade coffee, single	<u>Customer relation</u> Travel experience at Estate & Gorrilla trekking	<u>Customer segment</u> Roasters in Europe, North

	Machine and plant, educating	village, single original		America, and Middle east
	<u>Key resources</u> Local identity, Network, Tech, Plant, land- 20 acres organic coffee 500 farmers, Trust, Knowledge		<u>Channels</u> Social media, WhatsApp, Website, E-mails	
Cost structure: Power& plant maintenance, Salaries, travel		Revenue Streams: Coffee sales		

Source: Own construct based on (Osterwalder & Pigneur, 2010, p. 15)

Their accidental idea grew afterward, following what they described as a chaotic manner of coffee growing observed anywhere, although they lacked coffee knowledge at the time. “Coffee grew anywhere in a chaotic manner intercropping some dodos, some avocado and banana” meaning [Uganda dialect] coffee trees mixed with avocado trees, green vegetables, he calls dodo, in addition, farmers lacked market knowledge and quality, they sold their coffee at commodity price to middlemen supplying big roasters in the developed world- PB1 sadly comments

hmm Sad story... hmm! I spent myself and my staff a year on boda boda.. = village to village talking to farmers to learn how they handle the coffee... they were telling me KIBOKO. hh = (0.8).. amm sun dried locally send to a milling station and they pay us... they showed me how they picked their coffee... amm(.) STRIPPED PICKING WHERE THEY MIXED GREEN, YELLOW AND RED OR BLACK CHERRIES TOGETHER - = hmm local mills do not pay a premium... hh. they are concerned about quantity which they sell further to Nescafe (0.1). we:::ll supermarkets.. a commodity coffee...hmm I said to myself (.) [PB1] will not do this way.. simply selling to corporations. (.)

In reference to their BM, a miracle came to the community of Uganda, where this chaos led to the creation. Informant PB1 saw an opportunity to create value for the locals in southwestern Uganda

by venturing into coffee in a different way than he saw in Uganda. A big impact of this relationship. Through establishing Estate PB's value proposition (Table 5.13) producing high-quality specialty beans in an area, they are grown (Key activity) together with the local people (key partners), in the southwestern, and then to both second and third wave markets (customer segment) in the developed world through direct relationships (Borrella, Mataix, & Carrasco-Gallego, 2015; Gerard et al., 2019). This was shared value for the entire region in form of TBL, and thus a sustainability sweet spot (Elkington, 1997; Savitz, 2013; Stubbs & Cocklin, 2008b, pp. 121–124) an opportunity to create not only economical but social and environmental values too.

However, for PB1 and his wife, the start and success of the venture was not a dance on the roses. They needed to learn everything about coffee from the farmers' perspective, acquisition of land and all the resources, which was not a simple task as he puts it; *“I asked people about land, no official document hmm as a foreigner Mzungu... you cannot get own land”*. This must be challenging for someone without any experience, not to mention the foreign culture and society and their interactions. According to (Selsky & Parker, 2005; Valbuena-Hernandez & Ortiz-de-Mandojana, 2022) success of relationships, partnerships and collaborations depends on how cultural differences are addressed. This anecdote is already giving an indication of how impactful BMs characterised with traits of collaboration can turn society into dreams

Shared Value creation with and for stakeholders

The starting point for PB1 was to embed in the society and know people in the area so much that they offered them land with authentic ownership as PB1 posit

“Local did not even have their official land titles all...Finally, after about a year, we got a 20-acre piece of land with a proper title ... so I spoke to my wife... and we decided to buy the land... took us a year to have the whole process finished... ”

The literature on SBM highlights the importance of exchanges of value in relationships and collaborations across, whether with the focal firm and their stakeholders or the exogenous (Freudenreich et al., 2020b; Norris et al., 2021; Pedersen et al., 2021) They cannot be sustainable in the absence of sharing resources and capabilities. PB1's anecdote:

“Now that the land was secured, I contacted UCDA they were like how we can help you [I want coffee] ...after 2-3 days, they delivered 20 000 seedlings of coffee I picked on my truck”

He mentioned that he and farmers built something staunch over the years. They started the walk together step by step, as he mentions.

“The 1st year was used to sit with farmers, and we together agree on a better way coffee will be for us through value maximization.”

Knowledge sharing is clearly observed in this collaboration (Pedersen et al., 2021), with careful respect for cultural differences, PB1 never wanted a push strategy to the local people but instead maximising shared value creation to stakeholders involved (Joyce & Paquin, 2016). In a long process involving commuting between their teaching jobs and holidays, but with a close relationship PB was in the making. PBI adds:

... “so, I stayed back 2-3 months to begin planting coffee with the locals... was fun...got to know people more”.

Here an ASBM (Gallo et al., 2018a) is illustrated, depending on the trust within collaborations with their key stakeholders to leverage and capture value at the bottom line, which later spreads fairly to all stakeholders (N. Bocken et al., 2019; Joyce & Paquin, 2016; Lüdeke-Freund et al., 2016; Stubbs & Cocklin, 2008b).

Resources for value creation in partnerships and collaboration creating a synergy

With an identified team on the ground, PB1 and his wife managed to balance the Estate besides their teaching professions in different parts of the world for a while...hmm *“had a few full-time staff to care about things while I was away.”* The Estate was on the ground from 2015 and has later formed more educational partnerships with schools in the local for knowledge sharing from a young age as they mention

“We in collaboration with local schools put in place a syllabus where children learn organic practices and growing own food, in addition to economics of coffee as a cash crop... we also offer these programs to adults free of charge... knowledge is power”- PBI

From this conversation, it was clear PB1 was engaged in activities that fall under a social dimension, not only economic. These activities are a long-term investment; for example, the children will grow up understanding the economic value of coffee, while the adults also become more knowledgeable in the end, a win effect of what Valbuena- Hernandez et al. (2022) calls the synergy effect since created value brings a big impact to all actors. Nevertheless, it requires a long-term perspective.

Strategic partnerships are collaborations primarily initiated to address specific needs that will improve the wellness of communities and societies (Valbuena-Hernandez & Ortiz-de-Mandojana, 2022, p. 125). PB has a unique resource-sharing BM built on long-term relationships. Although... *“we control machinery, building, washing station ‘. They are together with over 500 SHFs within the region; they are free to use resources to deliver the required quality. The result is doing good for all socially and economically. As Joyce & Paquin (2016) discuss, social values start from the organisations’ mission. Considering the BM for PB, sharing value with their stakeholder is the smartest thing, or else they die. PB illustrate on their website various social initiatives done daily- as I will systematically show you in a TLBMC at the end (Fischer et al., 2020; Ponte, 2002).*

Creating a value world of taste

Producer B is a unique case that can be linked to several discussions in the literature, for example (Fischer et al., 2020; Ponte, 2002),² who discuss quality as a main attribute, as well as wondering if these high-end coffees are worth the price they demand in relation to the grower sitting at the upstream. They mean symbolic and imaginative values are at play, not the farmer self. The conversation from PB1 illustrated the opposite of this literature. There was knowledge sharing evidently from this anecdote:

... “we reserved bad and good coffee... I took it with me to Kampala, roasted it... returned to the community... we sat and tasted the coffee together. hmmm, in Uganda, some people like their coffee with sugar and milk ...this was an experiment to them understanding ... what happens if you pick kiboko...and what happens if you pick nice red quality coffees...hmm I used this A and B, and this is how I introduced people in west about specialty coffee... “

Fischer (2021) and Ponte (2002) discuss how economic gain is extracted by translating values across symbolic and material worlds. They argue that the coffee lexicon- one tied to narratives of provenance and exclusivity (Fischer, 2021b) is of value to the third-wave market only. It is too complicated for a farmer to understand and thus can exclude them “rather than producing a physical object, something of material these efforts produce perceptions and mental frameworks of value” (p.118). At PB, their model mixes with learning through collaborative knowledge sharing instead of dictating their demands to the farmers, which is again complicated. We also understood from our Informant CD1, an importer of Ugandan specialty coffee in Norway, that his collaboration with PB Estate resulted in research and development where they, in collaboration with farmers, learn to experiment and enjoy their own constructed coffee tastes characterized by their naturally endowed characteristics. This is an example of great innovativeness that follow their purpose, mission, and vision in terms of social and economic.

Sustainability in Business Model

Before diving into this part, we summarize PB’s BM, although it has already been included in discussions. It is important to refresh BM as academic literature remind us (N. Bocken et al., 2019; Boons & Lüdeke-Freund, 2013c; Joyce & Paquin, 2016; Lüdeke-Freund et al., 2016; Stubbs & Cocklin, 2008b). Considering TBL starts from an economic perspective, for example, Stubbs & Cocklin (2008) “while sustainable organizations express their purpose, vision, and mission in terms of social, economic and environmental outcomes, profits are the means to achieve these outcomes” (p121) an organization must make profits to exist but not just exist to make profits (Joyce & Paquin, 2016; Lüdeke-Freund et al., 2016). The value proposition for PB, as already seen, is composed of the relationship green specialty coffee, directly from single farms together with the farmers deep from Uganda. Their distribution structure is first on the relationship that starts with emails, networking, telephone, and trade fairs he named “cup of excellence.” However, PB1 is keen on those that visit them at the farm; they are his preference- a perfect example of a direct relationship (Quiñones-Ruiz, 2020). So, the relationship is the main distribution. When the relationships are done, the trust in place can extend to Free on-board arrangements “FOB”¹⁰ if necessary. Whoever reaches his farm ends up a long-time customer, confirming he is still in a good relationship with

¹⁰ FOB means Free on Board, whereby a seller runs with the cost of transportation of goods to the port of shipment plus the cost of loading them on to the vessel (Borrella, Mataix, & Carrasco-Gallego, 2015)

such roasters because they love what they see, and that passion makes them stay/ loyal. Among these are our informant CD.

These relationships are creating not only value for PB but the community- see also CD page 86 at downstream. The transactions are also shared with all stakeholders here, giving them the training to learn how CD1 wants the products- as he mentions. Call this distribution strategy a lock-in for PB since whoever comes to the farm end for keeps. Briefly, at the lefthand side of PB`s BM is dependent on several resources to do what they have promised the market. We take some few in our summary. Here the key is SHFs. There is no way PB will come up with specialty coffee if they do not work with coffee growers to come up with those special beans. They mentioned to us that they owned the machinery, but farmers were free to share and learn to run them, too- production of high-quality coffee the key activity, which is added value in terms of washing it, hulling, and planting follow. To do these things various running costs are attached of which in our discussions were challenges met in innovative ways; because of unstable power supply, PB installed a solar panel which suits their environmental consciousness. *“Our farm is entirely on solar...(.) we do everything every day to take care of our soil...-(.)”* Producer B has for sure developed a strong competitive advantage through their brand recognition on the specialty coffee market in the developed world.

Their focus on social value creation is unique and appealing to consumers in the developed world, no matter when one googled specialty coffee in Uganda, it was their company, and both the importer (CD) and all roasters in our sample knew about PB. A key strategy in their BM is the “Relationship” in preposition and customer relationship they prefer you visit them, not simply online marketing even though they have an appealing website. In line with SBM literature, this company does not just exist for profits. They seem to put stakeholder success first, as we heard in their interview. We focussed on social, but environmental was also noticed. We summarise the Social using TLBMC (Joyce & Paquin, 2016) because it is at the core of their business mission. The key point of using the social layer, according to Joyce & Paquin (2016) is “to extend the original BMC through a stakeholder approach to capture the mutual influence between stakeholders and the organisations. In addition to the key social impacts of the organisation that derive from those relations” (p1479). Accordingly, Gallo et al. (2018) propose that investments close to the

production sources keep rents within and thus value creation to broad stakeholders. We found this at producer B (Gallo et al., 2018b, p. 910).

The Social Stakeholder layer of the TLBMC

Since we have discussed in depth already, this TLBMC will briefly list these impacts based on such discussions and public social impact information PB has published on their website. PB clearly shows social aspect is their mission- on the website “commitment to creating sustainable development and long-term social impact”.

Table 5. 14 TLBMC: Social Stakeholder Layer for PB

Local Communities	Governance *100% owned	Social Value	Society culture	End user
Training in collaboration with CD1, developing sustainable curriculum in collaboration with Local schools	Employees, trained, good wage, employ locals	Offering sustainable and ethically sourced and traceable quality coffee in partnership with farmers and other local projects we help get on market. Long-term value to roasters makes us arrange logistics when trust is built, we share costs	Scale of outreach Europe and North America- specialty segment, 600 farmers and Uganda west.	Direct trade, transparency, relationship with farmers, high quality, single origin, single village coffees
Social Impact: buying spaces potentially leaves farmers with less land for food cultivation.		Social Benefit: Farmers develop love for own coffee, community teaching, extending plantations with farmers, education, accessing market, develop school curriculum – better lives of all stakeholders		

Source: Own construct

N: B * In one of the frameworks this study follows, Gallo et al. (2018) have discussed that form of ownership has an impact. He found that 100% wholly owned equity – entrepreneurship Claimant

category did only a minimum market requirement on sustainability “(p.911). PB looks opposite here.

5.3.2 Producer C (PC): BMC and Background

Producer C was initiated on a strong local identity of a mountain Elgon born farmer, with the aim of doing good to own community, making it an epitome in the society. Fig below illustrates their BM that gives us an understanding of how they created value (Osterwalder & Pigneur, 2010); although not a specialty niche- since the model shows they sell to multinationals, we were intrigued to delve in this actor as we shall show later. The estate was then inherited by PC1, a 43-year-old second generation, who joined the company after years of his Civil engineering undergraduate and Management Postgraduate from Makerere University in Uganda in 2004.

Table 5. 15 Business Model Canvas PC

Value creation		Value proposition	Value delivery	
<u>Key partners:</u> SHF Domestic traders Cooperatives	<u>Key activity</u> wash, dry & trade coffee, Hulling, parchment Machine and plant	Parchment coffee	<u>Customer relation</u>	<u>Customer segment</u> Multinational traders. Traders
	<u>Key resources</u> Local identity, 10 000 farmers, Trust, Knowledge,		<u>Channels</u> WhatsApp, No website, Networking, Factory	
Cost structure: Power, Salaries, courses, time		Revenue Streams: Coffee sales		

Source: own construct based on (Osterwalder, 2010, p 15)

Informant PC1 combined his passion, experience, and education to build more on the original BM to legacy and proximity to roasters and consumers in the developed countries despite its complexity from multinationals that created a barrier according to him.

“because of the legacy...and the trend for the last 20 years...we want to break out a way closer to the roasters and consumers...(.)trading with multinationals...the middlemen stop us from meeting the roaster...”- PC1

Currently, PC's BM closely relates to GCSC (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 30)- (See also Figure 2. 1) where sales go through multinationals who act as middlemen for roasters and consumers in the developed world. Borrella et al. (2015) refer to similar relationships as Connective businesses with great potential to help farmers get on the quality market (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 41).

Producer C is directly related to the farmers but is completely cut off from the consumer. Through the relationship he has with intermediaries who act again on behalf of multinationals and roasters, as he said, his being a centralised Arabic bean producer located in the growing community can pave the opportunity to create economic, social, and environmental values.

“it is a coffee factory processing more than..ONE MILLION (..) ONE MILLION KGS of green exportable coffee... the farmers I deal with are more than 10 000 farmers... and can go to 100 000..like I said iam in the middle of the coffee region..it is called mountain Elgon...iam deep in the village..like you see the pictures I sent you...iam with farmers in all levels, educating...I have the real connection, I know what they want.. the suppliers.”- PC1

Gallo et al. (2018) discussed how ownership structure played a role in sustainable businesses evidently here someone with a close collective relationship with his own folks.

“We are now at that level...it is passion...these are my brothers and sisters...yes, we educate...and pay for right quality... but mostly our aim is to give back... and build us ...it is more than just business...where we pay and go away”- PC1

As a result of wealth accumulation from the first generation, they are in a position of distributing it with farmers in form of training, employment, and lobbying for other services needed- evidently, a TBL (Boons & Lüdeke-Freund, 2013c; Elkington, 1997; Stubbs & Cocklin, 2008b), where Profits are shared to other stakeholders in a reasonable and fairly distribution (Stubbs & Cocklin, 2008 p.121). In line with connective businesses (Borrella, Mataix, & Carrasco-Gallego, 2015), survey

findings acknowledge farmers got additional assistance and follow-up received from local companies.

Even though PC did not have a website for their marketing like PB, they clearly possessed a competitive advantage from a differentiation strategy that relied on the internal knowledge, culture, and history, making their collaboration with farmers effective in terms of resource availability (Gallo et al., 2018a; Valbuena-Hernandez & Ortiz-de-Mandojana, 2022).

” We are close to each other... I know them all... homesteads in the region have coffee gardens (.) and they are coffee growers... not on scale like Brazil...or Colombia (..) ours is small like...2-4 acres or less...we aggregate all these harvests up to 1 million kg... gives bargaining power... we also aggregate based on specific quality scores...required by multinationals...”-PC1

The size does not matter as Schaltegger et al. (2016) discuss sustainability in niche markets. Here we see an actor saying, “ *our is small like 2-4 acres- a characteristic of an estate*” (Borrella, Mataix, & Carrasco-Gallego, 2015; Schaltegger et al., 2016b). It was also evident from PC1 that social value creation was at the heart. The collective bargaining power was good for all in the form of better prices improving welfare. We also realised from PC1 that farmers in his area knew about the specialty coffee niche, and PC1 told us that they were sustainable in all ways and by nature.

“Our conservative way of growing coffee, without artificial fertilisers and child labour according is a foundation to specialty coffee” PC1.

However, the handling after harvesting, storage, and measuring moisture is likely to affect the quality. So, PC, in collaboration with customers, does something about these problems to create value for stakeholders” *we avail all facilities from storage, training name it*”. Figure 5. 8 shows a coffee moisture tester¹¹, and Figure 5. 7 shows storage, training workshops with farmers, farm visits, and working ladies at the station that depend on the value created.

¹¹Coffee drying is an important part of quality maintenance of which if not done properly, the farmers get poor price for their coffees because they ferment under poor storage. Moisture measure in parchment and green coffee beans enables coffee quality to be protected. The required standard is set by ICO to be 10-12% <https://perfectdailygrind.com/2019/03/how-to-measure-moisture-in-parchment-green-coffee-beans/>

In collaboration with survey findings, farmers borrowed moisture instruments from a local factory shared among regions (Figure 5. 8)

Figure 5. 7 Canvas of pictures from PC Estate illustrating their activities with farmers



Source: Field study

PC1s description of complexity on quality by measures and mental maps also was creating a challenge in making priorities, he said.

“We mostly maintained the historically required quality up to 7/10, but we are where aware of better prices fetched for scores beyond and up to 9/10, which satisfies specialty yet complex”- PC1

This adds to Fischer’s concern, to whom is the value of specialty coffee then (Fischer, 2021)? However, PC represents a shared value model generated by stakeholders (Freudenreich et al., 2020a; Gyllensten, 2017; Norris et al., 2021).

Figure 5. 8 Coffee moisture meter



Source: Field study- Survey

The area in which PC is located (Edaku, 2020; NTV, 2022) has initially been a home for cooperatives and market unions until liberalisation in the last 20 years and the recent withdrawal from ICO aimed at more value retention to coffee farmers (Athumani, 2022). Farmers have a strong sense and knowledge of the value of their coffee - which was also observed in a survey (page 50), several multinationals are competing for resource acquisitions here. The survey indicated that many farmers get seedlings, training, and lots of fringe goods from such companies, but without introducing them to roasters and other actors who consume the coffee- a Connective business (Borrella, Mataix, & Carrasco-Gallego, 2015).

Direct trade through connective businesses creates value for stakeholders

Direct trade has various definitions (Gerard et al., 2019), and it has evolved since its start (Roseberry, 1996a, p. 763) is believed to change the future of coffee for the best due to the nature of relationships that are long-term compared to other one time off (Borrella, Mataix, & Carrasco-Gallego, 2015; Freudenreich et al., 2020a; Gerard et al., 2019). At the upstream, our Informant CD1 (page 86) reaches actors like PC, PB, and PD, again through actors like PE. We have not presented producer PE directly here but is a multi-national and exporter company where PC1, a product quality manager that participated in our study, worked. To Informant CD1, this was also a DT model; despite not negotiating price directly with farmers, the middleman – PE (multinationals) is a producer that satisfies set criteria before CD goes in agreement with them, which usually stretches more than five years. However, to actors like PB, the DT model is different. Here CD1 travels directly to the village and negotiates and even develops models with farmers in collaboration with PB. Then we would ask ourselves why actors like PC run by PC1 located in the centre, with all necessary resources are being reached via channelling through multinationals?

PC1 faces pressure, as he informed us, and feels in the dark because instructions always change, short deadlines to name it

” We constantly face pressure for meeting strict demands and specifications of a roaster in the developed economy whom we have never seen... we could have loved to learn from them directly...”- PCI

Power in relationships can create agency problems whereby information is unavailable to all of which no synergy effect will be created – a big hindrance toward effectiveness in collaborations and partnerships to achieving targets (Valbuena-Hernandez & Ortiz-de-Mandojana, 2022) as illustrated in PC here.

The best way to ensure sustainability and social value creation, according to PC1, was through a multi-stakeholder approach that involves all the members' views. Including but not limited to physical visits regularly, premium payments always tagged to quality. PC1 sees consumers in the Global North as a key to sustainability.

“Definitely(.) Consumers should know and be interested in the origin, the wellbeing of farmers producing the coffee, the quality of the coffee and its improvement where necessary and sustainability. It’s crucial and sensitive to the current demands of the environment and climate. Their role is not limited to consumption and continued consumption only ”-PCI

In line with Weber et al. (2021), relational proximity is a promising approach to fostering sustainable consumption behavior in international food supply (Fischer, 2021b; Gerard et al., 2019; Weber et al., 2021). They found customers` feeling of being closer to producers decisive in purchasing. PC1`s suggestion is advantageous. Businesses are better off focusing where a big impact in the form of a synergy effect is created (Valbuena-Hernandez & Ortiz-de-Mandojana, 2022).

We decided not to draw the TLBMC as discussions are taken. We easily relate to PB and saw that PC has a lot in place, yet something is special with the relationships they have with the farmers. To

Gallo et al. (2018), this would be near to collective shared ownership, but it is exactly not that. We come back to these later towards the end. But first, we very briefly look at another producer, PD.

5.3.3 Producer D (PD) BMC and Background

Following our literature stream, a BM is the starting level of understanding the actor because you get to know how they make money before sustainability discussions. PD is a family-owned small-scale business that has been in the coffee business for over thirty years. The quality manager PD1 is a second generation who joined the company after his studies as Construction Engineer in 2008. PD1 has further upgraded his knowledge in the new market segment and is currently quality certified through the African quality academy in collaboration with SCA.

Table 5. 16 Business model Canvas PD

Value creation		Value proposition	Value delivery	
<u>Key partners:</u> SHF Domestic traders Accountant Bank	<u>Key activity</u> wash, dry & package, roast, trade coffee, export coffee,	Farm to cup They roast, offer fine Robusta, some Arabic thus mixed	<u>Customer relation</u> Close dialogue with farmers in 6-7 years get advance & course, But has one-time off sales with internationals	<u>Customer segment</u> Uganda consumer Intern. Traders Importers
	<u>Key resources</u> In-house quality manager, Local history and experience machine, and plant, 5permanent employs & 30 temporally, women specialise at		<u>Channels</u> WhatsApp, website, location in Kampala, coffee shops in Uganda, Facebook	

	good coffee picking			
Cost structure: Salaries, processing facilities in villages lost 550 million in bad debts		Revenue Streams: Coffee sales		

Source: Own construct from (Osterwalder, 2010, p 15)

We found BMC for PD interesting, although they were not a specialty coffee segment. They seemed to possess some knowledge of specialty coffee, yet decide to leave it because they see it very complicated a similar perspective as (Fischer, 2021b; Ponte, 2002).

“We don’t really do so much of specialties ... we basically ... Commercial grads. as a company, we don’t have a certification. Whereas specialty tends to be towards Arabicas, Robusta can still be specialty coffee. It is about the quality of the coffee Robusta has... ‘Fine Robusta’ can be a specialty if cupping scores beyond 80 “-PD1

Moreover, they do not understand the meaning of sustainability, yet our close study and conversations with them indicated that they practiced. They financed farmers collateral-free if they had been in a long-term relationship with them. Again, a relationship issue is seen as a future even in a segment that is not specialty coffee. They had a lot of good programs with the farmers, but we cannot draft all the cases here.

However, to us, it was a control case, which had a model of a bean to cup although mixing the coffees, we noticed they focused on the natural endowed tastes, as they believed their coffee was good.

“Our coffee is nice. I also have the same question as. why is it that people are not really receiving our coffee on the international market?... It is nice quality but for me is that most people don’t receive our coffee directly. Someone was, in fact, coming up with the speculation that our coffee is repackaged and rebranded as some another country.”-PD1

They were in a relationship at the same time with some middlemen that sold coffee again to the specialty segment. For them, this mix is defended in a way that creates value for all, even those in.

areas where specialty beans do not grow. Sustainability literature on BM innovations says the shared value in BMs should not be neglected, something similar for this producer.

In the bid to create value and do sustainable practices, we saw similar challenges to PD, although not a specialty niche. Issues of trust and frustration from the state were mentioned. A loss of approximately \$150 000 in bad debts due to trust is big.

“I have for example... last year I had bad debts, something like 550 million in farmers, traders that are also farmers. People were helped to set up processing plants, haling plants in villages... and it is gone... just like that. You advance someone before the season starts.... You come there at the start of the year. and he never shows up. Maybe already sold to someone else”

Academic literature (Glavee-Geo et al., 2020; Valbuena-Hernandez & Ortiz-de-Mandojana, 2022; van Keulen & Kirchherr, 2021) discusses these issues trust, institutional performance, and enabling contracts placements. Although Borrella et al. (2015) think a SHF still has a hope, a vulnerable farmer can still join a high-quality market through connective business (Borrella, Mataix, & Carrasco-Gallego, 2015; Glavee-Geo et al., 2020) to impact sustainability. Our survey findings indicate a similar direction here; farmers received tools, and other agriculture needs through intermediaries. But those in long-term relationships were more satisfied. Solid relationships are essential in delivering value (Freudenreich et al., 2020a), creating shared value (Porter & Kramer, 2011) and establishing partner trust, and achieving sustainability improvements (Borrella, Mataix, & Carrasco-Gallego, 2015; Lee, 2019; Valbuena-Hernandez & Ortiz-de-Mandojana, 2021).

Actors' work and understanding of sustainability

PD claims to be a sustainable company on its website, although it trades commercially, and we were curious to uncover if this is greenwashing (Bager & Lambin, 2020b). When we asked if he understood what sustainability means,

“I do consider it... since I'm already in the commercial trade... hmm I'm going to consider it like 10 percent, because you can't get to volumes if you really look at sustainability issue... you cannot really collect the volume”- PD1

Then he adds that he understands sustainability as a business profitable to stakeholders

“Sustainability is where we are looking at... how is this business is going to be profitable to the person that is processing coffee.... that is the actual farmer, the person that is planting this coffee”

He adds that he understands sustainability by dealing with farmers directly.

Also, from our probing, we saw he was practicing sustainability. For example, when he mentioned,

“We are going to look at farming practices... we are considering it to leaving the tree coverage, we are trying to do intercropping. No artificial fertilizer. We’re using organic... we use chicken droppings”- PD1

On Facebook, the company posts some of these practices they are doing but as an update, not as a focus on the word sustainability.

5.4 The linkage between farmers, Estate owners, and quality managers

Following the discussions, we make a table to sum up sustainability challenges and activities in an ascending order where +6 is the highest, meaning a lot was observed in each dimension of sustainability and quality. We found that coffee growers were having similar problems as often discussed in the literature. However, we found some unique operation models like that of PB and PC. PB is scoring +6. Actors like PC practiced environmental sustainability but did not know it. We also found that sustainability in terms of environmental practices was a way of life. In addition, some actors did not know they were doing sustainable practices. The most common form of relationship was in the form of connective businesses (Borrella, Mataix, & Carrasco-Gallego, 2015). A unique model was PB, and it is the ideal specialty coffee relationship. Because coffee is a relationship beverage, all growers and actors wish to know the consumers of their coffee. Apart from PB’s BM and TLBMC, others are the connective businesses does not offer this. Nevertheless, PC and PD have Relationships in other forms that are potential for sustainability.

Our focus is on the social perspective, given the time scope we have. But as you can see, there are also scores on the environment, which is a very key aspect as well, given the threat of potential extinction (Ovalle-Rivera et al., 2015a; Samper & Quiñones-Ruiz, 2017b). The next part looks at the actors from Upstream, which have already been mixed in conversations at the downstream already, especially CD who has been in Arabic areas in Uganda, as well as in direct long-term relationships with, among others, PB, PE as discussed above, and the contribution was visible.

Table 5. 17 Challenges and Activities from Downstream actors

Actors		Commonly cited challenges			
PA- SHF	Social	Economic	Environment	Quality	Solutions
PB	+5	+4	+3	+5	+5
PC	+4	+3	+3	+3	+3
PD	+2	+4	+1* 6	+1	+2*
PE	+4	+3	+4	+2	+5

Source: Own construct

CHAPTER SIX: PRESENTATION AND ANALYSIS OF DOWNSTREAM FINDINGS

In Norway, we had four cases of which two trade directly (CA and CB), one that sources its coffee through an importer who directly reaches farmers (CC), and an importer who imports specialty beans directly from the global south (CD). Due to space constraints and the relevance of cases, the presentation of the BMC is limited to one roastery and the importer company: CA and CD. The chapter begins with the presentation and discussion of the relationships between downstream actors and their stakeholders, their work with sustainability, and the impact of their relationships on sustainability and quality. It ends with the Juxtaposition of Upstream and Downstream Perspectives.

6.1 Roasters

6.1.1 Company A (CA)

Company A (CA) operates as a Roastery, Café bar, and seller of specialty coffee worldwide. It was started by Informant CA1 after a long experience as a barrister and has existed since 2007. CA is a joint stock company owned by Informant CA1 (94%) and another Norwegian company (6%). Informant CA1's strategic position as a high-quality roaster necessitated him coming into direct contact with producers a short time after establishing the firm.

The figure below illustrates CA's BM based on BMC (Osterwalder & Pigneur, 2010), a basis of TLBMC (Joyce & Paquin, 2016). CA sells high-quality roasted coffee to restaurants, Café bars, offices, households, and customers who visit their Café bar. Their value is proposed to customers through online orders and direct relationships with customers. CA has a direct relationship with actors who deliver coffee beans for parchment to a dry miller who also functions as an exporter. CA1 negotiates price and quality with farmers, but transactions are done through the exporters. In Africa, it sources coffee through cooperatives. Thus, their key partners are cooperatives, exporters, and farmers who provide CA with high-quality beans as the resource necessary for their success.

Table 6. 1 Business Model Canvas CA

Key partners Cooperatives Farmers Exporters Dry millers	Key activities Source raw beans, Sensory and mechanical tests of coffee beans, Personal visits to coffee farms, Roasting, Marketing	Value proposition High-quality roasted coffee	Customer relationships Customer club	Customer segments Restaurants and cafés, Office market, Households, Men and Women who visits the café bar- coffee lovers
	Key resources Café bar, Warehouse, Coffee roasting machines, Brand, Employees, image, Knowledge		Channels Social media, Words of mouth referrals, Online sales, Website, E- mail, Café bar	
Cost structure Staff costs, marketing costs, travel expenses, other operating costs			Revenue streams Roasted coffee sales, Course income	

Source: Own construct based on (Osterwalder, 2010, p 15)

6.1.2 Company B (CB)

CB is a unit of a subsidiary located in Southern Norway. Informant CB1 is an essential and critical resource in the firm and leads the coffee department, CB, after his firm was merged with the subsidiary wholly owned by an entrepreneur. The company started DT with producers in 2018 to ensure quality. CB has its website and operates independently, although it belongs to the subsidiary. CB's value proposition composes of high-quality roasted coffee beans. CB sells the coffee beans to restaurants, café bars, offices, and households through online orders. CB maintains its relationship with customers through channels like its website, emails, social media, and word of mouth. One of the key resources of CB is high-quality green beans that led CB into a direct relationship with its key partners consisting of farmers, cooperatives, exporters, and dry millers.

The coffee beans sales generate revenue streams, and a significant portion of its revenue goes to farmers as the key partners. CB's key activity is roasting, sensory, and mechanical testing of coffee beans, which requires key resources such as coffee roasting machines and equipment. The other important activities are personal visits to coffee farms, marketing, and branding, which consume money.

CB negotiates price and quality directly with the farmers in hope of cutting on intermediaries. Also, dry mills are used as distributors. Farmers deliver coffee beans to the dry mills for parchment. After parchment, the coffee beans are transported from dry millers by and to CB. Also, some transactions go through dry mills as it is difficult to distribute money to some farmers in a village far away.

6.1.3 Company C (CC)

CC is a joint stock micro-roasting company in Southern Norway owned co-owned by a married couple who founded CC following their passion for experimenting with tastes in high-quality coffee and the relationship effect coffee entails. CC is mediated by importer CD, who reaches coffee producers directly and supplies CC with high-quality green beans. Its value proposition consists of high-quality roasted beans sold to café bars, offices, and households through online orders. CC's key activity is roasting, sensory, and mechanical testing of beans utilizing key resources such as coffee roasting machines and equipment. Marketing is the other key activity that CC focuses on. The revenues come from the sale of roasted coffee beans and other accessories which requires the costs such as salaries, marketing, raw materials, and other operating costs. Two Kroner of every sold coffee bag is going to a school operation that CC owns in Uganda.

6.2 Importer

6.2.1 Company D (CD)

CD is an import company established in 2011, located in Oslo, and owned by Informant CD1 (63,24%) and another Norwegian company (36,76%). The economic aspect of the company's business model is illustrated in Table 6. 2 Business model Canvas CD. CD sells quality green coffee to specialty coffee roasters worldwide who order the coffee beans through online orders, email, and a call centre to assist customers and develop long-term relationships. CD reaches coffee producers at their origin to access high-quality coffee beans, the company's crucial resource to

create and propose value. The company works with estates and exporters, who act as mediators, and reaches farmers through them. CD negotiates price and quality with mediators. Costs associated with its activities include personal travels to producing countries to ensure the quality beans, testing of coffee beans, marketing, logistics, and resources such as warehouses, competent staff, and high knowledge.

The company operates in ten countries in the global south.

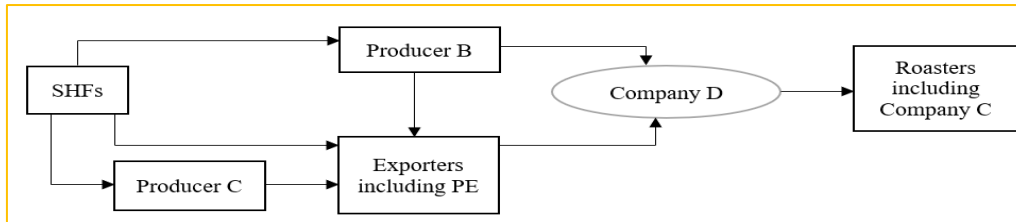
Table 6. 2 Business model Canvas CD

Key partners Cooperatives Farmers Exporters Associations Estates	Key activities Source raw beans, Sensory and mechanical tests of coffee beans, Personal visits to coffee farms, Marketing, Logistics	Value proposition . Fresh High-quality green coffee beans . Arranging visits between producers-roasters . Logistic of coffee beans to customers	Customer relationships Newsletters,	Customer segments Specialty coffee roasters
	Key resources Warehouse, Knowledge, Capital Employees,		Channels Social media, Words of mouth Website, E-mail, Call Centre Online sales	
Cost structure Staff costs, marketing costs, travel expenses, Logistic costs, other operating costs		Revenue streams Green coffee bean sales		

Source: Own construct based on (Osterwalder, 2010, p 15)

Company CD operates in Uganda and is in contact with PA, PB, PC, and PE in different forms of relationships. Therefore, we focus mostly on CD in downstream analysis, where it also has a supplier-roaster relationship with CC, and collaboration with CA. Figure 6. 1 Supply chain Uganda to Norway.

Figure 6. 1 Supply chain Uganda to Norway



Source: Own construct

Although all cases in Norway claimed to be aware of environmental and sustainability challenges in the coffee industry, they have different strategies for reaching producers and their relationships with them.

6.3 Discussion of Relationships, Quality, and Sustainability

6.3.1 Relationships between different actors

The specialty coffee sector is a niche characterised by quality, symbolic values, and a shortened and more transparent supply chain (Borrella, Mataix, & Carrasco-Gallego, 2015; Gerard et al., 2019; Quiñones-Ruiz, 2020). It is a sector where specialty coffee roasters will ensure quality coffee beans by having other strategies for establishing and maintaining relationships with producers than commodity coffee actors. Some roasters and actors go so far as to contact coffee producers directly to ensure quality from bean to cup, as we see in the case of CA, CB, and CD.

Through BM, value creation must be seen as the different values created for and with various stakeholders and the different values exchanged between a company and its stakeholders (Freudenreich et al., 2020a). Thus, relationships between a business and its different stakeholders are a multi-directional interaction that contributes to overall value creation in a BM. Value creation

in collaborations should be from both sides in a transparent mapping. Below we will discuss how this happens.

Collaboration, cooperation, and partnership

Quality coffee beans are a crucial resource for specialty roasters to propose high-quality roasted coffee to their customers. Access to this valuable resource requires collaboration with producers. Collaboration allows organizations to access needed resources (Gallo et al., 2018b; Quiñones-Ruiz, 2020) to gain a competitive advantage as argued:

“it was challenging to get the quality I wanted if I did not have good raw materials... So, I started to get curious about traveling and buying coffee myself... For many years, we have worked closely together and raised the quality together”- Informant CA1.

CA and its suppliers of coffee beans have raised the quality after many years of collaboration. It is argued that an SBM depends on collaboration with stakeholders to create and deliver value (N. M. Bocken et al., 2018; Lüdeke-Freund et al., 2016; Schaltegger et al., 2016b). Specialty coffee actors' use of ASBMs entails partnering, collaboration, and cooperation as essential elements in addressing sustainability challenges (Gallo et al., 2018b; Quiñones-Ruiz, 2020) Both CA, CB, and CD are present at the producer countries to get closer to coffee producers and cooperate with them

“Something that is even more important is to be able to ensure a long-term cooperation... that is why we are present in producer countries and build relationships directly, because I have seen many times how vulnerable relationships can be”-Informant CB1.

Relationships between roasters and farmers

CA and CB prioritize a direct relationship with farmers considering this relationship central to their authenticity as a specialty coffee roaster in similar manner as explained by Quinonez- Ruiz (2020) who mentions that “direct relationships is when coffees are traded based on direct producer-roaster relationship by visits, transparency, trust and high quality as well as social and environmental sustainability “(p.2). Their close and long-term relationships have contributed to an ongoing two-way learning process and knowledge exchange as CB1 explained

“I travel once a year to all the farmers ... if you want to understand how coffee works, you must be where coffee is produced”.

Being present at the source and sharing knowledge is essential (Gallo et al., 2018a; Quiñones-Ruiz, 2020). Informant CA1 believed in the process of consistency thus a need to constantly visit producers as he mentions

“I have travelled annually to Central America and sometimes several times a year”.

He chooses the farmers to work with, keeps close dialogue, and thinks it is the way forward

“For me, it is more important to have a close dialogue with producers and involve them in that process. That makes my job easier, too”- CA1

CA and CB accomplish their competitive strategy by controlling the entire production process through direct, close, and long-term relationships with farmers and a flexible partnership (Gallo et al., 2018b; Quiñones-Ruiz, 2020). Yet, they and the farmers rely on dry millers or exporters who act as a distributor of goods and money between farmers and roasters. However, they have another approach in Africa where they source coffee through cooperatives and exporters and do not have a close personal relationship with farmers a system Borrella et al. (2015) have referred to as Connective businesses.

Furthermore, we realised that it is not the poorest of the poor who manage to have a close personal relationship with CA and CB where the prices are negotiated directly between roaster and farmer. Working directly in this way requires spaces to produce a certain amount of coffee and technology and resources to process coffee until it is delivered for parchment. When we asked Informant CB1 about the size of the coffee farms he trades with, he said that they are the ones who have ten million coffee trees and up, and Informant CA1 said that he did not have the resources to work closely with farmers with very small farms. CA and CB have cut many intermediaries and get coffees from farmers through dry millers and exporters because the farmers they work with have the facilities and infrastructure to process coffee before delivering it to dry millers.

Nevertheless, this may not be appropriate for PA who likely poses 0,3-8 hectares of land and who lack the capital to invest in modern equipment and all facilities necessary for processing after picking and before delivering to a dry miller as illustrated in survey. It is here that the role of

intermediaries becomes crucial that contribute to coordination and connecting smallholders' production with roasters demand (Borrella, Mataix, & Carrasco-Gallego, 2015), as we see most in the case of CA and CB in Africa and CD who makes use of these intermediaries whom Borrella et al. (2015) call connective businesses (p. 35). Below we explain how these connective businesses function in the relationships between the CD and farmers.

Relationships between the importer and producers

Several academic literature discuss relationships as a key to quality assurance (Gerard et al., 2019; Holland et al., 2016; Quiñones-Ruiz, 2020). Holland et al. (2016) have suggested a DT relationship between an importer and producer to access the desired quality, like Gerard et al. (2019), who argue that a key motivation is to acquire quality. However, there is no single definition of DT (Borrella, Mataix, & Carrasco-Gallego, 2015), but the key is that sourcing is from a sustainable-oriented supply (Gerard et al., 2019; Quiñones-Ruiz, 2020). In the same line with the literature, we found that CD has a direct relationship with producers to ensure high-quality beans and has a strong presence in producing countries. The company has recently opened an office in Uganda to build a network of reliable partners. This is in line with Gallo et al. (2018) that actors seek to be in the proximity of FOP to propose sustainable values and overcome the challenges of building relationships (Glavee-Geo et al., 2020; Pedersen et al., 2021).

In line with the above, CD has a good relationship with PB and exporters like PE, who has a close relationship with smallholders in Uganda. PB and exporters take care of quality control of coffee beans when they collect from farmers, organize visits with farmers and take care of the logistics, something similar to connective businesses (Borrella, Mataix, & Carrasco-Gallego, 2015) and RCM (Hernandez et al., 2018).

“we work through exporters. We are out in the field ourselves talking to smallholders and trying to explain what is important to us and why things are more complicated than they initially envision”- CD1.

In this way, CD reaches many more farmers, including smallholders with a few acres, which is challenging, if not possible, for small and medium-sized roasters to reach.

''We only buy from a selection of countries because we see both that the quality is there and that we add some value because it is complicated to work directly for small and medium-sized roasteries''- CD1.

All these require cooperation and collaboration (Gallo et al., 2018a) between different parties (farmers, exporters, estates, and the importer) and across the supply chain (Norris et al., 2021) to ensure the quality of the product that is to be passed on to his customers. This is also an advantage for SHFs who otherwise would not be able to get into DT with roasters or importers (Borrella, Mataix, & Carrasco-Gallego, 2015; Quiñones-Ruiz, 2020).

Relationships across the supply chain

Not all specialty coffee roasters are in a direct relationship (Quiñones-Ruiz, 2020) with farmers. In line with Borrella et al. (2015) and Gerard et al. (2019), roasters engage in DT in different ways. However, firms with an SBM must consider relationships beyond direct relationships and consider the ecological and environmental impacts of their actions on their supply chain (Norris et al., 2021). This will help a business create value for stakeholders and differentiate its value proposition (Norris et al., 2021). Informant CC1 told us that they are mediated by importer CD. He said that their relationship with their importer is essential because currently, they do not have the capacity to source coffee directly from farms, even though they are considering doing it in the future. However, their supplier was not chosen randomly, but they decided on this after much critical consideration based on their core values. CC1 expressed

''It's not just quality, taste, cupping, and quality control that make it specialty coffee. It must also be traceable, fair, and sustainable. The farmers must get fair payments and good working conditions. This is something both the customers and we care about''

Traceability and transparency in relationships

Bager & Lambin (2020, p. 3564-3565) acknowledge that the companies that trade directly invest more in transparency on the Provenance of coffee, farmer operations, and pricing. Both the roasters and the importer whom we talked to said they endorsed transparency and accountability and talked about the fair price to coffee farmers and sourcing to contribute to a better life for the producers. Both CA and CB present farmer information and stories behind their coffee on their

packages and websites. CA and CD disclose prices paid to producers on their websites. They do these actions to signal their transparency, traceability, and responsibility to the supply chain (Gerard et al., 2019). This is in line with Weber's study on today's specialty coffee sustainable customers looking for such confirmations (Weber et al., 2021). Moreover, CC1 mentioned,

“Our coffee supplier has transparent prices available online for everyone. They post what they have paid for the coffee”.

Glavee-Geo et al. (2020) argues the importance of communication and transparency between chain actors to trust building and shared value creation. However, the question is how transparent buyers are towards producers. Do farmers know what percentage goes back to them as a producer? Do they know at which market their coffee ends up? Findings from PC and survey leaves raise a question mark (page 50 and 73).

6.3.2 Challenges of building relationships in the specialty coffee sector

Establishing and maintaining effective relationships in SBMs are not straightforward, and specialty coffee actors face different challenges. Scholars mention different barriers to building and maintaining relationships in SBMs (Borrella, Mataix, & Carrasco-Gallego, 2015; Glavee-Geo et al., 2020; Selsky & Parker, 2005; Valbuena-Hernandez & Ortiz-de-Mandojana, 2022; van Keulen & Kirchherr, 2021). They discuss cultural barriers, political complexities, and lack of trust, among others. The participants from downstream in this study mentioned challenges like regulatory problems, cultural barriers, corruption, poor infrastructures, low knowledge and education level of farmers, and small farm sizes.

Informant CA1 described the challenges of building close relationships with farmers.

“when you buy from a cooperative, you can visit the cooperative, but you do not have such very personal relationships with the cooperative board because it is elected a new every four years... It is challenging to have direct relationships in Africa because of that structure and because a farm can be half an acre... I cannot go on each of them because I do not have the resources to do so”.

These obstacles limit CA1 as a buyer from building a trustworthy relationship (Glavee-Geo et al., 2020) with SHFs. It is because building a trustworthy relationship requires relational satisfaction, information exchange, and cooperation.

Farmers' lack of awareness of market expectations is an important element that deprives their access to the specialty market (Borrella, Mataix, & Carrasco-Gallego, 2015)

“low education, low knowledge about coffee in general... I would like to be much more in Africa, but it is much more difficult... that coffee is delayed by two months, or that you do not get the coffee at all”- CB1.

The lack of infrastructure and good systems in developing countries is another challenge that complicates the collaboration between actors (Borrella, Mataix, & Carrasco-Gallego, 2015). This was something that CD1 mentioned explicitly as a challenge in Uganda *“There is a lack of infrastructure, systems, and good storage conditions”*. CD connects small- and medium-sized roasters with Ugandan SHFs, which otherwise could not reach each other due to these challenges. In this way, it creates a multi-directional value (Freudenreich et al., 2020b, p. 3). Whereby shared value is from both sides, by a roaster accessing quality beans and SHFs accessing high quality market, as put:

‘it is not so interesting to go to a superstar farmer in Guatemala ... trying to import his coffee is like importing T-shirts ... There are several who have realized that there is quality in Uganda’-CD1

Poor infrastructure, corruption, and smallholders' low knowledge about the market were predominantly discussed by downstream actors. These are often characteristics of the developing market of which Uganda is part (van Keulen & Kirchherr, 2021). Borrella et al. (2015) have suggested that a SHF can still be given a chance to be part of the high-value specialty market through connective businesses.

6.3.3 Understanding and working on quality and sustainability

Working on sustainability

Various definitions of sustainability are available (Boons & Lüdeke-Freund, 2013c; Elkington, 1997; Joyce & Paquin, 2016; Stubbs & Cocklin, 2008b), theorizing the need for profit toward

sustainability achievement in TBL. A similar perspective was observed from our informants both down- and upstream. For example, CA1's argument:

“To talk about sustainability at all, the most important thing and the first thing you must do is to make sure that it is economically sustainable. If the farmers do not manage to make a profit from their coffee, then they cannot pay their workers well. They cannot have the infrastructure that makes them have good working conditions. They cannot start working to improve the environment on their farm because they do not have the money for it”.

Similarly, literature acknowledges BM (Osterwalder & Pigneur, 2010) as the starting point toward innovative sustainability practices (Joyce & Paquin, 2016). However, diversity in perceptions and operations on sustainability are discussed (Bager & Lambin, 2020a; Hernandez et al., 2018). It is easier for companies to choose dimensions closely related to their business strategies and main activities (Schaltegger et al., 2012b). The nature of specialty coffee operation is likely to make actors prefer social-economical aspects (Bager & Lambin, 2020a, p. 3566). Issues of price premiums dominated our discussion with downstream actors and are dominant in the literature (Cordes et al., 2021; Sachs et al., 2019). Accordingly, CB

”when the farmers get paid more, they are equipped to have more sustainable operations, which is so important. Because then they will be more economically equipped to meet climate change”.

Paying price premiums is an essential characteristic of the specialty sector that brings some farmers higher income and pulls them out of poverty (Fischer, 2021a).

However, we must also be aware that quality coffee production requires more resources and costs for coffee farmers. Thus, the premiums must be high enough to cover these costs and profits for farmers at least enabling them to operate at a breakeven point. Price premiums are negotiated based on C-price (Borrella, Mataix, & Carrasco-Gallego, 2015) where buyers pay higher than C-price. The question is, to what extent are farmers knowledgeable about C-price? Something doubtful based on our survey.

The literature discusses possible greenwashing practices in agriculture value chain (Bager & Lambin, 2020a; Glavee-Geo et al., 2020), suggesting practices that enhance transparency. This led

us to pose a new question: how much higher than C-price do these buyers pay? Informant CA1 answered this question

“there is also a lot of talk in the specialty coffee industry and little action ... they say we pay a better price, but it is not sure it is enough, at least in relation to how much resources are required to cultivate quality coffee... often you compare the price with commodity price... yes, we pay 20% more than commodity price, but it is very small... I constantly see greenwashing in our industry where people say we pay more than the market price, and then maybe they have paid two dollars and fifty then. It is below market price because they compare a product with a completely different type of product”.

However, there is another scheme, the transaction guide¹², that some specialty coffee actors refer to, which provides a starting point for pricing coffee in a way that can be more beneficial for farmers (Transactionguide, 2022):

Specialty Coffee Transaction Guides rely on a group of specialty coffee producers, cooperatives, exporters, importers, and roasters who provide detailed contract data covering specialty coffee transactions from recent harvests on a confidential basis (p,2)

“Fortunately, we now have something called specialty coffee transaction guide, which is a kind of benchmark for what quality coffee costs based on data from roasters and importers”- CA1.

We can see among others that both the actors and specialty coffee industry in general focus on the socio-economic sustainability through collaboration with various stakeholder as mentioned above, a way of catering for SHFs’ welfare who live for less than one dollar a day (Cordes et al., 2021; Sachs et al., 2019).

Besides other sustainable practices from the downstream, we realised that they were also engaged in other activities. They run training programs and shared knowledge that contributed to the development of farmers

“A farmer on top of ... has no idea what the market wants. If he sells the coffee, then he must get that knowledge.”- CB1.

¹² A collaborative initiative that generates new and more relevant pricing, benchmarks for differentiated coffees (Transactionguide, 2022)

Companies studied find socio-economic sustainability as a necessity for quality improvement. Actors tailor sustainability actions to their needs and stakeholders (Bager & Lambin, 2020a, p. 3567). CA, CB, and CD train farmers to make them more aware of the market preferences and enable them to tailor their products to market requirements. Other sustainability initiatives are discussed and presented in Table 6. 3.

Working on Quality

Primarily, the pursuit of quality beans draws specialty coffee roasters and importers into direct and long-term relationships with coffee producers (Borrella, Mataix, & Carrasco-Gallego, 2015; Gerard et al., 2019; Hernandez-Aguilera et al., 2018; Quiñones-Ruiz, 2020). Those who want the highest possible quality are necessitated to have control over the entire production process, from picking (and sometimes planting) to roasting. CD has clear requirements for quality and deals with exporters to ensure high-quality beans. However, sometimes SHFs come with beans that do not pass the quality requirements, as our survey illustrated (page 50).

Issues of the knowledge gap between producers and consumers are discussed (Borrella, Mataix, & Carrasco-Gallego, 2015, p. 42) , suggesting a careful mix in BMs that enhance inclusiveness through connective businesses, which buys these beans and exports them as bulk green coffee instead of rejecting farmers. Furthermore, connective businesses aid CD in giving feedback to farmers to enhance quality improvements allowing them to reach the premium market. We also found that the direct relationship with PB works to improve quality. Our Findings show that through a direct relationship with PB, an innovative project aimed at quality improvement was started. PB is locally embedded, working closely with farmers. Unlike other connective Business forms, PB prefers a direct relationship (Quiñones-Ruiz, 2020, p. 3) which ploughs a ground to work on visible projects that enhance quality.

We realised that the practices are different on farms with good infrastructures. Both CA and CB leverage success stories through their BMs that work on quality with farmers through continual direct dialogs. Though from more knowledgeable areas, such practices aid an interaction that creates a synergy effect in collaborations.

Furthermore, our findings showed that quality was also looked at in the same lenses as Fischer (2021) and SCA (2022). They had practices linked to the taste wheel, focusing on intrinsic traits (Fischer, 2021b, p. 120). Fischer, (2021) discusses the effects of these symbolic values on a producer who lacks social capital, saying that they only sit with the material value, something visible in our survey where knowledge about quality is so different.

Quality, Sustainability, or both? Both thanks!

The importance of quality is central in the specialty coffee niche, as we see the traces in several discussions (Borrella, Mataix, & Carrasco-Gallego, 2015; Fischer, 2021a; Gerard et al., 2019; Hernandez et al., 2018). We could clearly see that it was the focus of our informants at downstream. Specialty coffee comes from Arabica beans that grow in the highlands and in certain temperatures (ICO, 2020). Climate change has affected many suitable areas for coffee (Ipcc, 2022; Ovalle-Rivera et al., 2015b; Samper & Quiñones-Ruiz, 2017b), which means a production decrease of coffee and thus reduced access to quality beans which affects not only business actors but the entire 250 million farmers. This is something that worries those actors who have a long-term perspective such as CB1

“One of the challenges is that climate is changing ... the most important thing for us is to trade with farms we believe in into the future, and that is precisely the most important thing right now ... we cannot work with someone who is not prepared for the climate or who do not believe in climate change... it gets too hot to grow coffee ... only we who work with coffee must take responsibility”

And just as important is the well-being of producers *“if you don't feel good personally and do not have the finance, then it is not possible to work specifically to increase quality”*- CA1

Sustainable development is a determinant for future agriculture production opportunities and the advancement of SHfs (Cadby et al., 2021, p. 7). For our informants, sustainability is vital to ensure access to quality beans both now and in the future, which their success depends on *“you cannot make great coffee from poor quality green coffee no matter what you do with it”*- CA1. This is also the reason for their investment in resources in producing countries and cooperation and partnership with coffee producers (Borrella, Mataix, & Carrasco-Gallego, 2015) to improve farmers' work conditions and help them effectuate farming practices.

This suggests that access to quality beans in the long run and quality increasing require sustainable actions, including better working conditions for farmers and investment in equipment and facilities that lead to more environmentally friendly farming practices. Mainly, farmers face sustainability challenges in their everyday lives (Samper & Quiñones-Ruiz, 2017a). Paying high enough premiums can better equip them to tackle these challenges, but it is not enough. There is also a need for collaboration, partnerships, exchange of knowledge, and sharing of expertise (Gallo et al., 2018a) with producers, which the three firms, CA, CB, and CD, in this study do in different ways after- and aforementioned. These discussions support the idea that businesses are created by society and cannot exist alone. Hence, a need to integrate sustainability into the BMs (N. M. P. Bocken et al., 2014; Joyce & Paquin, 2016) by adding the value proposition that focuses on the 3Ps (people, planet, profit) (Elkington, 1997; Stubbs & Cocklin, 2008a).

6.3.4 Impacts of relationships on quality and sustainability

CD has made access to the premium market easier by being present in producing countries and having close and long-term relationships with exporters, estates, and cooperatives who provide training and facilities to SHFs to increase quality. The company provided support to SHFs in countries neighbouring Uganda, and saw a future potential for Uganda

‘when I started there ... there were 5-6 washing stations, and now there are two hundred ... during the ten years ... there have been established many washing stations that focus on high quality ... so it is the same in Uganda we are doing’-CD1.

In this way, CD has created shared value (Hernandez-Aguilera et al., 2018; Porter & Kramer, 2011) with the local communities. This is also in line Galo et al. (2018), arguing that sharing equipment and expertise with farmers enables them to optimize their production and increase the quality enhancing economic sustainability through price premiums.

The results from the survey indicated that farmers from Bugisu were not aware of market expectations and consumer preferences which limited their opportunities to develop coffee tailored to consumer requirements (Borrella, Mataix, & Carrasco-Gallego, 2015). CD is aware of this and therefore is out in the field to share knowledge about market expectations allowing them to understand the market better, which is a valuable resource (Gallo et al., 2018a) to smallholders

“We are out in the field and talk to smallholders and try to explain what is important to us and why things here are more complicated than what they see for themselves in the first place”- CD1

This is also acknowledged by Borrella et al. (2015), saying that sharing knowledge with farmers enables them to be more aware of the market expectations, leading to a quality increase, product differentiation, and a better opportunity to receive higher prices.

In Uganda, CD collects its coffee through PB and exporters such as PE, who work closely with these farmers and give them the training to increase quality, which also means the development of the local communities and price premiums

’The more, those like us, who work with quality there [in Uganda], the more organisations like ... and ... will establish quality programs’- CD1.

CA has started a program that addresses environmental impacts, working with the farmers to develop organic farming by experimenting and trying to make organic fertilizer. However, it is currently undergoing experimentation. The main focus is on socio-economic practices (Bager & Lambin, 2020a) by providing farmers with the equipment needed to increase productivity and quality

“We have paid a good price for the coffee all these years, and it has enabled them to invest in better infrastructure on the farms. Some of them have built houses. They can send their children to school... it has in a way a positive impact, not only on the production but also on their lives which I see as a foundation for being able to work with quality then”- CA1

Bager & Lambin (2020) look at DT as innovative sustainable practices that prefer social dimensions compared to environmental, given the characteristics of their value chains. We realised that our informants from downstream were more engaged in socio-economic as expressed by CA1:

“I rarely use the word sustainability because coffee is grown with artificial fertilizer almost all the time and it is not sustainable”

However, through our discussion with CB1, we realised that some also focus on environmental challenges by paying a premium and requiring that farmers practice organic farming, in addition to partnerships that address socio-economic aspects (Paying extra to a farmer who is in trouble). These partnerships with farmers have created job opportunities for people in the local community.

In table 6: 3 we have summarized the companies' activities and their impacts on coffee quality and sustainability in producing countries.

Table 6. 3 Impacts on Quality and Sustainability

Firm	Activities in producing countries	Impacts
CD	<ul style="list-style-type: none"> -paying price premiums for quality -Support building washing stations near farms -Provide training and education programs for farmers -Long-term relationship with producers -Sharing and exchanging knowledge with producers - Provide info. to understand consumer preferences -Feedback to producers -Supply chain transparency 	Socio-economic: Better quality Better income for farmers Improved market and product information Farmers and their families can eat better Better infrastructures in the local community
CA	<ul style="list-style-type: none"> -paying price premiums for quality -Paying C-price before exporting and the rest after exporting -support to build wet mills and drying beds near farms - support to build storage at farms -Long-term relationship with producers - Sharing and exchanging knowledge with producers -Training in quality assessment -Provide info. and knowledge to understand consumer preferences -Training in farming practices - Supply chain transparency 	Socio-economic: Better quality Better income for farmers Improved market and product information Farmers can send their children to school Some have built house Better infrastructure on the farms
CB	<ul style="list-style-type: none"> -paying price premiums for quality, -paying in advance before exporting -Sharing and exchanging knowledge with producers -Long-term relationship with producers 	Socio-economic: Better quality Better income

	<ul style="list-style-type: none"> -Provide info. to understand consumer preferences - Supply chain traceability -Training in ergonomic practices 	<p>Improved market and product information</p> <p>Created jobs in the local community</p> <p>Price premiums enabled farmers to do social work for the local community</p> <p>Better infrastructure on the farms</p>
CC	<ul style="list-style-type: none"> -Paying price premiums for quality -Owing a school in Uganda to support children from low-income families 	<p>Socio-economic:</p> <p>Children from low-income families have been given the opportunity to go to school</p> <p>Better income for farmers</p>

Source: Own construct

6.3.5 The social stakeholder business model canvas of CD:

We purposively present CDs` Social activities (Joyce & Paquin, 2016, p. 1480) that create mutual value to stakeholders involved given their position discussed above (Table 6. 2 and Figure 6. 1), which will further appear in Table 6. 4.

- *Social value:* One of the company`s focuses is developing high value from mutually, long-term, and beneficial relationships with coffee producers in the ten countries it operates, including Uganda. Its` presence in Uganda has made it possible for SHFs to reach premium markets and simultaneously simplified access to Ugandan fresh green beans for small- and medium-sized roasteries in Norway, other European countries, Russia, Asia, and the USA.
- *Local community:* CD`s relationships and transactions with farmers have led to infrastructure development in local communities. An example is a neighbouring country which we mentioned in chapter five. In Uganda, the company has partnered with exporters such as PE and PB to support and train SHFs to improve coffee quality and increase their income sustainably. In collaboration with PB, the company has worked

on evolving a project to develop new products while increasing volume. The project has created job opportunities for the local community in southwestern Uganda.

- *Scale of outreach:* CD represents a deep outreach as it gives training to farmers through its visits to Ugandan farms, long-term relationships with exporters, and running development programs with PB. The other example of CD's outreach is that it provides sellers with FOB, which is beneficial to producers who otherwise are hindered from having direct relationships with roasters because of the limited capital and lack of necessary shipping contracts as we saw in the case of PC.
- *Social benefits:* Among other positive social values created by CD in Uganda is the personal development of SHFs through training programs in collaboration with exporters like PE and producer PB. The other benefit is the positive effects of job opportunities engaging the local community in projects with PB.

6.5 The Juxtaposition of Upstream and Downstream Perspectives

6.5.1 Comparison of Actors

In line with Gallo et al. (2018), our comparison is based on two theoretical constructs of ASBM: Firm location and Claimant identity, to identify different categories in our actors to answer our research question (Gallo et al., 2018a). Following this Matrix and prepositions, we link with the social layer of TLBMC for all actors in Table 6. 4. In addition to PA findings discussed, this will give us a basis for conclusion in chapter seven later. But first, we begin with the social layer to sum up the actors' mutual actions that add value to stakeholders.

6.5.2 The SCN Sustainability Business model canvas (SBMC) – TLBMC

Joyce & Paquin (2016) have suggested that a social layer of TLBMC is an extension of the origin BMC with a key element of capturing the mutual influences between stakeholders and the organisation. Table 6. 4 illustrates the key social impacts of the specialty coffee actors following their relationships with various stakeholders. We focused on the social impacts that we found more

relevant for each actor, based on their BMCs as already discussed. We gather all in a single framework (Table 6. 4) to guide in answering RQ 2 and RQ3.

Actors									
The social layer of TLBMC									
	SV	E	G	LC	SC	SOO	EU	SI	SB
PB	From Ethical, direct sourcing and relationship	Employ from the local area, they train, fair wage	Wholly owned, enabling control of resources for the village	Develop education curriculum with schools in the region and train farmers	They mention charity, they support in partnership with their networks abroad	Deeply cultural and Global	3 rd wave & 2 nd wave customers that source direct like SD	N/A	Young people love agriculture in the area because they teach them
PC	Relation, quantity bargaining	N/A	Sometimes have partnered with f/t, collective ownership	Training with farmers, access knowledge and share	N/A	Deeply in his community over 10000	Exporters PE seeks bulk		
PD	Long term, farm to cup	N/A	Patriarchal	Women growers and cherry pickers in his area	N/A	N/A	Coffee consumer in Uganda, and exporter		
PE	High volumes of coffee Arabic all classes	N/A	Big roasters	Partners local groups to give them courses	N/A	Knowledge of locals, market broadly	Roasters seeking all types of coffee	Young demotivated	

CA	Transparency, long time relationships bring quality coffee with a price suitable for all	N/A	Majority shares, gives CA autonomy to decide what adds value to him and farmers. e.g., publishes prices	Farmers receive training in quality assessment, farming practices, knowledge, and support to invest in modern equipment	N/A	Strong and long-term relationships with 9 farms in 7 countries and SHFs in one country, attending in farmers' social ceremonies	Tasty and light roasted Coffee to consumers, High-quality green beans to SCRs		Development of farmers to improve farming practices, improved the life quality of farmers and their families
CB	Focus on traceability, developing long term values from close relationships with producers	N/A	CB is an autonomous business unit within a big subsidiary that makes decisions on supplying based on its discussion and visits to farms	Training of farmers in ergonomic practices, spreading of knowledge and sharing expertise leading to farms' development	N/A	Close and long-term relationship with producers in Africa, South- and Central America. Having social time with producers to exchange the cultural knowledge	Traceable, high-quality, and tasty roasted coffee to consumers		Increasing the farmers knowledge, job opportunities to hundreds of families

CC	Makes a pleasure time for consumers by offering tasty coffee and good service	N/A	A small company totally owned by a couple who make the decisions	N/A	School in producer country	N/A	High-quality roasted beans to consumers	N/A	Children from low-income families get an education
CD	Focus on transparency, developing high value through mutually and long-term relationships with producers, making access to premium market possible for Ugandan farmers, making access to Ugandan beans possible for small roasters	N/A	Wholly owned, but some decisions are taken in collaboration with producers like the starting project with PE	Development of infrastructure in local communities, support, and training of SHFs, developing projects and creating job opportunities	N/A	Present at 10 producing countries, and sells to roasters worldwide, long-term loans without collateral to producers, educating producers, long-term relationships, Providing FOB	Provides SCRs with Fresh and high-quality green beans		Personal development of SHFs through training programs, job opportunities engaging the local community in projects with PB

Table 6. 4 The social layer of TLBMC

Source: Own construct based on Joyce & Paquin, (2016, p1480)

KEY: **SV**: Social value, **E** employee, **G** governance, **LC** local community, **SC** societal, **SOO** scale, **SI** social impact, **SB** social benefit

Schaltegger et al. (2012) describe the characteristics of SBMs as a situation where economic success is increased through environmental and social performance (Schaltegger et al., 2012a, p. 32). Linking the social layer of TLBMC to the characteristics of SBMs described by Schaltegger et al. (2012), we have insufficient knowledge to say much about each BM we presented other than a narrow understanding of how they create value. However, we noted in the process of mapping our findings to the social stakeholder BM, in combination with the data from the actors' websites (especially from downstream), a clear characteristic of sustainability models (Schaltegger et al., 2012b, p. 23).

We also noticed that all actors interviewed were between accommodative and proactive in their strategies when looking at their BMs and the social stakeholder layer above. According to (Schaltegger et al., 2012b, p. 14), proactive, accommodative, and defensive strategies are when consideration of sustainability is either moderate, fully integrated, or limited. Bearing in mind that we chose potentially sustainable actors besides PD, our control group, we realised their engagement differed. Generally, all actors participated in activities that created social value for their stakeholders in different contexts, which is in line with Joyce & Paquin (2018) and Porter & Kramer (2011), who suggest that social value cannot be ignored irrespective of a company vision and mission. Other components we found commonly addressed were the local communities. Here we saw that all actors that reached producers were engaged in local community initiatives in those areas they travelled to.

Even though we did not carry out a social life cycle assessment (SLCA), to enable us understand the potential social impacts (Joyce & Paquin, 2016, p. 1477), sources indicate issues related to caffeine addiction. Additionally, survey from upstream indicated coffee activities are likely to result in displacement of farmers, possibility of malaria due to stagnant water, all which create a negative impact to SHFs.

6.5.3 The ASBM Matrix

Matrix of ASBM (Gallo et al., 2018a, p. 913) identifies four different subcategories of ASBM based on the two dimensions of firm location and claimant identity, as illustrated in Figure 3.3.

Firm location is more than simply country location (Gallo et al., 2018b). It is the proximity of the firm decision makers to the social-economic realities of the model. Firm location can be at

the country level or the distance between firm decision makers and the impact they have on FOP. Those located at a distance from the production base engage in partnerships and cooperation that enhance their value proposition and competitive strategy. In contrast, those at the origin focus on partnerships that address domestic challenges.

According to Gallo et al. (2018), distinction in ownership structures can have an impact on the variety of social and environmental issues a firm focuses on in its BM. Firms with claimant identity category where farmers/labourers were majority shareholders had more focus on sustainability issues, as they usually partnered with the state or other organisations and generated profits that enabled them to tackle economic and environmental challenges. On the other hand, the 100% wholly owned equity entrepreneurship claimant category only did a minimum market requirement (p.911).

The relevant construct for PB is the firm location, whereby proximity to the reality of the coffee farmers as their core value made PB1 establish PB in Uganda. On the other hand, PB1, the Entrepreneur, is headquartered in the developed world- a home for second and third-wave consumers (Fischer, 2017, 2021a; Ponte, 2002), although PB1 commutes back and forth to Uganda during harvest season (Interview, 2022). In their absence, the SHF community and other employees are running the farm, and upon return, PB1 takes with him the knowledge to farmers on new demand trends. This is in addition to the relationship with actors like CD, who bring innovation, research, and development to communities. Regarding the claimant category, PB is wholly owned.

Producer PC is headquartered in Bugisu, a central district that produces high-quality Arabica coffee, and where we interviewed most of the farmers. The estate collaborates with thousands of farmers in the area who supply their coffee. The estate does minimal value addition on coffee, apart from washing ready for export. There is no direct contact with the consumer market. The only sales channel is through major coffee exporters in Uganda such as PE and many others, again the ones in a relationship with CD. The theoretically relevant property of firm location for PC is somewhere between the country level and the distance between firm decision makers and their impact on the FOP. On the other hand, the claimant identity can also be seen to be between the entrepreneur and the farmers in the region that supply the estate. The survey results indicated they received support from PC, and we understood that PC, under pressure to deliver, works in collaboration with PE who comes for his coffee- as PE1 made us

aware. PE supports PC to meet the market demands, as his relationship with farmers is crucial. Nevertheless, PC is internally motivated because he sees the community as his own and still wishes to know the consumer. Will it be more sustainable then? Our Informant PD1 was for control purposes to make a comparison beyond the specialty coffee.

Embedded Investment

Producer PB represents the Embedded Investment category. The estate has established its competitive strategy based on its internal intellectual property possessed by an entrepreneur knowledgeable about the specialty coffee market (PB1) due to its interconnectedness as a multi-citizen in the Global North. PB has modern facilities in southwest Uganda, wholly funded by PB1 and accessible by all SHFs in the community (Table 5.13 and Table 5.14). This status enables PB1 to establish unique partnerships and collaborations with customers that identify with PB from the Global North. PB has many employees, collaborates with local schools, and easily gets through with organisations in Uganda, such as its BMC and TLBMC shows. Accordingly, PC's competitive advantage lies in its ownership structure fosters necessary partnership, as illustrated above and in BM.

Distant Investment

Although the entrepreneurs CA, CB and CD are headquartered in Norway, they visit producers at least once a year and continuously communicate via different channels such as telephone and communication Apps. In this way, they are in a close relationship with farmers, giving knowledge about market trends to them and contributing to the innovation and development of farms. Regarding the claimant category (Gallo et al., 2018), CA, CB, and CD are entrepreneurs who do not include equity for farmers in their ownership structure.

Also, CC is wholly owned by entrepreneur claimants and located at a distance from FOP. The company has no personal relationship with farmers but practices ethical sourcing (Gerard et al., 2019) by supplying from CD, which directly reaches farmers in certain countries and places transparency at the core of its business. CC also owns a school in Uganda where they make school access possible for children from low-income families.

Although CA, CB, CC, and CD entrepreneurs constitute the ASBM Distant Investment (Gallo et al., 2018b) category examples, they have different competitive strategies. CA, CB, and CD have established their competitive strategies based on direct collaboration with coffee growers

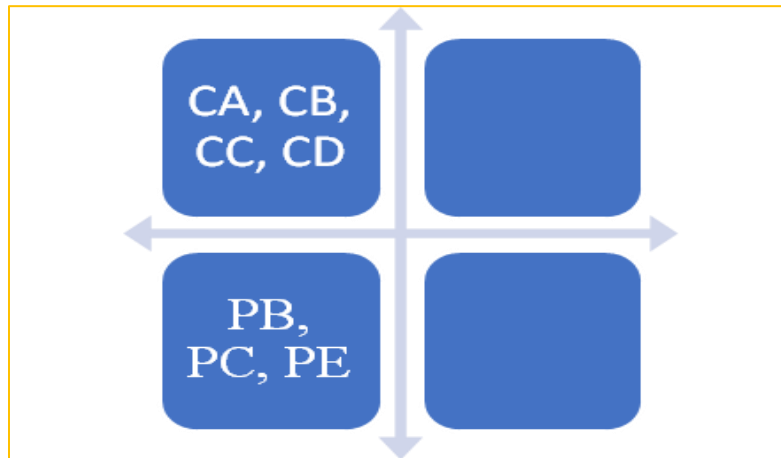
to get direct access to high-quality raw materials, deliver a differentiated product, and contribute to the economic development of coffee growers. They utilize specialized production processes and share knowledge and expertise with coffee growers. CA's collaboration and cooperation with coffee growers help provide them with modern equipment and share knowledge and expertise. It utilizes an education partnership with a cooperative which have 1700 members.

Through close relationships and collaboration, CB provides coffee growers with advice and ergonomic practices and makes them aware of market preferences, new technologies, and innovations in farming practices. CB pays advances to farmers supporting them to invest in more modern equipment and instead requires that they adopt environmentally friendly farming practices. CB's collaboration with producers has led to job opportunities for several hundred families in local communities.

CD's strategy is to reach as many SHFs as possible through connective businesses (Borrella, Mataix, & Carrasco-Gallego, 2015). Its collaboration with producers like PE and PB has led to the development of the local community, where many small farms are located. Through the partnership with PB, the company has developed a project to deliver differentiated products leading to the economic development of SHFs in Uganda. Recently, CD has opened an office in Uganda for proximity to FOP. This means that the company can be moved from the subcategory of Distant Investment to Embedded Investment in Uganda. However, since this is very new and it is very early to see the effects, we believe the company can still be categorized as a Distant Investment while we write this thesis.

CC accomplishes its competitive strategy by offering a differentiated product processed by competent roasters and in collaboration with CD. The company is engaged in SDG#4 and SDG#5 by owning and operating a school project in Uganda, providing an opportunity for school access to children from low-income families.

Figure 6. 2 ASBM Matrix for Upstream and Downstream



Source: Own construct based on Gallo et al. (2018)

In line with Gallo et al. (2018), building on Schaltegger et al. (2012), we saw something in a similar direction, although not exact. The ASBM actors located at the source of specialty coffee production engaged in more components of social stakeholder BMC addressing domestic challenges. An example is PB. As already discussed, (see his BM), this actor sees it important to engage in most of the components of TLBMC (Joyce & Paquin, 2016). First, like Gallo et al. (2018), it could make sense since PB's value creation is near the production source. However, one aspect was that PB does not have collective ownership- he and his wife own everything. On the other side, it could be argued that the focus he has on the employee's welfare and the sense of ownership fits in Gallo`s second proposition, which argues that those firms that create equity ownership for labourers will contribute more to business cases for sustainability compared to those that do not.

CHAPTER SEVEN: CONCLUSION AND RECOMMENDATIONS

7.1 Summary

This thesis aimed to respond to the main problem presented in chapter one. That is assessing whether SBMs within SCN where the relationship is a core could be of potential towards solving sustainability and quality challenges faced by actors in Norway and Uganda. To answer this question, we studied and analysed field data from Uganda and Norway and compared our findings with literature, specifically the ASBM framework (Gallo et al., 2018a) and TLBMC (Joyce & Paquin, 2016). The in-depth analysis was based on stakeholder theory, thus focusing on the social stakeholder layer of TLBMC. Three research questions were identified. RQ1 identified the nature of relationships between different actors in the specialty coffee industry, RQ2 Identified the actors' understanding of sustainability and how they worked with the issue, and RQ3 identified the impact of the relationships on coffee quality. We offer a summary below.

RQ1: What types of relationships were found between actors?

First, we found a long chain of relationships that was also complicated. In this chain, we saw coffee growers related to several levels. They related to community leaders at the grassroots level, the middlemen, and multinational companies. Whereas community leaders were instrumental, the survey indicated that these types of relationships were on the verge of collapse. In these relationships, poor structure and dominance were making farmers lose interest in them; hence the agricultural cooperatives were dying off.

On a general observation, upstream actors who were deeply engaged in their communities potentially attracted long-term relationships than those who did not. The nature of relationships varied, whereby some of them were in the form of connectivity in a way that a middleman was involved. Where intermediaries were involved, we saw the necessity of transparency as a decisive factor for them to land long-term contracts. The resources played a crucial role besides trust and transparency. We saw a black swan- one actor at the upstream who was not suffering the same diagnosis as the rest manage to get in direct relationships with actors in the Global North. Other actors in the category of multinational, were often in short-term direct relationship with SHFs where they offered them support.

RQ2: How do the different actors understand and work with sustainability and quality?

Regarding sustainability, we realised farmers had an understanding, and practice was limited to their cultural setting. They, among others, practiced organic farming without choice since it was their way of living. Sustainability was generally linked to an economic dimension at the upstream because even when discussing environmental impacts, one could easily notice they oversaw that impact, although it was the most serious in the communities. As the discussions indicate from all our actors, we could see the understanding of sustainability correlated with the relationship and collaboration they engaged in and their BMs.

Those more resourceful actors at the upstream also showed tendencies to work not only with social and economic but also environmental dimensions. We also recognised that some actors at the downstream preferred not to use the term sustainability, although they were engaged in socially impactful practices. When it comes to the quality of specialty coffee, we generally found that the segment has sustainability core values whereby the increase in quality naturally meant premium, which creates value for all. While actors at downstream understood quality in line with what Fischer (2019, 2020) calls symbolic values in terms of the specialty coffee lexicon, at upstream, it was linked to material issues such as child labour and organic farming.

RQ3: What is the Impact of the relationships on coffee quality and sustainability?

Our finding showed that actors from downstream establish direct relationships to ensure quality. They focus on farmer training programs and knowledge sharing to increase the farmers' ability to produce high-quality coffee. There were success stories of resourceful farmers, where strong and direct relationships between farmers and roasters were established. They shared knowledge, expertise, and equipment, which led to improving quality, price premiums, and better work conditions, hence socio-economic sustainability.

However, the story was different where farms were small, and the resources were limited. Our findings showed that most SHFs in Uganda lack knowledge about market preferences and perceive quality differently than buyers downstream. Big export companies in Uganda shared knowledge, but to a limited extent. They bought mixed coffee without giving feedback to farmers and encouraging them to improve quality and created a culture that limited farmers' understanding of the high-quality market requirements and hence their access to it. In this way, they created challenges for companies that wanted to make a difference.

Our findings showed that local companies with an SBM relied on long-term and close relationships with SHFs and addressed domestic challenges. They trained farmers in modern farming practices, shared resources, and knowledge. Their understanding of the culture and including SHFs in the firm's activities had contributed to trust building, hence better quality. They connected SHFs with specialty coffee importers and premium markets. Their collaboration with specialty actors downstream and SHFs upstream has resulted in innovation and development. Our result highlighted the importance of companies' engagement in social value creation alongside the economic value. Their long-term investment and social value creation had synergy effects in terms of the development of the local community.

Furthermore, we realised that the presence of downstream actors and their collaboration with connective businesses, in general, had led to better quality, sharing of knowledge and expertise, and better infrastructure in local communities, hence SHFs' connection to the high-value market. The results showed that farmers' membership in associations played an important role in their income growth. Thus, actors who focused on collaboration and cooperation adopted more practices for socio-economic sustainability. However, it is important to be aware of the potential negative impacts of the specialty coffee market on local communities. For instance, the development and growth of companies investing in land can lead to the displacement of farmers.

7.2 Suggestion for business actors and any policy consideration

We proudly say that our research has contributed to an understanding that solving quality and sustainability challenges require SBMs that consider collaboration and partnership.

However, for this to happen, we need innovative BMs that understand the wicked nature of these issues, that require transition as a collaborative affair with an open mind, in which inclusion of minds of a broad range of stakeholder is a core. We believe there is need listen actively to SHFs' perspectives and understanding derived from their own construct.

7.3 Comments and recommendations for future studies

The study aimed to explore whether ASBMs in specialty coffee can be a potential response to solving sustainability and quality challenges that SHFs face daily. Unlike most studies, including Gallo et al. (2018), that depend on secondary data, we chose a mixed study to ensure we include the SHFs in an Arabic growing district in Uganda where multinational sourcing companies dominate.

Our study approach made us understand how relationships in the form of collaborations and partnerships that are decisive in their length functioned as reflected in stakeholder approach theory. However, the limited time did not allow us to analyse all the quantitative data fully as we would have wished, so it is likely that some issues were bypassed, but on the other hand, it gave us an opportunity to revisit our literature and compare all the way what we saw. Sekaran & Bougie (2019) has discussed triangulation, saying multiple data collection methods can strengthen results' reliability. We take pride in seeing our results reliable too. However, one thing we could have done differently could be to interview all the multinational companies we found in this area but again, time limit and planning did not facilitate. We also think it could have been interesting to take interviews with SHFs in another area of Uganda where an actor has usefully managed to leverage success in a specialty coffee model that was representative at the upstream.

Since we believe there is a lot to study in this area, we can suggest anyone use our data tools attached and replicate a similar study as it can be interesting to see what they find. During our thesis, we also realised upcoming issues that were affecting yet were outside our scope at the time. Farmers disagreed their coffee was bad; many of them insisted it was packed and sold elsewhere; others also meant someone out there in the world had contracted all coffee to be supplied through an undisclosed relationship that was political. We also realised the prices were escalating, making it a challenge for downstream too.

Future studies can thus look at many issues ranging from relationships nature, the effect of political powers in the supply of coffee, and the role of intermediaries in connecting smallholders with premium markets, to name but a few. We saw on a general note that connective businesses play an essential role by training farmers, organizing visits between

SHFs and downstream actors, providing infrastructure, and taking care of logistics in Uganda. The biggest wish for farmers is to acquire knowledge about consumer preferences and the markets in which their coffee ends. The biggest challenge for a downstream actor is transparency, traceability institutional challenges in litigations of which connective can fill these gaps hence not leaving the farmer out. Another future study can be on assessing the social life impacts using the social life cycle analysis (SLCA) since we found many actors engaged in social value creation, yet we did not measure costs and benefits.

Considering the complexity of reaching the SHFs, we still believe they can be included in the specialty coffee sector through connective businesses. However, our suggestion to actors at downstream is to undertake due diligence with potential intermediaries.

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A-1 Scheduled Likert Questionnaire for coffee growers

INTRODUCTION

My name is

We are conducting a study assessing the importance of Relationships in specialty coffee sector- Associative sustainable business models (ASBM) in solving quality and sustainability challenges. This study is done in Uganda and Norway for academic purposes only. Kindly answer the questions honestly. The information you share, and your identity will be held in strict confidentiality. This is a voluntary exercise, and please feel free to ask me to explain anything that is not clear.

SECTION A: BACKGROUND INFORMATION

IDENTIFICATION PARTICULARS										
1. District										
2. Sub-County										
3. Parish										
4. Village										
5. Name of respondent										
6. GPS coordinates										
SURVEY STAFF DETAILS AND SURVEY TIME										
7. Interviewer name:										
8. Date of interview										
9. Starting time:										
10. If the household is not able to Participate in the Survey, Give Reasons										

CHARACTERISTICS OF RESPONDENT	Code
11. Sex of Respondent (Male = 1, Female = 2)	
12. Age of Respondent 1= below 18 years, 2= 19-25 years, 3= 26-35 years, 4= 36 years - 45 years, 5= beyond 45 years	
13. Highest Level of education attained by respondent (None = 1, Primary = 2, Secondary = 3, completed business or technical education skills training = 4, University and above = 5, Don't know = 6)	
14. Marital Status of the respondent (Never married=1, Married=2, Divorced/separated=3, Widowed=4)	

15. Current Activity Status of the respondent (<i>choose one that best describes you</i>) (<i>Self-employed = 1, Unpaid family worker = 2, Farmer = 3, Employee = 4, Casual worker = 5, Unemployed = 6, Other (specify) = 7</i>)	
16. Number of persons working on respondents' farm	
17. Number of family members working on respondents' farm	
18. The size of respondents' farm in acres	

SECTION B: To find out what kind of relationships exist between different actors in the Speciality Coffee industry

19. Are you currently a member of any coffee growers Association in this village? If yes, give the name and the details, if No skip to No.20

	a) Name of coffee growers' association	b) Type of group 1=Mixed 2=Women's only membership 3=Men's only membership	c) Your position in the group 1= Leader 2=Ordinary member	d) How long have you been a member of this group? 1= Less than a year 2 = 2-5 years 3= More than 5 years	e) Does your wife/husband and belong to the same group with you 1=Yes, 2=No
1					
2					

In the section below, you are kindly requested to indicate how you feel about the following statements using the scale where, 1= Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree and 5 = Strongly Agree. Please tick (✓) your response

Strongly disagree	Disagree	Undecided	Agree	Strongly agree
1	2	3	4	5

#	ITEMS	1	2	3	4	5
20	I believe that belonging to a coffee growers' association is important					
21	All our coffee is sold through coffee growers associations					
22	I have a strong relationship with my customers					
23	I sell my coffee through cooperatives					
24	I sell my coffee through estates					
25	I sell my coffee directly to roasters in Europe					
26	I sell my coffee directly to roasters in Uganda					
27	Building relationships with other coffee actors is challenging					

In the section below, you are kindly requested to indicate how you feel about the following statements using the scale where, 1= Very untrue, 2 = Untrue, 3 = Somewhat True, 4 = True and 5 = Very true. Please tick (√) your response

Very untrue	Untrue	Somewhat True	True	Very true
1	2	3	4	5

#	ITEMS	1	2	3	4	5
28	Most coffee farmers in this village have embraced coffee growers' associations					
29	Community members have had power to make decisions on how the coffee associations are managed					
30	Following a number of trainings there is now a change in attitude towards membership to coffee associations					
31	Community leadership has been in place and played a big role to organize community participation in the coffee associations					
32	Structures to promote community participation have been established and have been functioning					

SECTION C: To find out producers 'general knowledge about speciality coffee and its quality characteristics

In the section below, you are kindly requested to indicate what you know about specialty coffee both in general and in relation to quality requirements, by answering the statements below using the scale where, 1= no knowledge, 2= little knowledge, 3= somehow knowledge, 4= middle knowledge, 5= general knowledge

No knowledge	Little Knowledge	Somehow	Middle	General
1	2	3	4	5

#	ITEMS	1	2	3	4	5
33	I understand that farming methods are important					
34	I know where my coffee goes after I sell it					
35	I have sufficient information about the coffee market and pricing					
36	I am aware of consumer preferences in consuming countries where my coffee ends up at.					
37	I know about price premiums.					
38	The number of coffee defects lower coffee grading					

SECTION D: To find out challenges faced by different actors

In the section below, you are kindly requested to indicate how you feel about the following statements using the scale where, 1= Very untrue, 2 = Untrue, 3 = Somewhat True, 4 = True and 5 = Very true. Please tick (√) your response

Very untrue	Untrue	Somewhat True	True	Very true
1	2	3	4	5

#	ITEMS	1	2	3	4	5
39	I have sufficient information about the coffee market					

40	I don't have old coffee trees on my farm					
41	I have sufficient bank credit to support my farming activities					
42	There is enough good infrastructure in the area where my farm is located					
43	The soil of my farm is healthy					
44	I have good access to water to my farm					
45	Coffee pests and diseases are not a big challenge for me					

SECTION E: To find out how different actors understand and work with sustainability

In the section below, you are kindly requested to indicate how you feel about the following statements using the scale where, 1= Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree and 5 = Strongly Agree. Please tick (√) your response

Strongly disagree	Disagree	Undecided	Agree	Strongly agree
1	2	3	4	5

#	ITEMS	1	2	3	4	5
46	There is a diversity of trees on my farm					
47	I reuse the coffee husks as farm fertiliser					
48	I use artificial fertilizer					
49	I use pesticide					
50	I do efforts towards water management					
51	I use solar power					
52	I practice terrace farming					
53	I practice organic farming					
54	In my family women take a lead in economic decisions					
55	We have equal land rights in my family					
56	The children in my family work on our farm					

SECTION F: To study the effect of these relationships on coffee quality

In the section below, you are kindly requested to tell us if you have learned or not about practices that effect coffee quality, using the scale below. Please tick (√) your response

Strongly Disagree	Disagree	undecided	Agree	Strongly Agree
1	2	3	4	5

#	ITEMS	1	2	3	4	5
57	I pick only ripe coffee beans when we harvest the coffee					
58	I know about the importance of separating coffee lots					
59	I sort defected coffee beans from the others					
60	I learned about better ways of washing coffee					

61	I learned about better coffee drying methods					
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SECTION G: To find out the impact of these relationships on creating sustainability for actors involved

In the section below, you are kindly requested to tell us which of the following services have you received from the association in the past two years?

#	ITEMS	Yes	No	Don't know
62	Was trained on modern farming techniques on coffee			
63	Provided with coffee seedlings			
64	Received fertilizers and other agricultural inputs			
65	Received financial support			
66	Provided with farming tools (hand hoes / tractors)			
67	Motivated, encouraged and given information on how to start Income generating activities			
68	Trained on income, expenditure and record keeping			

69	Have you changed your farming practices towards environmental conservation in your community since receiving any of the support provided by the coffee association?			
70	Elaborate with an example (open ended)			
71	Have you sought alternative ways of improving the quality of your coffee?			
72	Elaborate with an example (open ended)			
73	Have you started a new enterprise or business (keeping a cow, goat rearing, small shop) to supplement my coffee business?			
74	Has your coffee production increased in the last five years?			
75	Have your annual earnings in coffee increased in the last five years?			

#	ITEMS	Before joining association	After joining association
76	What is the total number of clients you have?		
77	How many Kgs of coffee were you producing?		
78	How much were you earning annually? (UGX)		
79	How many other small holder farmers have your trained?		
80	How many other branches/outlets/ plants have you opened		

A-2 Semi-structured interviews for coffee growers

INTRODUCTION

My name is

We are conducting a study assessing the importance of Relationships in specialty coffee sector- Associative sustainable business models (ASBM) in solving quality and sustainability challenges. This study is done in Uganda and Norway for academic purposes only. Kindly answer the questions honestly. The information you share, and your identity will be held in strict confidentiality. This is a voluntary exercise, and please feel free to ask me to explain anything that is not clear.

SECTION A: BACKGROUND INFORMATION

District	
Sub-county	
Parish	
Village	
Name of the Respondent	
Gender of Respondent	Male Female
Level of Education	
Age of the respondent	
Number of years engaged in coffee growing	

SECTION B:

Objective 1: To find out producers' general knowledge about specialty coffee and its quality characteristics

1. Are you familiar with specialty coffee?

Yes No

If yes, can you briefly explain?

If no, why?

2. Do you think that other farmers understand what specialty coffee is?

SECTION C:

Objective 2: To find out challenges faced by different actors

1. Do you have any challenges within this cooperative?

Yes No

If yes, can you tell us more about the types of these challenges?

If no, explain why?

SECTION D

Objective 3: To find out how different actors understand and work with sustainability

1. Do you know about sustainability?

Yes No

If no, please explain.

If yes, can you elaborate?

2. What role do you play as a cooperative in ensuring sustainability?

SECTION E:

Objective 4: To find out what kind of relationships exist between different actors in the Speciality Coffee industry

1. As a cooperative, do you belong to any coffee growers' association?

Yes No

If yes, explain the role of the association you belong to.

If no, explain why

2. Could you briefly explain the coffee value chain model in this area?
3. Are you linked to any coffee processors?

Yes No

If yes, explain how you relate to the coffee processor

If no, why?

4. What is your view on building strong relationships among specialty coffee actors?
5. What challenges have you encountered while building relationships among specialty coffee actors?

SECTION F:

Objective 5: To study the effect of these relationships on coffee quality

1. To what extent has your relationships with coffee processors impacted on the quality of coffee you produce?
2. To what extent have your relationships with processors or other parts influenced your way of working on the farm?

3. Basing on your experience, how can your relationship with coffee processors be strengthened to achieve quality?

SECTION G

Objective 6: To find out the impact of these relationships on creating sustainability for actors involved

1. How has your relationship with the coffee processors impacted your household incomes?
2. How do these relationships affect your local community?
3. What is your assessment of the impact of your relationship with the coffee processors on environment and soil conservation?

4. Do you think your relationship with the coffee processors enhances sustainability development?

Yes No

If yes, explain further

5. Please share with us your views on how sustainable value creation can be achieved among speciality coffee actors.
6. Are there some criteria your clients request before they enter the business with you?
7. Can you please tell us how you work in the cooperative? To whom the tasks are delegated? Tell us about the criteria of joining the cooperative. Can you tell us how many members are in your cooperative? How many women and how many men?
8. Do you want/desire that your children continue in the coffee business in the future?

Yes No

If yes, why?

If not, why?

A-3 Semi-structured interviews for coffee processors

INTRODUCTION

My name is

We are conducting a study assessing the importance of Relationships in specialty coffee sector- Associative sustainable business models (ASBM) in solving quality and sustainability challenges. This study is done in Uganda and Norway for academic purposes only. Kindly answer the questions honestly. The information you share, and your identity will be held in strict

confidentiality. This is a voluntary exercise, and please feel free to ask me to explain anything that is not clear.

SECTION A: BACKGROUND INFORMATION

District	
Sub-county	-
Parish	-
Village	-
Name of the Respondent	
Gender of Respondent	Male x Female
Level of Education	
Age of the respondent	
Number of years engaged in specialty coffee	

Tell us about your company

SECTION B:

Objective 1: To find out producers' general knowledge about specialty coffee and its quality characteristics

1. In this section we aim at understanding the complexities surrounding the everyday tasks of being a specialty coffee roaster who is highly concerned of quality. Kindly take us through your definition of quality.
2. What do you do to control quality and what standards do you follow?
3. What do you think about the quality of Ugandan coffee?
4. Do you think that farmers understand what specialty coffee is?

SECTION C:

Objective 2: To find out challenges faced by different actors

1. What challenges have you encountered while building relationships among specialty coffee actors value chains?

SECTION D

Objective 3: To find out how different actors understand and work with sustainability.

1. How do you define sustainability?
2. How important is sustainability for your business? Why?
3. What is your policy on sustainable development of coffee value chains?
4. Please share with us the strategies you have adopted so far to enhance sustainability among specialty coffee actors.

SECTION E:

DISCUSSION PAPER _ VALERIE

Reflection Note Valerie- Peggy I Korsvik

This reflection note will provide a summary and the central theme and findings of the study together with how our work relates to internationalisation, responsibility, and innovation as the key concepts of the school of Business and law and is part of their mission statement of which these cores are emphasised in learning outcomes to all students. We were chosen to reflect on the international part I will take you through, and how my thesis can be placed in this dimension. First a brief presentation of our thesis and how I understand the concept international and then introduce in the discussion in line with the international trends and forces.

Thesis Presentation

The main theme of this master thesis is on sustainable business model innovation that focus on collaboration and partnership to solve sustainability challenges. We took a coffee niche segment known as speciality coffee as our case study. This was due to the many sustainability challenges associated with Agricultural value chain as we discussed in our thesis. This was not only due to my motivation as a person raised by a coffee farmer, but also an Entrepreneur of Mukasa Roastery -who believe in the same lens as Elkington (1997) (Savitz, 2013) that businesses can play a big role in these problems. On the other hand, we are looking at a future that is volatile

Definition of International

There is various definition to what International can be but following webster dictionary International can be defined as a situation where two or more countries are involved just like our case. These two countries are chosen in this study to illustrate realities that can be observed in emerging markets and developed markets, all these issues are at the heart of what international is. In line with International, I prefer to adapt to the word Globalisation which means the same. In their book and article (Alon, 2020) they write so much on issues of internationalisation in relation to businesses. Defined as “Movement of people, information, money and products and increases in the mobility of these factors of production have allowed for international business to prosper”. This short review adds on examples of international trends. Here the article illustrated an international trend as a “black swan” while referring to covid and how it is expected to affect international business. It has left a virtual trend that

changes the overall reality something we observed at once in our thesis as well. In the old days, we should have travelled to the sites to be able to carry out this research, but now given the amendments where the university ethics are outlined on how virtual research can be done, we used the guided principles to do it.

Trends and forces can be seen as behaviours that happen and requires us to be present and recognise them in our different capacities. Trends can create opportunities for growth, investment and even a new segment direction but it requires knowledge and other instruments to be able to capture. Organisations and businesses are shaped in society and cannot exist in vacuum. This thinking roots back to Elkington, (1966) to whom the globally identified trend of sustainability is grounded through Triple Bottom layer (TBL). This TBL is the idea of integrating economic activities together with social and environmental to create a synergy effect. These three dimensions were the definition basis of Gro Harlem Branstad commission 1983-1987 (World commission on Environment and Development, 1987, p8) “development that meets the needs of the present without compromising the ability of future generation to meet their needs”. This definition has spearheaded various trends and forces, a seemingly continuous battle to the whole world.

Through 17 goals and 169 targets is a common language to the world through sustainability global development goals- SDGs presented in a combination of colours –. Sustainability challenges are so extreme that the world needs collaboration to get the ball rolling together. It is in the original definition itself that being in it together is the way forward. One can urge that most of the trends and forces rotate around sustainability as I will show later.

Figure: SDGS



Source: <https://www.un.org/sustainabledevelopment/news/communications-material/>

The fact that organisations are shaped by trends and forces around them makes it of importance to pay attention to them. Forbes is a global media company that focusses on businesses, investing and technology, together with Mckinsey & company help identify top trends and forces in the world to pay attention to (Marr, 2022; Mckinsey, n.d.). Among these trends are the relationship with the planet, shifts in economic and political power, Growing divergency and polarisation, trending shifting demographics, social, cultural and workplaces and they mention that such trends represent not only opportunities but also threats.

Environmental threats

My thesis relates to environmental dimension as one of the major international trends in various ways. First, coffee is an international beverage which is cultivated in the tropics yet consumed mostly in the North (Borrella et al., 2015; Cordes et al., 2021; Fao.org, 2022). The International coffee organization (ICO) shows an alarming situation when it comes to the sustainability of coffee in the future. As a result of heat pressure, countries like Brazil, which is the biggest coffee producers are expected to face reduced capacity. According to sources, the land suitable for coffee farming is expected to reduce by 18% by 2050 and by 27% by 2070 (Hagggar & Schepp, 2012). Similar issues are in Uganda where our thesis was grounded, some diagrams below illustrate potential impacts of global warming on the future of coffee. The question is how will this affect the 250 million small holder farmers whose lives are dependent and the global economy if no action is taken?

When I think about the relevancy of my thesis in relation to such environmental challenges, this needs more address when I come to discuss my research questions. Briefly I navigated in Business model innovation literature, so I learnt that a starting point is to the consideration of Life cycle Assessment (LCA) (Finkbeiner et al., 2010) This is the basis concept of considering the whole product system life cycle. It was used in the TLBMC (Joyce & Paquin, 2016) when working on the environment canvas.

The social dimension

Doing business in a way that impacts benefits the society and protect people is a core under social sustainability dimension (UN Global Compact, 2021). In Africa, where part of our thesis was taken, is where many of poorest countries are and they survive on less than a dollar per day (Cordes et al., 2021), this poverty aspects makes life impossible, while in the so called Global North we consume the coffee, which also puts an ethical question that speciality coffee address in their business model when they choose to go directly at the upstream. Their model is built on addressing the international trend that is concerned on the stakeholders involved.



Source: <https://www.undp.org/sustainable-development-goals>

There is an increased focus on the entire stakeholders and thus businesses are looking into their business models to increase their competition (Freudenreich et al., 2020). The fact that we are in the world where information runs faster, makes it easy to sport businesses involved in unethical practices in their supply chains. That is why The book “ Global marketing contemporary Theory, Practices and Cases” by (Alon et al., 2016, pp. 20–21) and the article (Alon, 2020) throws a good light on how to think about internationalisation

Gender Equality and descent work

The most important asset any business or organisation can have been the people inside there, the international trends of an inclusive society that empowers people is never finished and still on going. The companies are striving in making themselves relevant to attract the right heads. We saw this in the context our research, when the demographic characteristic of our sample illustrated unbalance in job categories. While men dominated business transactions, women were on the ground separating bad beans from good beans together with their children as this picture below illustrates (Fade faces)

Picture 1 Women sorting coffee beans



Source (Field findings,2022)

Picture 2: Women working with children



Source: Field findings, 2022

Coffee is a widely consumed and traded commodity globally (Fao.org, 2022), valued next to oil (Bager & Lambin, 2020), and an integral part of many people's lives. It is reported that every day over 400 billion coffee cups are consumed in the Global North, yet farmer conditions are still in debates; "t lives on less than a dollar per day (Cordes et al., 2021, p. 5). The agricultural supply chains are in constant debates because in general, the farmers are on the front stage for sustainability challenges, such as environmental condition, social problems, and the market access. These challenges are however both sided because if the environment threaten coffee distinction, then firms must compete on scarce resources and the effect in the end takes the society at large.

As mentioned above, is part of an international network in form of a Global supply chain that link the North and the South span. The last period we have seen the effects of Covid- 19 and now the political instability all which affects not only the farmer, but all actors involved. The supply challenges need a cross – collaboration of broad stakeholders to find solutions in such challenges. While we conducted this study from Uganda small holder farmers, we found they were being affected by price challenges. This leads them to take short cuts and thus avail sometimes products which may be low standard. At the same time, this affects the world at large because Coffee is global commodity. The greatest take is still on innovation, where new minds are needed if sustainability challenges can be tackled. But a lot of literature is pointing at a need to understand these collaborations (Freudenreich et al., 2020; Pedersen et al., 2021).

Green consumption and green products

From a Harvard business report (White et al., 2019), Consumers especially the millenniums prefer products that embrace purpose and sustainability. This is an international trend is seen in our thesis when we are looking in the business models, because value creation rotates around the value proposition, as illustrated in (Osterwalder & Pigneur, 2010) and (Bocken et al., 2013).

The relationship a company creates with customers has a great effect on value leverage which in the end spills over to sustainability. This means a business attracting customers in form of drinking coffee that is documented sustainable, either through social, economic, or environmental, is making a great contribution. In some of our cases, we found that some coffee actors were directly involved in farmers everyday lives and were providing education to villages as well as medical help. In an era with much unrest such as covid 19 which is still present in Uganda, we can link this point to international trends and businesses that had these practices had existed for a long time here in Norway and were breaking even. The take in this discussion is integrating sustainability in business models leverage value in the triple bottom (Economic, social and environment) that makes a great contribution.

Shifting demographics

Amongst the international trend and forces are the demographic changes in population in the coming years. Either people are shifting from rural areas to urban areas, or an older generation feared in the agricultural sector (Samper & Quiñones-Ruiz, 2017). In our survey from Uganda where we included 165 farmers, we exactly saw this factor. we found less interest to the young people in farming. When we bring up such facts empirically it can contribute to further research on such issues. However here the issue was clear and was the unattractiveness in terms of prices farmers receive. Young people prefer moving to the cities instead although, even in these cities no ready job waiting for them, since many do not have education. For reflection, companies designing innovative sustainable business models should reflect on demographic issues in a perspective they affect them. The trend of long-term relationships on coffee supply and price can be applied in any setting because we need to

We needed to understand first which kind of relationships were out there, we also needed to explore how they work and understand issues of sustainability and quality, and lastly to map the effects on sustainability and quality challenge. We are sitting with a different knowledge after our results. It is widely known that sustainability is built on grounds of stakeholder theory, but something important must be considered in innovative business models that use this theory. It is important to understand that value should be created in a unilateral form as Freudenreich (2021) (Freudenreich et al., 2020) suggests. People get more empowered in the BMs if they are not elements, but as resources and it is this perspective that make strategies yield.

Conclusion

Although Business innovation is quiet new research area, but it is seen as one of the most important ways through which organisations leverage a better world tomorrow. There is no

right or wrong answer in innovation but brainstorming by use of existing models such as Triple layer model business canvases TLMBC have reported promising results. The important issue is to be open and understand that SBMS are made of people, and they are the cores to innovation, therefore their constructs must part of any transformation

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DISCUSSION PAPER _MARTHA MALKARI

Discussion paper

The subject of this discussion is internationalization. I will initially summarize our master's thesis before discussing the term internationalizing and its linkage to our thesis.

Presentation of the thesis

In our master's thesis, we have investigated how relationships in sustainable business models (SBMs) can solve sustainability challenges and contribute to quality in the specialty coffee sector. The research was based on a mix of qualitative and quantitative approaches and a sample consisting of three roasters and one importer in Norway (downstream), and one hundred and eighty-four (184) farmers, to estates, one exporter, and one trader in Uganda (Upstream).

We sought to investigate what kind of relationships exist between different actors in this sector, how these actors understand sustainability, and what kind of effects these relationships have on the sustainability and quality of coffee.

The associative sustainable business model (ASBM) is an innovative business model (Gallo et al., 2018) based on collaboration and partnership to create value in the triple bottom line and address sustainability challenge. Our research utilized this framework to assess how ASBMs contribute to quality and sustainability in the specialty coffee sector.

Based on findings from the survey, it emerged that most smallholders lack the resources and enough knowledge about the specialty coffee market and its requirements. In addition, they face different constraints that limit their access to the high-value market of specialty coffee. Furthermore, we found that the farmers who manage to come in direct relationship with roasters or and importers at downstream gain some benefits, such as improving infrastructure and price premiums. Our findings showed that connective businesses play an important role in connecting roasters with smallholders that otherwise would not be able to reach the premium-market. However, the findings showed that their transparency towards producers was questionable.

We find that the primary focus of participants from downstream was on quality based on, while smallholder farmers. However, this required an ASBM where the actors attempt to address sustainability challenges, especially the socio-economics dimensions, which could lead to increased quality.

Discussion /Internationalization

Concerns have been expressed about human rights and environmental protection in value chains (Panhuysen & Pierrot, 2020; Von Geibler, 2013) that span multiple countries and involve different actors along these chains who must take responsibility and work together to address these challenges. It is because the challenges are too broad and impossible to solve only by an individual organization (Cato et al., 2008; Lowitt, 2013). Sustainable development requires that all parts of a given market become more sustainable (Schaltegger et al., 2016).

According to (Thorlakson et al., 2018), 95% of socio-economic and environmental impacts of food companies stem from their supply chains, which is to say at upstream. Then it is natural to say that action must be done at upstream in efforts towards sustainability in the agriculture chains. Also, the role of corporate supply chains has been highlighted by the United Nations' sustainable development goals (SDGs). For instance, SDG 12 aims ‘‘fundamental changes in the way that our societies produce and consume goods’’. This requires a joint effort from different actors along the supply chain that stretches across national borders. It is also in line with the UN’s sustainable goal 17, involving cooperation between the authorities, civil society, and businesses to achieve sustainable development.

Coffee is a globally traded commodity produced in the global south and most consumed in the global north (Daviron & Ponte, 2005). More than 70% of the produced coffee worldwide is exported to the international market (Panhuysen & Pierrot, 2020). Thus, it is a product that engages international involvement.

The coffee sector has been criticized for its many sustainability impacts (Ovalle-Rivera et al., 2015; Panhuysen & Pierrot, 2020; Pham et al., 2019). We showed in our thesis how these sustainability challenges had been addressed by specialty coffee actors at downstream (Global North) who cross the international borders and establish direct relationships with upstream (Global south) to ensure the quality of raw materials, which requires ongoing dialogues, knowledge sharing, and long-term relationships between actors from the two sides of the globe.

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