Fairtrade Coffee: Commodity Chain Data Transparency and Stakeholder Benefits

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Toimitusketjujen läpinäkyvyys on kasvava ilmiö julkisessa keskustelussa sekä yrityksien toiminnassa. Se on oleellinen osa yritysten ja sertifiointitahojen pyrkimyksissä osoittaa vastuullisuuttaan sekä arvojaan. Toimitusketjudata voi kuitenkin sisältää kysymyksiä valtasuhteista sekä informaation asymmetriasta, joilla on vaikutuksia toimitusketjujen eri sidosryhmiin, kuten tuottajiin ja kuluttajiin. Kansainvälinen Reilu kauppa tunnetaan niin kutsutun Globaalin Etelän pientuottajien puolustajana, joka pyrkii vähentämään globaalia köyhyyttä. Tämä tutkielma keskittyy Reilun kaupan kahvin toimitusketjudataan ja tarkastelee, millaisia haasteita ja tarpeita toimitusketjun sidosryhmillä on läpinäkyvyyteen liittyen ja millaisia hyötyjä he siitä saavat. Sidosryhmiin luokitellaan kuluttajat, tuottajat sekä kahvia ostavat yritykset.

Tutkielmassa nojataan globaaliin arvoketjuviitekehykseen, jonka avulla toimitusketjudataa tarkastellaan valtakysymyksien näkökulmasta. Tarkoitus on muodostaa monitahoinen katsaus toimitusketjudatakysymyksiin ja Reiluun kauppaan. Metodeina ovat kvalitatiiviset teemahaastattelut, joihin vastasi seitsemän henkilöä eri yrityksistä ja organisaatioista. Lisäksi aineistoa on kerätty Fairtrade Internationalin ja FLOCERT:in verkkosivuilta. Aineisto on analysoitu kvalitatiivista sisältöanalyysia noudattaen.

Keskeisinä tuloksina nousevat Reilun kaupan toimitusketjudatan haasteet, kuten luottamuksellinen data, informaatiokatkokset sekä eri sidosryhmien erilaiset tarpeet. Nämä jokseenkin ristiriitaiset tarpeet tekevät läpinäkyvyyden asettamisesta hankalaa, jolloin konkreettiset hyödyt ovat toistaiseksi vähäiset. Haasteista huolimatta Reilu kauppa nähdään hyvänä kumppanina, jolla on laajempi yhteiskunnallinen vaikutus.

Toimitusketjudatan läpinäkyvyyttä pohtiessa on tärkeää kysyä, kenen intressejä läpinäkyvyys edustaa. Keskeinen johtopäätös on, että toimitusketjudatan läpinäkyvyyden hyödyt riippuvat siitä, miten hyvin ne kohtaavat eri sidosryhmien tarpeiden kanssa.

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Abstract

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Abstract:

Commodity chain data transparency is a growing phenomenon in public discussion and in the private sector. It is an essential way for companies and certification schemes to express their sustainability efforts and values. However, commodity chain data can include questions of power and information asymmetry which can affect the commodity chain stakeholders, such as the producers and the consumers. The Fairtrade movement is known as the defender of the small-scale producers in the so-called Global South and which aims to reduce global poverty. This research focuses on the Fairtrade certified coffee commodity chain data and examines what kind of challenges and needs the commodity chain stakeholders have in terms of data transparency and what potential benefits they receive. The stakeholders include consumers, producers and coffee buying companies.

This research relies on the Global Value Chain -framework and examines the commodity chain data in light of power asymmetries. The purpose is to provide a multifaceted review about the questions of commodity chain data and Fairtrade. This research uses qualitative, semi-structured interviews which were conducted with seven participants from different backgrounds, such as the private sector and organizations. Additionally, some complementary data was collected from Fairtrade International and FLOCERT's websites. The data was analyzed through the lens of qualitative content analysis.

The central findings are Fairtrade commodity chain data related challenges, such as confidentiality, information gaps and the different needs of the stakeholders. These somewhat conflicting needs make it difficult to set a level of transparency that would meet the needs of all the stakeholders which in turn provides limited benefits. Nevertheless, despite challenges, Fairtrade is seen as a valid partner, expressing a wider societal significance.

When considering commodity chain data transparency, it is important to ask whose interests the data represent. The central conclusion is that the benefits of commodity chain data transparency depend on how well they meet the needs of the stakeholders.

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Abbreviations

CBS	Cross Border Sales
CSR	Corporate Social Responsibility
FLO	Fairtrade Labelling Organization
GVC	Global Value Chain
HRDD	Human Rights Due Diligence
ICA	International Coffee Agreement
ICO	International Coffee Organization
ILO	International Labour Organization
ISO	International Organization for Standardization
IMF	International Monetary Fund
NFO	National Fairtrade Organization
NGO	Non-Governmental Organization
PO	Producer Organization
QCA	Qualitative Content Analysis
RTO	Return to Origin
SAP	Structural Adjustment Programme
SCM	Supply Chain Management
TNC	Transnational Corporation
VSS	Voluntary Sustainability Standard

1. Introduction

1.1 Background

Millions of people start their mornings with a cup of coffee. I, as one of them, required several cups of coffee to be able to write this thesis. In Finland coffee is considered an integral part of social interactions and culture, which manifests itself in high consumption. In fact, Finland holds the position for the highest consumption of coffee per capita (WorldAtlas, 2021). Importantly, coffee has a notable impact in the global markets. It is the second largest traded commodity after oil (LiangHui & Reeveerakul, 2019, p. 271), and the production and processing of coffee throughout its life span involves around 100 million people globally, with 70 per cent of coffee production originating from smallholders (Cabrera et al., 2020, p. 2597). Coffee production is mainly concentrated on the tropical ecosystems of the so-called Global South due to an appropriate climatic topographic and ecological conditions for coffee plants. For example, in 2018 the top three coffee harvesting countries were Brazil, Indonesia and Colombia (Shahbandeh, 2020). According to the Fairtrade International (2021a), there are approximately 25 million small-scale coffee farmers in the world, producing coffee via their own fields. In other words, coffee is an important source of income for small-scale farmers and a valuable business for exporters, wholesalers and retailers, as well as for stakeholders involved in coffee commodity chains. Consequently, it is an arena for various sustainability trends, under the pressure of consumers and non-governmental organizations (NGOs).

Coffee is widely enjoyed across Europe and North America and its popularity is rising steadily in many Asian countries (Samoggia & Riedel, 2018, p. 70). However, coffee's high demand has raised challenges throughout history. Volatile market prices, social inequality, environmental degradation and climate change are some of the key challenges affecting coffee production (Panhuysen & Pierrot, 2018, p. 3). Many of the producer countries face problems of employment continuity as cultivating coffee requires long-term commitment in volatile and rapidly changing markets (Samper & Quiñones-Ruiz, 2017, pp. 1–2). Most importantly, coffee is entangled in societal power relations as the production of coffee is mostly situated in the Global South, whereas the finished product is consumed in the Global North (Grabs & Ponte, 2019).

Coffee is a product with strong involvement in global commodity chains. This means that coffee involves various stages of production, trade, manufacturing, roasting and consumption on a global scale. Each of these stages take place in different social and economic settings and include many stakeholders. For clarification, a commodity is defined as "a substance or a product that can be traded, bought or sold" (Cambridge Dictionary, 2021a). The relative complexity of coffee commodity chains makes it difficult to monitor or to trace the chains, which further raises the risk of social injustice. Bager and Lambin (2020, p. 2) state that some companies try to tackle these issues by accompanying voluntary sustainability standards (VSS), corporate social responsibility (CSR) programs, or market-based certifications. Fairtrade, among many other certification schemes, works as a third-party tool to support and further increase such sustainability efforts. Bager and Lambin (2020, p. 9) showcase that in terms of coffee certifications, the "Common Code for the Coffee Community" (4C) -certification is by far the largest one, with a nearly 30 per cent share of total production, while approximately 7 per cent of coffee production is Fairtrade certified. The authors add that 4C is popular especially among large companies. 4C is a "stakeholder-driven sustainability standard" for the coffee sector that promotes economic, social and environmental sustainability in coffee production (4C Services GmbH).

I have chosen to focus on Fairtrade, since it is the relevant organization in terms of my own level of information and because I have been working part-time at Fairtrade Finland. Consequently, I was inspired to use my work experience and develop my knowledge further in the form of this thesis. Despite a relatively small market share, Fairtrade differentiates from other certifications in its ambitious goals and prominent tools. In short, Fairtrade is a global movement that aims to shift the tide of global markets. According to the Fairtrade International's website, their *vision* is "…is a world in which all producers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future." (Fairtrade International, 2021c). Furthermore, their *mission* is "…to connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives." (Fairtrade International, 2021c). According to Samoggia and Riedel (2018, p. 76), coffee was the first product to receive the Fairtrade certification and thus, it remains to this date the most popular product with a Fairtrade mark. Other Fairtrade products include

commodities such as bananas, tea, chocolate, wine, cotton and gold. In addition to strict human rights standards and environmental criteria, the organization uses a minimum price system for their products to ensure fairer conditions and outputs for the producers (Fairtrade Finland, 2021a). After an inspection of other certification organizations websites such as UTZ, Rainforest Alliance and 4C, I learned that Fairtrade is currently the only one paying a minimum price to the producers. Furthermore, Fairtrade pays an additional social premium on top of the minimum price, which the producer organizations can use for development purposes (Fairtrade Finland, 2021a).

The Fairtrade network consists of various actors in different levels. At the producer level, individual smallholders form producer organizations (POs). In the Global North there are national Fairtrade organizations (NFOs) who manage the licensing contracts, such as in the case of Fairtrade Finland. POs and NFOs are part of Fairtrade International which coordinates world-wide activities and works as a platform for joint decision-making. Importantly, Fairtrade International is the owner of the FAIRTRADE Mark. Finally, FLOCERT is an independent monitoring body who certifies and oversees the compliance of the Fairtrade criteria. (Fairtrade International, 2021b.) During its history, there has been lively discussion and debate over the advantages and disadvantages of the Fairtrade movement. Some scholars present it as an alternative to current, unfair market practices (Estevez et al., 2018; Bacon, 2005) whereas others plea that Fairtrade's impacts remain limited with little or no power to promote systemic changes for global coffee production, trade and consumption networks (Robbins, 2013). Some scholars go beyond the definition of "alternativeness" and seek new ways to understand Fairtrade through its internal tensions (Naylor, 2018; Raynolds, 2014; Raynolds, Murray & Wilkinson, 2007). These debates will be further addressed in chapter two.

1.2 The Aim of the Research and Research Questions

Despite various sustainability claims and commitments to transform the global coffee production, companies still struggle with reporting their sustainability efforts and their results transparently (Global Coffee Report, 2021). Sayogo et al. (2015, pp. 6–7) add that

currently there is an information asymmetry between commodity chain stakeholders that poses challenges in the markets for sustainable products. Information asymmetry refers to a situation in which one actor is not able to verify other actors' behavior or to evaluate their bases of information. Therefore, there is a need to understand how wide information systems related to such commodity chains can be effectively used to increase sustainability and transparency. In this process, information sharing is in key position (Sayogo et al., 2015, pp. 6–7). Godar et al. (2016, p. 11) add that transparency is an integral part of supply chain governance in terms of accountability.

The purpose of this research is to examine Fairtrade coffee's commodity chain data in light of transparency. The commodity chain data refers to the information gathered concerning Fairtrade's commodity chains, the products and their origin, and the various intermediaries, suppliers and coffee buying companies in the chains. Since Fairtrade promotes social justice and "fairer forms of trade", I started to wonder how they have approached these goals in their commodity chains and how the commodity chain data are being used for this purpose. Thus, what I got interested in, is whether the Fairtrade's supply chains are as transparent as they suggest. In other words, how does transparency play in the Fairtrade coffee's commodity chain data. The aim is to identify potential information gaps and to create a broader picture of the various stakeholders' relations, as well as of needs and benefits to increase transparency in the commodity chain data. Thus, I will reflect my findings with the current sustainability "trends", referring to various sustainability claims and efforts conducted by companies and organizations. Sustainability is a common theme demanded by an increasing number of consumers and civil society members which manifests itself in recycled, ethically produced and climate smart products as consumers require more information about the socio-economical and environmental aspects of production (Ponte & Gibbon, 2005, p. 12). Godar et al. (2016, p. 10) note that despite efforts to evaluate the sustainability of global commodity chains, the impacts of such efforts remain limited due to lack of sufficient actions taken to transform the chains.

Sayogo et al. (2015, p. 6) argue that, in general, the growing demand for sustainable products will give incentives to the private sector to eventually change their production networks. However, the discussion around sustainability is not straightforward. For example, Nygren et al. (2016, p. 296) highlight that the mainstreaming of sustainability

discourse has somewhat watered down its original meanings and purposes due to conflicting definitions and actions. Thus, there lies a distinct inequality how climate change affects the global production, trade and future prospects of countries. The industrialized countries in the Global North have been the key pollution emitters while the effects of climate change are expected to be more severe in poorer countries which often have less capacity to prepare for such hazards (Nygren et al., 2016, pp. 297–298). The authors (p. 300) explain that this creates tensions between the Global South and the Global North, and their debates over economic values and environmental values. Additionally, the Western discourses of sustainability are often rooted in the assumption of a dualistic relationship between nature and humans (Haila, 2000). Therefore, the issue of sustainability trends, such as commodity chain data transparency, cannot be observed without the assumptions of a conflicting nature or ambiguity around sustainability.

By focusing on the commodity chain stakeholders, I present a multifaceted research, evaluating the different stakeholders' opinions, experiences and hopes. The specific stakeholders are categorized into consumers, producers and coffee buying companies. My main research questions are:

1) *What kind of challenges and needs can be identified in the commodity chain data transparency regarding Fairtrade certified coffee,* and

2) *how are the benefits of these data distributed among the commodity chain stakeholders (consumers, companies and producers)?*

I have limited my research to commodity chain actors in the Global North. These include NGOs, coffee roasters and retailers that sell Fairtrade certified products and global actors such as Fairtrade International and the certification body FLOCERT. The reasons for focusing mainly on these actors are the following. First, when it comes to commodity chain data, these actors have a key role in gathering and publishing data. Furthermore, I focus on this part of the commodity chain, since there is an extensive amount of research carried out concerning the Fairtrade coffee producers in the Global South, including Estevez et al. (2018), Mare (2008), Nelson et al. (2016), Raynolds, Murray and Wilkinson (2007) and Robbins (2013) as well as Valkila and Nygren (2010). I hope to

contribute new insights by examining the various stakeholder relations and information asymmetries between the commodity chain actors and reflect my findings on the wider phenomena within the entire chains. To achieve this, I use Global Value Chain (GVC) framework by Gereffi and Kaplinsky (2001) as a theoretical inspiration.

In the following, I will present in chapter two, some of the essential concepts and previous research related to Fairtrade and coffee commodity chains and address some of the key issues and criticisms. In this chapter, I will also review the key literature and provide background for the theoretical framework to be used. This is followed by an introduction of my research methods and data collection, with reflections of ethical considerations and limitations in chapter three. In chapter four I will provide information about coffee's history and market power in the context of Fairtrade. Thereafter, I will move into a deeper examination of Fairtrade impacts, as well as of commodity chain data transparency. Consequently, in chapter five some of the key findings are provided and the main results are discussed in chapter six. Finally, I present the main conclusions of my research, as well as propose some ideas for future research.

2. Previous Research and Theoretical Approaches

The Fairtrade system has been a popular subject for research, with varying purposes and perspectives. In this chapter I will first introduce some of the previous research regarding Fairtrade and make some clarifications about the central concepts. I will then proceed to present the ideas for the theoretical framework used in this thesis.

A significant part of the previous research carried out on Fairtrade mostly focuses on the impacts and effectiveness of the Fairtrade system. There have been several studies that explore the farmers' experiences with Fairtrade at the local levels. For example, Estevez et al. (2018) provide a case study of the Bolivian coffee farmers involved in Fairtrade and Organic certification schemes, while Nelson et al. (2016) conduct a corresponding study on the Fairtrade coffee farmers in Peru, Tanzania, Mexico and Indonesia. Both studies conclude that, in general, the farmers have benefited economically and socially from

participating in Fairtrade, although some risks remain in terms of climate change, social vulnerability and impact efficiency. Additionally, some researches have focused on the economic aspect of Fairtrade. For instance, Robbins (2013) provides an interesting take on the market-oriented nature of Fairtrade and ponders whether market-created challenges can be counter-attacked with market-based solutions. Raynolds, Murray and Wilkinson (2007) examine the market-based nature of Fairtrade in a deeper manner and showcase the inner tensions of the Fairtrade system in terms of working within the markets and at the same time working against them. These tensions become more intense with Fairtrade's efforts to "transform globalization", or in particular, the negative effects of globalization (Raynolds, Murray & Wilkinson, 2007). Naegele (2020) takes a different approach by focusing on the value distribution of Fairtrade products. She calculates the value distribution along the Fairtrade coffee supply chain and concludes that the farmers get approximately a sixth of the total price paid by customers. In other words, research about the Fairtrade commodity chains has often centered on the origins of the products and the potential impact of the certification on the Global South small-scale producers.

However, some researchers have payed attention to the Fairtrade markets in the Global North and the overall market power of the global movement. For example, Samoggia and Riedel (2018) examine coffee consumption and purchasing behavior and conclude that sustainability plays a pivotal role along with personal preferences and economic attributes among consumers. Similarly, Prell et al. (2020) conclude that in general certifications are appreciated among consumers compared to conventional products, with however, differing consumer segments. Bissinger and Leufkens (2020) present a critical take on the Fairtrade market power and point out that currently Fairtrade represents a "niche" market with a surplus of certified products. Fairtrade products are highly demand-driven and rely on ethically motivated consumers while the certified producers may face difficulties in selling their total production in Fairtrade terms. It is estimated that around 40 to 70 per cent of certified production is distributed via Fairtrade terms while the rest is sold to conventional markets (Bissinger & Leufkens, 2020, pp. 189–190). Thus, Fairtrade's share in the global markets has remained low with only 2 per cent (p. 188). Concerns about the surplus of Fairtrade products has been raised before, and for instance Valkila and Nygren (2010, p. 331) state that Fairtrade does not possess much bargaining power due to the production

exceeding the demand. This in turn partly subjugates Fairtrade under the rules of price competition and existing market powers (Valkila & Nygren, 2010, p. 322).

At the same time, Fairtrade's commodity chain data have received less attention. Kauppi and Hannibal (2017, p. 30) state that in general supply chain research would benefit from a multifaceted research that considers the opinions presented by the different supply chain stakeholders, such as consumers. According to them, a combination of these viewpoints is currently lacking, while recommending that more careful studies need to be carried out on the institutional pressures regarding social responsibility. Therefore, a deeper examination of the "sustainability claimants", such as end-consumers and third parties is in order, without forgetting the "sustainability targets", such as firms adopting sustainability standards (Kauppi & Hannibal, 2017, p. 30). This, with the question of information asymmetry between stakeholders, essentially inspired me to take a multifaceted approach on my thesis with the focus being on the Fairtrade system.

2.1 Defining Concepts

When speaking of commodity chains and Fairtrade, is it essential to understand what the main differences between several key concepts are. For example, there can be confusion about the meanings behind fair trade and Fairtrade despite their almost similar spelling. Several studies imply that "fair trade" refers to the general movement while "Fairtrade" is associated with the label and Fairtrade International (Fairtrade America, 2021; Raynolds, 2014, p. 499; Valiente-Riedl, 2016, p. 159). To stay consistent, I use "fair trade" when I am referring to the global system, while Fairtrade refers to the certification system by Fairtrade International and FLOCERT.

I use the terms "commodity chain" and "supply chain" to express the process of production. Commodity chain, as explained by Oxford reference (2021a) refers to the process of utilizing and exploiting raw materials in stages of processing and trade as well as consumption and waste disposal. Open Education Sociology Dictionary (2021) adds that besides depicting the process of turning commodities into goods and services, the concept

explores global commodity chains as a network of economic links between corporations and labor force. According to Gereffi (1994, pp. 95–96), the global commodity chain refers to the complex production systems integrated with technological networks that manufacture and distribute commodities. Additionally, they accelerate globalization by expanding geographically and by combining different economic activities. However, Ponte and Gibbon (2005, p. 23) note that the term "commodity chain" has been substituted with the concept of "value chain" due a large variety of products with different qualities. They examine coffee's global value chains through convention theory and quality standards and suggest that convention theory can advance the GVC analysis towards more ideological means of product quality constructions, instead of focusing only on material aspects of products (Ponte & Gibbon, 2005, p. 10). However, I have decided to use the terms commodity chain and supply chain, since value chain is often associated with depicting the process of value accumulation of products, which is not the general focus of my research (Gereffi & Kaplinsky, 2001).

The term "supply chain" is similar to commodity chain, but with a different purpose. The concept refers to a globalized network between companies, suppliers and consumers with different interests, levels of information and resources. Some of the key functions in supply chains include product development, marketing, distribution and customer service with essential partners being the producers, warehouses, logistical partners and retailers (Kenton, 2020.) Supply chain management (SCM) on the other hand refers to the management of the chain and all its elements such as information and services with the purpose being cost-efficiency and gaining competitive advantage in the global markets (Fernando, 2020). However, SCM is commonly used in economic or business related studies such as Zhang, Yalcin and Hales (2020) or Karjalainen and Moxham (2013) while "value chain" or "production networks" are often used in global development studies, such as Koponen and Ylönen (2016) and Valkila and Nygren (2010).

Value chain is another essential concept. According Gereffi and Kaplinsky (2001) and the Helsinki Term Bank for the Arts and Sciences (2021), the term refers to value accumulation of a certain product during its production process. The value is therefore added in each step of the process that can include design, manufacturing and distribution. The GVC framework is an important tool when examining global commodity chains and Fairtrade. As Bager and Lambin explain (2020, p. 3), the GVC framework focuses on the wide range of

actors along value chains and the power relations between. It distinguishes between producer-driven and buyer-driven chains. For example, the global coffee value chain is categorized as buyer-driven, as large roasters and brands owned by multinational corporations capture most of the added value (Bager & Lambin, 2020; Gereffi & Kaplinsky, 2001; Ponte & Gibbon, 2005). Finally, the concept of global production-consumption network is a broader term that includes all the various institutions, rules and relationships that are involved in the process of manufacturing, distributing and selling a commodity (Dicken, 2015; Oxford reference, 2021b).

Transparency is a more complicated concept to define. In its most simple form, it can mean "the quality of being easy to see through" (Cambridge Dictionary, 2021b). Transparency can also express "the quality of being done in an open way without secrets" and "a situation in which business and financial activities are done in an open way without secrets, so that people can trust that they are fair and honest" (Cambridge Dictionary, 2021b). Gardner et al. (2019, p. 165) add that transparency is a normative concept which is often associated with democracy. It is a tool for participation and accountability as well as a tool to reduce information asymmetry, meaning a situation in which the other party holds more information than the other. Thus, transparency can express a company's ability to show externally that they are following due diligence practices (Gardner et al., 2019, p. 165). Transparency will be explored more deeply in chapters four and five since the concept raised some implications in my findings as well. In sum, the essential concepts are a commodity chain, a supply chain and GVC framework as well as transparency.

2.2 Theoretical Framework

Analysis of Fairtrade commodity chain data can offer crucial information about the operability and the level of transparency within the chains. Commodity chain data transparency is in key position when evaluating the sustainability of the chains and the practices within them. With complex and globalized chains, information about origin country alone does not tell much. Flynn et al. (2020, p. 4) argue that theorizing SCM can give information about how and why supply chains work as they do. However, through a

commodity chain analysis, it is possible to gain information of the wider power relations and knowledge asymmetries within the chains, instead of data that reveal aspects of sole management (Ponte & Gibbon, 2005). When considering global production and trade, commodity chains play an important role in issues of power relations and social justice. Flynn et al. (2020, p. 4) add that it has been common for researchers to use theories such as resource-based view and transaction-cost economics theory when analyzing supply chains, but these theories are not necessarily the most suitable ones when trying to understand wider sociopolitical connections of supply chains, beyond the economical context. Hence, the GVC framework originally developed by Gereffi and Kaplinsky (2001), seems to be a more feasible framework for analyzing the inter-dynamics of commodity chain stakeholder relations. The GVC framework has been used in many studies that are relevant for my research, including Bager and Lambin (2020), Lund-Thomsen and Lindgreen (2018), Nygren (2015), Ponte and Gibbon (2005), Raynolds, Murray and Wilkinson (2007), Valiente-Riedl (2016) and Valkila and Nygren (2010).

2.2.1 Trade in the Context of Development

Trade has been an integral part of development questions and theories throughout history and it has a central role in fair trade initiatives. One of the questions is how disadvantaged or poorer countries could integrate into the global markets to improve their own economies (Koponen & Ylönen, 2016, p. 135). Thus, the question of economic inequality continues to spur discussion. In the end of the 1960s, Andre Gunder Frank developed a theory of underdevelopment in which wealthier and powerful “core” nations deprive resources from poorer “peripheral” nations under the rules of capitalism. Such processes underdevelop the peripheries while they simultaneously develop the core nations, creating a loop of dependency. Thus, the idea of underdevelopment sees colonialist interventions as the cause for current inequalities in global trade and wealth (Koponen, 2016, p. 94). However, the questions of development need to be considered in the contexts of their own historical processes which vary depending on the geographical location and time. For instance, the World System History approach developed by Barry Gills and Frank aims to break the

Eurocentric idea of history, wealth as well as peace and conflicts, by examining the world systems in a longer time period (Koponen, 2016, p. 131, 118).

The legacy of colonialism and the illusions of free markets have nevertheless changed the global markets entirely. Recently, the developing countries have increased their share in exports for services and manufactured products, resulting in globalized networks of production and accelerated trade (Koponen & Ylönen, 2016, pp. 137–138). However, many countries in the Global South have not benefited as much from the proposed free markets as the ideology would suggest. Free trade creates economic growth and decreases poverty when there are no restrictions about where and how production along with trade should take place, as originally argued by Adam Smith and David Ricardo (Koponen and Ylönen, 2016, p. 164; Strange, 2020, p. 44). This has raised criticism, and some have pointed out that the global trade has been "liberated" unequally, leaving the wealthier nations in a competitive advantage over poorer countries (Koponen & Ylönen, 2016, p. 165). Some critics have provided alternative views from Marxian analysis, which focuses on the class dynamics and globalization (Strange, 2020, p. 45). Importantly, many of the industrialized countries have protected their industries when they were vulnerable (Koponen & Ylönen, 2016, p. 165) which is contradictory to the idea of truly "free" trade.

Fairtrade's role in the global markets is interesting in a sense that it promotes fairer trade for the sake of the producers, while operating under the rules of mainstream markets. Fairtrade's commodity chains are a manifestation of this double role. Therefore, the questions of what is "free" trade is and what is "fair" trade become relevant. Obeng-Odoom (2016, p. 14) presents a study of Elisabeth Valiente-Riedl, who dives into this question and argues that the separation between the two can be ambiguous, despite their different purposes. Overall, Fairtrade seems to present a "growth-based" development approach that suffers from some of the same symptoms as "free" trade. An author and a former consultant for Fairtrade, Ndongo Sylla, makes a similar argument (Husk, 2018). She argues that despite succeeding economically and expanding geographically, Fairtrade nevertheless engages within established neoliberal markets which is why it does not encourage a systemic change in terms of producer benefits (Husk, 2018, p. 277). Husk (2018), Naegele (2020), Johannessen and Wilhite (2010) and Valkila, Haaparanta and Niemi (2010) add that coffee business is more profitable for the wholesalers and retailers in the

Global North than the producers in the Global South, hence the limited benefit to the origin. The issues of power in global coffee trade are examined in for instance Grabs and Ponte (2019), who inspect the evolutionary flows of coffee GVCs through history, with the focus being on dominant actors expressing different forms of power. They conclude that despite producers gaining more bargaining power with specialty coffees, producers are subjugated to the underlying power disparities that remain between them and buyers. In other words, the issues of trade and inequality are apparent in the coffee sector of Fairtrade as well.

2.2.2 The Global Value Chain Framework

Gary Gereffi is a Professor of Sociology and the founder for Duke GVC Center in North Carolina, USA. In 1994, Gereffi summarized the world economy as a network of global commodity chains that work as an arena for multinational corporations and private economic agents to control and manage the global flows of material goods. The chains are however constantly influenced by external and internal pressures such as organizations and consumers (Gereffi, 1994, p. 95). Global commodity chains are categorized in two types. They can be **buyer-driven** in which retailers and brands play a key role exporting goods from the Global South while creating mass consumption and production (Gereffi, 1994, p. 97). Coffee provides a good example of a buyer-driven chain since the industry is mostly influenced by customer demand. Especially after the decentralization of coffee regulations and agreements in 1989, multinational corporations have been able to set up their own standards and conditions for their value chains (Valkila & Nygren, 2010, p. 323).

On the other hand, in **producer-driven** chains the transnational corporations (TNCs) hold the most decision-making power. The distinction lies between mass production of commodities and a segmented demand which are treated as contrasting, but not mutually excluding (Gereffi, 1994, p. 97, 100.) Essentially, the question of global commodity chains boils down to power. Gereffi (2011, p. 40) defines power as the ability to shape or change the direction of the chain and ultimately, assert control over it. Internally, the workers and corporations showcase power, while institutions and consumers influence it externally.

In their research, Lee and Gereffi (2015, p. 321) depict GVCs as the activities that cover the product's life from beginning to the final disposal. The framework asks what the role of multinational corporations is when it comes to economic development and how does this equation fit the "rising powers", meaning the countries with a growing economic status (Lee & Gereffi, 2015, p. 320). Therefore, the GVC analysis provides insights about the globalized industries and how they reorganize themselves while expressing varying power relations (Gereffi, 2011, p. 39). Initially, the GVC framework focused on the question of why some countries are more economically developed than others. Recently the framework has embraced new lines of thought by diving into the social impact of "economic upgrading" with focus being on various inter-firm relations (Lee & Gereffi, 2015, p. 320). In addition, Lee, Gereffi and Beauvais (2012) present somewhat new arguments concerning the GVC framework by examining the "private standards", such as fair trade and organic and their relation to smallholders in the agri-food sectors. Such studies highlight the interlinked nature of NGOs, producers and firms, instead of sole inter-firm relations.

"Governance" and "upgrading" play the pivotal role in this framework. Governance focuses on the top-down processes of economic integration of the **lead firms,** meaning multinational enterprises, while upgrading refers to the bottom-up approaches of countries and companies that try to **improve** their positions in the global markets. Thus, with recent research of global value chains, the studies of governance have gone beyond "unipolar structure of governance" to a more multi-polar approach that expresses the complicated and interlinked power relations between lead companies (Lee & Gereffi, 2015, p. 321). According to Gereffi and Kaplinsky (2001, p. 5) there are various forms of upgrading. For instance, **firms** can improve their overall product quality by investing in production methods, or they can adjust their production processes to become more efficient with the help of technology or other innovative measures. In other words, it aims to shed light on how **developing countries** would benefit from increased access to the markets and how the access is created in the first place (Gereffi, 2011, pp. 39–40). However, Gereffi and Kaplinsky (2001, p. 2) note that integration into the global markets requires a thorough exploration of the various forms of marketing, design and production methods used by different firms. For example, Valkila and Nygren (2010, p. 323) note that in terms of Fairtrade coffee value chains, the retailers, intermediaries, consumers and producers all

negotiate and influence the costs and benefits of the certification which showcases the different power relations and pressures.

Regarding this research, the concept of **governance** is relevant. Lee and Gereffi (2015, p. 322) define it as the various power relationships that facilitate the flows of human, material and financial resources within a commodity chain. They add that there are different types of governance, ranging from market-based to hierarchical. The different types are listed in table 1 below. Market and hierarchy are considered as the main opposite types while the rest are extensions to the first two (Gereffi, Humphrey & Sturgeon, 2005, p. 83).

Table 1. Types of Governance. Source: Lee & Gereffi, 2015; Gereffi, Humphrey & Sturgeon, 2005.

Market (arms-length transactions)	Limited coordination over simple products that require no inputs from buyers. Low level of power asymmetry.
Hierarchy (vertical integration)	Producer-driven, typically managerial control over subordinates. High level of power asymmetry.
Modular	Production is segmented among independent suppliers.
Relational	Detailed interactions between sellers and buyers that often include some form of dependency. Geographical closeness plays a key role along with trust and reputation.
Captive	Small suppliers rely heavily on larger buyers and switching partnerships becomes difficult. Value chains are monitored and controlled by lead firms. Strict production standards.

Raynolds (2014) provides an analytical take on the different forms of governance by reflecting them with Karl Polanyi's ideas about social economics. According to Raynolds (2014, p. 500), economy should not be treated as separate from social institutions since they regulate and mediate the human economy. In this sense Fairtrade is an integral part of the global markets and the two can be seen to form an embedded network of economic, noneconomic and institutional aspects. At the same time, Fairtrade can influence the governance of coffee's commodity chains and particularly, the commodity chain data.

In his more recent texts, Gereffi (2014, p. 29) provides some analytical categories that are used to examine global commodity chains which are defined as follows.

1. The role of the leading firms and how their corporate standards affect the accessibility of the GVCs.
2. The linkages between different suppliers and how they intertwine with global and local economies.
3. The wider patterns of accessibility and exclusion which are examined through the concepts of social and economic upgrading as well as downgrading. The intent is to describe wider connections between countries and TNCs.
4. Examination of the structural and latent forms of governance that bring the global networks together. These include various stages of global, local, public and private lenses that bring a multifaceted approach.
5. Shifting the focus from commodities to value-based analysis, with the intent to reflect economic activities with upgrading and competitiveness.
6. The occurring interventions and internal as well as external pressures that influence the global networks and the system as a whole.

When it comes to Fairtrade and commodity chain data, the fourth and sixth categories provide a fruitful approach. Regarding the fourth category, it is interesting to see how Fairtrade's commodity chains are governed in terms of commodity chain data and how these data are being used. Additionally, Fairtrade is an external source of pressure that aims to shift the tide towards more transparent supply chains. Power and commodity chain data intertwine as showcased by Naegele (2020) and Valkila, Haaparanta and Niemi (2010) who argue that a significant amount of the retail prices of Fairtrade certified coffee remains in the country where it is consumed, thus empowering retailers and roasteries compared to the producers. Therefore, I use Gereffi and Kaplinsky's (2001) GVC framework as an inspiration to examine Fairtrade coffee's commodity chain **data** transparency in the light of issues of power. However, I will not be able to cover everything from individual pressures and different stages of lenses which is why I will reflect these categories with my data and expand the analysis through it. The sixth category is highly relevant in terms of my research since I am interested in the commodity chain stakeholders in the Global North, who influence the commodity chains and gather commodity chain data.

3. Methods and Data

My research is a case study of Fairtrade's coffee commodity chain data transparency, examining a rather small group of actors and the relations between them. According to Hirsjärvi, Remes and Sajavaara (2013, p. 134) a case study showcases detailed and intensive information about an individual or related cases. I chose a qualitative approach since I am interested in the experiences felt by the Fairtrade coffee commodity chain stakeholders. Hirsjärvi, Remes and Sajavaara (2013, p. 161) define qualitative research as a holistic depiction of reality with the idea that reality is diversified. Thus, usually qualitative research includes people as the source of information, a detailed inspection of data, a flexible research plan and finally, the idea of treating each case as a contextualized set of phenomena (Hirsjärvi, Remes & Sajavaara, 2013, p. 164).

My aim was to include various opinions and experiences in my research, so I chose an exploratory approach, which examines a certain question, or a phenomenon from different angles (Hirsjärvi, Remes & Sajavaara, 2013, p. 39). This seemed appropriate since I assumed that my topic about commodity chain data transparency would potentially bring out varying opinions and arguments, without forgetting the debates concerning Fairtrade. Therefore, I chose a more open-ended approach with qualitative interviews. Due to the Covid-19 conditions, I also had to choose a method that would not require travelling abroad. I began to look for potential interviewees among companies that sell Fairtrade coffee. Eventually, I was able to conduct my interviews via Microsoft Teams which became my primary data. However, because I was not able to reach as many interviewees as I had initially hoped and sent a message to, I decided to look for secondary data among Fairtrade International and FLOCERT's websites, as well as published reports, to complement my data. Despite my efforts to contact people from FLOCERT and Fairtrade International, it was difficult to get an interview with them. Therefore, the complementary data collected from Fairtrade International and FLOCERT's webpages support my primary data in a sense that they provide an organizational viewpoint that would otherwise lack from the research.

My research relies heavily on previous research about Fairtrade, so it was essential to gather information concerning the Global South and the Global North as well as the overall impacts of Fairtrade. Fairtrade is a global movement with an extremely wide

network of stakeholders coming from different geographical areas and societies. By careful analysis of the previous research of Fairtrade, I can offer different viewpoints and look at the phenomena from various kinds of perspectives. In other words, the previous research provides a strong contextual background for my analysis. When it came to the process of writing my thesis, I used various methods to plan and visualize my topic. Mind maps and lists were some of the practical tools I used, but one of the most important tools was my research diary that contained central ideas, challenges and conclusions. The research diary was of great help to give a structure to my analysis and to keep track of my ideas and thoughts.

3.1 Data Collection

In total, my interview data consists of five interviews of which three were transcribed, one is an e-mail interview and one is written by hand. All of the interviewees work in businesses that sell Fairtrade coffee in Finland except for the NGOs. The anonymized interviewees are listed in table 2 for reasons of clarity. The companies include smaller coffee roasteries, a retailer and a larger company selling coffee among other products. Besides these participants, I had sent inquiries to other coffee roasteries and experts within FLOCERT and Fairtrade International, but unfortunately, they were not available for an interview. Following the advice given by Fusch and Ness (2015, p. 1409), I had to "take what I could get" in terms of interview participants which is why I chose to focus on the ones who had agreed to participate in an interview.

Table 2. List of Interviewees.

Name	Background
Informants A. & B. (I interviewed both at the same time)	NGO / Fairtrade network
Informant C.	Retailer
Informant D.	Coffee roastery / firm
Informant E.	Coffee buying company / firm
Informant F.	Coffee roastery / firm

Informant G. (shorter discussion)	NGO / Fairtrade network

The interviews lasted for 60 minutes each and they were mainly individual interviews. I prepared beforehand a semi-structured interview guide with 17 guiding questions. The goal was to promote a flexible environment for the informants so that they could speak about themes that might pop up during the interview. Hirsjärvi, Remes and Sajavaara (2013, p. 208) define semi-structured interviews as "thematic" where there are no specific questions or order, but rather the interviews focus on a theme that is known by the informant. Interviewing these actors was crucial for my research since in terms of the GVC framework, there is relatively little research carried among them concerning the Fairtrade coffee transparency, although the actors in the Global North represent the most power in the commodity chains of coffee. Therefore, I was eager to hear what thoughts these actors have about commodity chain data transparency. I was interested to see how this position in the Global North affected the informant's knowledge about the chains and the ideas of what could be done differently. The informants form a heterogenous group of experts, with varying opinions about commodity chain transparency and the potential benefits of commodity chain data. Hirsjärvi, Remes and Sajavaara (2013, p. 207) state that interview data is always tied to the context which is why they should be examined in the light of the existing environment, societal norms and culture. In addition, the informants might speak differently depending on the situation.

Concerning the complementary data, I gathered information provided in the websites and articles of Fairtrade International and FLOCERT. I was interested to explore how widely, for example, the term transparency has been mentioned in the websites, since it is an essential concept within the commodity chains. Therefore, I used the search bar on both pages and calculated the hits of certain words, such as "supply chain", "governance", "traceability" and "transparency", since these are some of the central concepts in my research. The results are quite mixed. For example, on Fairtrade International webpage, the term "transparency" has 45 hits while on FLOCERT's it has only eight hits. The combination of supply chain and transparency shows different results. With the terms combined, Fairtrade International shows a total of 20 hits while FLOCERT's 39 hits. The concepts with least hits are "governance" with only three hits on FLOCERT's page and the term "traceability" with 21 hits on Fairtrade International's page. I then proceeded to collect my secondary data from

the search results with the most relevant concepts, such as transparency and supply chain. For more careful analysis, I collected ten relevant documents from both web pages that I divided into five documents per organization.

After data collection, I used coding and memo writing as my primary tools to arrange the data. Silverman (2014, p. 119) defines coding as a way to sort and categorize the data so that the researcher can manage and compare it. I used the qualitative data analysis software Atlas.ti as my main tool for coding. There, I created appropriate document groups as well as codes for the analysis. To further analyze my findings, I used qualitative content analysis (QCA) to identify different interests, views and core ideas in the data (Drisko & Maschi, 2015, p. 85). Drisko and Maschi (2015, p. 6) define QCA "…as a family of research techniques for making systematic, credible, or valid and replicable inferences from texts and other forms of communication.". As QCA suggest, I began to identify patterns in the data to expand them beyond the original data (Drisko & Maschi, 2015, p. 87). According to Drisko and Maschi, (2015, p. 102) coding is an important part of QCA, helping to summarize the most relevant meanings. I will introduce and explain my own ways of coding more in detail in chapter five.

3.2 Ethical Considerations and Limitations

As per academic guidelines about research ethics listed in Hirsjärvi, Remes and Sajavaara (2013, p. 24), I have conducted my research with the intention of protecting my informants and the proficiency of my thesis. When it comes to the interviews, I asked the informants for their permission to record the interviews as well as their opinion about using their names or positions in my thesis. I also made sure that the informants had a chance to ask questions about my topic before the interview so that they were informed of it and of my purpose of conducting an interview. They could also keep breaks or stop the interview if necessary. The audio recordings were stored in my external hard drive. The original audio files were deleted once I had transcribed the interviews. I shared this information with my informants as well.

The informants represent mostly the private sector, which can affect the way they respond to certain questions. It is evident that no company wants to disclose their business secrets or confidential information, so I made sure to let my informants know that I am studying their experiences and opinions rather than confidential numerical information. During the interviews, I tried to leave as much space for the informants to speak as possible. At the same time, I tried to maintain as neutral position as possible, reflecting upon my possible biases (Fusch & Ness, 2015, p. 1410). For example, I informed the respondents about my employment with Fairtrade Finland, although this thesis is an independent work. To clarify my position, I present my ontological and epistemological assumptions. Ontology is the theory of being, asking what is known while epistemology is the theory of knowledge, asking how it is known (Marsh & Furlong, 2002, pp. 18–19). Ontologically, I assume that commodity chains, in general, are complex and difficult to trace due to confidential information, lack of resources, or motives to monitor the chains. In an epistemological sense, this assumption has been reinforced by the interviews and discussions I have conducted during the time of writing this thesis. Additionally, I was inspired to pursue the issues of commodity chains due to my work experience with the Fairtrade system which has brought me closer to the challenges, strengths and general operability of the global movement.

Since my research focuses on the Fairtrade coffee and specifically, the coffee buying companies in Finland, I have not been able to include the voices of the coffee farmers and producers. The viewpoints of producers and consumers that are presented in this work are provided by other actors, such as Fairtrade International, FLOCERT or the informants. Therefore, the viewpoints of the producers regarding Fairtrade coffee commodity chain data could be studied further, for example in terms of how the producers use the commodity chain data for their purposes and what are their concerns and needs for data transparency. This would also provide a fruitful addition to the previous research regarding Fairtrade's impacts.

4. Coffee Commodities

Coffee is an interesting research subject due to its many challenges and qualities. It has transformed from a luxurious privilege to a bulk product since the 1960s, while creating new

branches of coffee consumption and habits (Samoggia & Riedel, 2018, p. 70). Today, coffee comes in various flavors and types, for the consumers to choose from. However, coffee production is still riddled with global and local challenges that are rooted in history. Coffee is mostly grown by smallholders whereas the coffee business is dominated by "coffee giants", such as Nestlé, Starbucks, Lavazza and JAB, which creates a sense of concentration in the industry (Panhuysen & Pierrot, 2018, p. 7). Furthermore, coffee production is in a vulnerable position when it comes to climate change, since it is unclear how the coffee plants will react to rising temperatures and the spread of diseases. Essentially, coffee production faces the dilemma of climate change mitigation and adaptation as well as maintaining the production for a growing number of consumers. Samper and Quiñones-Ruiz (2017, p. 5) explain that since 2011, coffee's average consumption growth has been approximately 2,5 per cent per year which emphasizes coffee's social value and global demand. Nevertheless, in order to understand coffee's many challenges and current trends, it is necessary to dive into some of the historical events that partly define the situation of coffee today.

4.1 Brief History

Coffee's history can be described in three waves. As Samoggia and Riedel (2018, p. 70) explain, the first wave began in the 1960s with a vast consumption and a mass market for coffee. In general, coffee was a bulk commodity to be enjoyed in a wider scale. Grabs and Ponte (2019, p. 812) describe the first wave as the "ICA-regime" that was defined by the quotas established by the International Coffee Agreement (ICA), thus resulting in stricter governance of coffee trade. The second wave began in the 1990s, as coffee transformed into a product with a brand and a higher quality in taste as well as experience, creating a phase of "liberalization" (Grabs & Ponte, 2019, p. 818). This meant the rise of coffee-focused chain stores such as Starbucks, who changed the general impressions of coffee consumption and sustainability. With such brands and stores, consumers were able to express their preferences over various coffee flavors, packages, sustainability demands, and the overall "ambience" of how coffee is consumed (Grabs & Ponte, 2019, p. 818). Finally, the third wave refers to small scale roasters, who reach for high quality coffee in all sectors of the coffee culture. This can include new brewing techniques, forms of direct trade and a passion for exquisite

taste and quality in coffee products (Fischer, Victor & Asturias de Barrios, 2020, p. 4). Grabs and Ponte (2019, pp. 811–812) describe the third phase as the time of "diversification and reconsolidation" since the coffee business bloomed with various TNCs and roasteries with constant competition over dominance and strong brand portfolios, influenced by a new consumer group of millennials. However, it is essential to understand that although these waves can be distinguished as separate phenomena, they are also deeply intertwined and occasionally overlapping.

One of the biggest challenges throughout coffee's history has been the volatile market prices. This was evident already back in 1963 when the International Coffee Organization (ICO) was founded to promote sustainable market solutions for coffee production (ICO, n.d.). According to their own website, ICO consists of coffee exporting and importing member countries and it works as the administrative body for the International Coffee Agreement. The agreement was created with the intention to stabilize coffee prices by establishing export quotas, which kept the prices paid to farmers at 1,00 USD (Robbins, 2013, p. 246; Brown, 2014). However, the ICA collapsed in 1989 which resulted in an influx of coffee flowing into the global markets (Robbins, 2013, p. 246; Valkila & Nygren, 2010, p. 323). Consequently, the prices plummeted due to vast surplus of coffee. Since the ICA crisis, coffee has been subjugated to the rules of free markets (Brown, 2014).

The post-ICA time was challenging especially for poorer countries in the Global South. In addition to the declining coffee prices, the International Monetary Fund (IMF) and the World Bank had established structural adjustment programs (SAPs) in the 1980s, which were aimed at countries suffering from economic crises. The SAPs were meant to adjust their economic structures to be more competitive and resilient with the goal of strengthening the market economy (Koponen, 2016, p. 98). However, due to the SAPs, governmental assistance to the poor, as well as aid to education and health programs, was cut in various developing countries (Robbins, 2013, p. 248). Ironically, multinational coffee roasters, such as Starbucks, ultimately benefited from the ICA collapse. For example, Starbuck's profits rose 40 per cent while Nestle's 20 per cent (Robbins, 2013, p. 247).

Fairtrade took interest in coffee when the concerns over prices and production conditions started to gain more momentum. Initially, Fairtrade started as humanitarian

assistance in the 1940s, but the focus shifted in the 1980s to basic commodities such as coffee. In 1997, the Fairtrade Labelling Organizations formed an umbrella organization FLO (Raynolds, Murray & Wilkinson, 2007, pp. 15–16). Currently, it is better known as Fairtrade International (Robbins, 2013, p. 246). The Fairtrade system developed a minimum price for coffee which was first set at 1,26 USD in 1988. The amount was lifted to 1,40 USD in 2012 after a price check (Robbins, 2013, p. 248). According to Fairtrade International's (2021d) minimum price table on their website, the amount has remained the same to this day. Nevertheless, Robbins (2013, p. 249) raises an important question about the minimum prices and asks whether it is enough to lift the farmers out of poverty. Robbins (2013, p 249) notes that there are signs of how Fairtrade certification has improved the living wages of the farmers, but due to the labor-intensive nature of coffee production, farmers might have to hire extra help and increase their expenses (Bacon, 2005, pp. 506–507; Guthman, 2007; Mutersbaugh, 2005). However, according to Robbins (2013, p. 249) the farmers have benefited from the Fairtrade price premiums.

4.2 Current Trends

Due to the high number of small-scale farmers, coffee plays an integral part in sustainable development questions. After the market crises and price fluctuations, coffee has become a platform for many development programs, certifications and new consumer behaviors. Today coffee is a multidimensional product with various roles. For some people it might be a cheap commodity with little meaning while for others coffee can be an experience of exquisite taste and ethical consumerism (Lyon, 2006, p. 455). Most importantly, coffee is a source for livelihood and an arena for contesting and intertwining sustainability efforts that try to tackle the challenges of global commodity production.

Coffee plants grow in humid tropical climates, making them prone to climate change. For example, *arabica* is grown in Brazil, Colombia, Central America and Ethiopia whereas *robusta* grows mainly in Vietnam and Indonesia. While *arabica* is more popular in the global consumer markets and has a higher price per kilogram, *robusta* is proved to be more resistant to diseases and higher temperature due to the plant's height (Panhuysen &

Pierrot 2018, p. 10). Additionally, the authors note coffee plants are multiyear plants that can live up to 30 years (p. 15). Therefore, growing coffee requires a long-term investment and commitment from the part of the farmers while multinational corporations may present profit-driven, short-term interests (Panhuysen & Pierrot 2018, p. 14; Samper & Quiñones-Ruiz, 2017). Some farmers face a social dilemma as growing coffee can be the last resort in search of livelihoods and income due to low wages and unstable future implications (Global Coffee Report, 2021). Essentially, this creates a difficult situation for the farmers who might be tempted to leave the coffee business altogether.

When it comes to human rights issues, coffee has a questionable position of being one of the top industries that exploit child labor (The Bureau of International Labor Affairs, 2020, p. 25). For example, in 2020 the multinational company Starbucks faced backlash, when investigators found children under the age of 13 working in the company's coffee farms in Guatemala (Doward, 2020). However, the question of child labor is complex since especially in poorer communities, children's work contribution can be essential for the family's income (Maconachie & Hilson, 2016; Valkila & Nygren, 2010). Fairtrade has nevertheless taken a strict policy regarding the use of child labor, following the policies defined by the International Labor Organization (ILO) (Fairtrade International, 2021e).

The Finnish NGO Finnwatch has conducted investigations on social conditions of coffee production. In 2016, it published a vast report about coffee's production conditions focusing on coffee that is sold in Finland. They found several human rights violations such as the use of child labor and insufficient wages. One of the farms was Fairtrade certified, but it consequently lost the certification due to continuous non-conformities. However, the farm was re-certified in 2018 after the PO implemented corrective measures. (Viljasalo, 2019.) Nevertheless, Finnwatch recommends the Fairtrade certification for companies due to the global movement's ambitious goals. They admit that Fairtrade, like other certifications, is not perfect but holds relatively high potential compared to others (Viljasalo, 2019). These arguments rely on Finnwatch's previous study from 2016 which concludes that Fairtrade exceeds other certification schemes in terms of the extent of criteria, effectiveness and independence of the system. However, one of Fairtrade's weaknesses appeared to be transparency, meaning the availability of auditing results or certification decisions

(Kultalahti & Vartiala, 2016, p. 14, 17). Interestingly, the issue of transparency in terms of Fairtrade emerges in my data as well.

4.2.1 Voluntary Sustainability

Sustainable development, as presented in the Brundtland report from 1987, emphasizes the importance of economic growth that meets the needs of current generations without jeopardizing the needs of future generations (Jamieson, 1998, p. 183). Sustainability is thus a central aspect of agri-food production, such as coffee. The growing awareness of coffee's global challenges has spurred counteractions. After the coffee crisis in 1989, many coffee companies turned to voluntary sustainability standards (VSSs) due to the pressures of NGOs and the public. Currently, the most notable VSS representatives are Fairtrade, Organic and UTZ/Rainforest Alliance who offer independent monitoring and a third-party support (Samper & Quiñones-Ruiz, 2017, p. 3). Some companies like Nestlé have set up their own VSS practices, but these have been proven to be less effective than multi-stakeholder initiatives with third party monitoring (Trans Sustain, 2020). Thus, it can be difficult for consumers to know how ambitious and efficient corporations' own sustainability programs are (Dietz, Grabs & Chong, 2021; Raynolds, Murray & Wilkinson, 2007). Additionally, with the rise of VSS and other sustainability programs, consumers can get confused with the vast number of certificates, which may all have different opinions on what sustainability means (Panhuysen & Pierrot, 2018, p. 17, 21; Nygren et al., 2016, p. 296). The sustainability discourse has many implications for different people which essentially makes it a multidimensional concept.

Evidently, coffee is a common target for VSSs. For example, Bager and Lambin (2020, p. 2) introduce direct trade and value chain transparency as some of the current sustainability efforts in the coffee sector. They define direct trade as the "the commercialization of coffee from farmers to roasters without intermediaries" that can provide various benefits for producers, such as higher revenues and better access to the global markets. Although direct trade is expected to increase the income and livelihoods of small-scale farmers, it has been criticized over the fact that direct trade seems to benefit only

a certain, well-managing group of farmers. Essentially, this excludes the more marginalized and the weakest groups of people who are in the most need of price premiums and market access. (Bager & Lambin, 2020, p. 2; Fischer, Victor & Asturias de Barrios, 2020, p. 14). Additionally, due a segmented demand, direct trade prefers only a small number of farmers. This puts the producers in a situation, where they need to choose between potential individual gains and the support of their coffee growing communities (Fischer, Victor & Asturias de Barrios, 2020, p. 10).

VSSs have their pros and cons. On the bright side VSS practices offer concrete tools to improve sustainability efforts within the commodity chain and most importantly, offer third party evaluation and monitoring. A third-party certification can be an efficient way to transform one's commodity chains and brand while increasing the flow of revenues to the producers, thus improving their livelihoods (Bray & Neilson, 2017). On the downside, Bager and Lambin (2020 p. 11) note that several sustainability issues, such as climate change and biodiversity protection, remain underprioritized by major companies. Furthermore, Bray and Neilson (2017) argue that due to several studies assessing the impacts of certifications on the producers, the studies fail to establish a realistic baseline for interpretations of causality. In other words, the studies are fragmented which makes it difficult to "prove" causation between certifications and their impacts. In addition, Ruben (2017) observes that besides limited benefits to the producers, VSS practices tend to pay less attention to the changes in the governances of GVCs, such as changes in risks or trust. Therefore, more attention should be given to the economic upgrading of the producers (Ruben, 2017). Bager and Lambin (2020, p. 12) add that for the most part, multinational corporations seem to prefer direct trade or implementing their own sustainability programs. These can at best increase the livelihoods of the farmers and distribute benefits, but they can also contribute to greenwashing and create an illusion of sustainability efforts without any real actions (Fischer, Victor & Asturias de Barrios, 2020).

Consumer demands are a crucial part of VSS practices. Samper and Quiñones-Ruiz (2017, p. 11) argue that, in general, consumers appreciate corporate sustainability practices of companies. Therefore, trust and verification are crucial factors in obtaining consumers appreciation (Guthman, 2007, p. 461). By identifying and mitigating risk factors in supply chains, corporations can differentiate from their competitors and appear as a better

option. However, many sustainability standards are defined by individual actors or corporations, which can lead to various levels and meanings of sustainability. For example, large coffee companies can purchase a small amount of raw materials that are VSS compliant to appear more sustainable in the public eye, contributing to "value creation" through labels such as Organic and Fairtrade (Guthman, 2007, p. 472). In a sense, this forms a paradox, since VSS practices are associated with Polanyi's ideas of resistance towards market annihilation, meaning the ways of protecting land, labor and resources from the markets. By accompanying market-based actions, the VSS practices are working against themselves (Guthman, 2007, p. 474). Additionally, this is an expression of companies market power, as they can meet the sustainability needs with minimum effort, while making demands for their producers who are expected to change their practices (Samper & Quiñones-Ruiz, 2017, p. 13). Samper and Quiñones-Ruiz (2017, pp. 14–16) add that more emphasis should be given to farmer governance and local sustainability strategies in order to promote both a top-down and a bottom-up model. This means more consultations originating from the farmers and integrating their visions into VSS practices (Lyon, 2006; Samper & Quiñones-Ruiz, 2017, p. 18). In sum, VSSs offer various benefits for coffee producers, but at the same time vast challenges remain within the sector due to ambiguous sustainability programs.

4.2.2 Fairtrade: Impact and Role in the Global Markets

As mentioned earlier, the Fairtrade system has been often under review with the focus being on its effectiveness. As Samper and Quiñones-Ruiz (2017) explain, Fairtrade can be considered as an alternative to unfair market practices while offering tools to change the market system from within. However, Samper and Quiñones-Ruiz (2017, p. 8) argue that Fairtrade's impact is relatively weak and case specific. The ability to adopt voluntary sustainability practices often depends on the producer's capabilities, resources and interests. This can at worst lead to exclusion of poorer farmers who might not have the capacity to certify their farms (Valkila, Haaparanta & Niemi, 2010, p. 267). Additionally, Valkila and Nygren (2010, p. 326, 328) state that the producers are a group of heterogenous people with different needs in labor and varying levels of understanding of what Fairtrade means. Nevertheless, the impact largely depends on the geographical location, socioeconomic

position and existing institutions. For example, Samper and Quiñones-Ruiz (2017, p. 9) showcase that some countries in Africa face difficulties while few countries such as Brazil and Colombia show better results in adapting VSS practices.

Regarding coffee, there are some challenges when it comes to the power imbalance between the Global South and the Global North. Samper and Quiñones-Ruiz (2017, p. 10) argue that the power mostly lies with the roasters in the Global North, which is further enhanced by consumer demand, as the buyer-driven chains suggest (Gereffi, 1994). The same argument is presented in Johannessen and Wilhite (2010), Mutersbaugh (2005), Naegele (2020) and Valkila, Haaparanta and Niemi (2010). Thus, the sustainability efforts of certification do not always match realities which can result in Western discourse on sustainability overcoming local knowledge (Lyon, 2006; Valkila, Haaparanta & Niemi, 2010). This assumption is also in line with Gereffi's (1994) idea of buyer-driven value chains, in which the retailers and consumers have significant power over the chain.

Nevertheless, Fairtrade has many benefits that are essentially aimed to the producers. Cabrera et al. (2020, p. 2599) argue that despite having increased costs, certifications generally improve some aspects of the producer's life, such as health, education, or the community infrastructure. However, due to Fairtrade's rather modest power in the global markets, there is a growing need to boost sales for certified products. Otherwise the producers are not able to sell their products on Fairtrade terms. Bissinger and Leufkens (2020, p. 188) argue that currently the biggest buyer for Fairtrade certified products are European countries, which results in concentrated demand-driven production. For this reason, Fairtrade can be described as "consumer-dependent" (Lyon (2006, p. 456). To foster economic and social development at the producer level, Fairtrade should aim to grow out of its status as a "niche market" and promote North to North and South to South trade as well (Bissinger & Leufkens, 2020 p. 198). Ultimately, the benefits depend on the fact how well producers are able to sell their products via Fairtrade channels (Valkila & Nygren, 2010, p. 328).

However, some scholars have criticized the mainstreaming of Fairtrade. For example, Lim, Mak and Park (2019) argue that there lies two "philosophies" of Fairtrade, of which the first one seeks to preserve the original purpose of Fairtrade as a protector of the

poor, marginalized producers while the second group aims to expand the markets for Fairtrade products by strategic approaches. These philosophies are referred to as the **mission-driven** and the **market-driven** approaches (Lim, Mak & Park, 2019, p. 3032). The dualistic nature of Fairtrade is also discussed in Barrientos, Conroy and Jones (2007, p. 54), who argue that the growth of Fairtrade has increased the underlying tensions of promoting alternative trade for the sake of marginalized groups while becoming part of the same mainstream markets that disadvantage the marginalized. Murray and Raynolds (2007, p. 9) sum these challenges by asking whether Fairtrade's involvement with conventional markets will erode their original mission. Furthermore, Doherty and Huybrechts (2013) argue that the "dual mission" of Fairtrade has negatively impacted the organizations value, thus risking it to become a certification scheme based on minimum requirements.

Importantly, Fairtrade poses the question of what kind of alternative it really offers. Naylor (2018, p. 1029) dives into this question by pondering to whom Fairtrade offers an alternative. She argues that Fairtrade promotes fairer commodity chains that aim to connect consumers more closely with the producers while distributing benefits to both. However, Naylor (2018, p. 1031) calls for reframing the whole question of alternativeness and argues that Fairtrade is a diverse set of both, alternative and traditional. She adds that "speaking of alternatives creates an idea of otherness to capitalism – which fair trade is not." (2018, p. 1032). This is somewhat similar to Valiente-Riedl's (2016) study in which she argued that Fairtrade is both a representation of free and fair trade (see also Obeng-Odoom, 2016). Ultimately, Naylor (2018, p. 1034) focuses on the idea of power relations and argues that the Fairtrade certification is a site of decision-making for the coffee consumer: the one who creates demand while the producers are faced with the task of meeting the standards. In other words, consumers are using their wealth to direct the livelihoods of the producers and to make them responsible of sustainable production (Guthman, 2007, p. 472). Robbins (2013, p. 244) presents similar arguments and states that Fairtrade provides concrete improvements for the producers, but it does not replace state institutions. In all its essence, Fairtrade is a market-based solution, but with a fluid role. It is "free" as much as it is "fair".

When it comes to systemic change, Fairtrade alone is not enough. DeFries et al. (2017, p. 1) assess the impact of voluntary certifications on producers in the Global South and conclude that, on average, 34 per cent of their survey responders make claims of positive

impacts. Responses that did not detect any significant difference were presented the most, with 58 per cent. However, DeFries et al. (2017, p. 1) note that despite improvements, certifications should not be treated as a panacea to fix social injustices and market volatility. Glasbergen (2018, p. 243) adds that "Based on the empirical research it is argued that voluntary standards and certifications pave the way for a more sustainable agricultural production, but are not necessarily the right way forward to a more systemic change.". He rationalizes this by stating that the previous research on impacts has been largely scattered and sometimes contradictory to each other (Glasbergen, 2018, p. 244). In addition, Macdonald (2007) argue that Fairtrade, among other coffee initiatives, has limited impact in terms of marginalized producers' well-being and empowerment due to failure of defining strong institutional modalities for decision-making when it comes to those who control the conditions of the producers. Therefore, the various forms of governance of global commodity chains play a key role in sustainability debates. For example, Taylor, Murray and Raynolds (2005) note that while the growth of Fairtrade has brought more benefits to the farmers, one of the key challenges is to establish an alternative form of governance within Fairtrade's commodity chains. Since Fairtrade engages with the mainstream markets and powerful corporations, it can be expected that these actors influence Fairtrade's governance, thus spurring a need for an alternative form of governance (Taylor, Murray & Raynolds, 2005, p. 207).

4.2.3 Fairtrade Coffee Commodity Chain

Coffee is an example of a complex and labor-intensive commodity chain. LiangHui and Reeveerakul (2019, p. 271) depict the story of a coffee cherry from its origins to the end. It begins with cultivating and harvesting, which often happens manually. The coffee cherries are then transported to a processing plant in which the cherries are washed and dried. Finally, the cherries are brought to the roaster, who brings out the desired aroma and taste for the customer to enjoy. LiangHui and Reeveerakul (2019, p. 273) distinct the key commodity chain stakeholders, which are the farmer, exporter, roaster, wholesaler and the end-consumer. Similarly, the process of getting coffee to the end-customer involves various types

of processes, such as seedling and storing, as well as milling, cupping and marketing (LiangHui & Reeveerakul, 2019, p. 273).

Coffee is an important product for Fairtrade due to its popularity. In general, Fairtrade certified coffee is a traceable product which means that it is kept separate from conventional coffee beans and marked with a FAIRTRADE mark. (Fairtrade International, 2021f). This makes it easier for consumers to identify certified coffee from other brands. However, there has been some setbacks with the consumer base. Samoggia and Riedel (2018, p. 76) argue that Fairtrade coffee sometimes suffers from lack of consumer commitment. The higher price can be a deal breaker for many customers while others might see shortcomings in the taste and quality of certified coffee. Importantly, they conclude that consumer behavior is not consistent although ethically produced products are commonly valued among consumers (Samoggia & Riedel, 2018, p. 76).

When it comes to Fairtrade commodity chains, Herman (2019) proposes a critical view. She argues that more research should be carried out on the economic, social and political asymmetries in Fairtrade's global production networks with focus being on the power relations shaping producer experiences and transnational exchanges. Afterall, Fairtrade's commodity chains are built on the idea of a compact relationship between the producer and the consumer as well as everyone in between (Herman, 2019, p. 333; Raynolds, 2014, p. 404). Herman (2019, p. 336) adds that the asymmetries in market power do not singlehandedly explain the inequalities in a commodity chain, but rather the social relations between commodity chain stakeholders and the political dynamics that shape the overall governance of the chains. She concludes that Fairtrade nevertheless falls into the category of North to South -relationship. Decisions and paradigms that are present at the producer level are essentially created and maintained in the Global North, through commercial and industrial conventions defined by the interactions between Fairtrade organizations and their commercial partners (Herman, 2019, p. 337; Raynolds, 2014, p. 419).

In terms of sustainable SCM, in general there is argued to be a power asymmetry between suppliers and others, thus resulting in a situation in which producers' interests are underprioritized (Camargo et al., 2018, p. 13). The issue of dividing North and South in the context of Fairtrade is examined more deeply in Staricco (2019). He argues that

Fairtrade creates a "concept of control" that is based on simplified definitions of the Global North and the Global South, legitimization of capital and its control over the disadvantaged people and finally, presentation of consumers as the "strategic" partners of producers while engaging in capitalist market interests. By emphasizing the consumers' role in improving the producers' lives, Fairtrade partly overshadows the role of capital and thus, results in an imbalanced scale of power and interests (Staricco, 2019, p. 111). Furthermore, Isenhour (2011) argues that the over-emphasis of consumer responsibility expresses the neoliberal forms of governance and thus, assumes that every consumer has a choice in purchasing behaviors. To summarize, the previous studies focusing on Fairtrade commodity chains are in line with Gereffi's (1994) assumptions about buyer-driven chains and power asymmetries. The power relations extend beyond traditional "lead firms" and intertwine with NGOs and sustainability standards, such as Fairtrade. The question of power asymmetry can be therefore associated with Fairtrade's commodity chain data which are consequently affected by the commodity chain stakeholders and the global movements inner tensions and duality.

4.2.4 Commodity Chain Data Transparency

With the rise of voluntary sustainability standards and consumer demand for ethically produced products, a need for commodity chain transparency has grown substantially. As Bateman and Bonanni (2019) explain, companies have received more pressure from NGOs, governments and consumers to give more information about their supply chains. Unwillingness to meet these demands may result in reputational losses. Traceability and transparency are also the basic elements to meet health and safety standards. Folinas et al. (2006, p. 623) state that according to the ISO quality standards defined by the International Organization for Standardization, traceability refers to the ability to trace the geographical locations and the history of the product with the help of stored information. This should also cover the whole production from beginning to the end.

Gardner et al. (2019, p. 164) state that commodity chain actors in the Global North play a key role as they are often the source for consumer demand. In any case, the risks in global commodity chains tend to be pushed down to the producers (Fischer, Victor

& Asturias de Barrios, 2020, p. 15; Gardner, 2019, p. 164). Therefore, the question of power is essential in terms of global commodity chain transparency. Ideally transparency can be empowering, but at worst disempowering since it tends to include some actors in decision-making while excluding others (Gardner et al., 2019, p. 174). Furthermore, Gardner et al. (2019, p. 164) emphasize the importance of visibility and the question of who is represented through the data. The writers explain that the process of making supply chains more transparent often include simplification of data which results in "standardization and dis-embedding from local, social and ecological contexts." (Gardner et al., 2019, p. 164). This begs the question of who is being represented in Fairtrade's commodity chain data.

However, "supply chain transparency" is not a clear-cut definition and it may vary between organizations as with the term sustainability. Albeit there is a basic requirement to supply chain transparency, consisting of a general understanding of what is happening in the chain and the distribution of information to other stakeholders (Bateman and Bonanni, 2019). Gardner et al (2019, p. 164) draw similar conclusions, stating that transparency is a state where information is made available to specific stakeholders. They also argue that transparency's impact depends mainly on what information is published and to whom. Consequently, the potential benefits of commodity chain data rely on the level of transparency one uses. The issues of information asymmetry are examined in Ponte and Gibbon (2005, p. 12) who argue that as per buyer-driven GVCs suggest, the roasters have the most information regarding coffee quality and thus, hold the information from other, resulting in an uneven scale of power. Coffee is often sold under a brand which, together with packaging and advertisement, play a key role in creating constructions of quality in the consumers' minds. Therefore, the roasters utilize the information asymmetry to sell imageries of quality, without necessarily sharing any information about their coffees (Ponte & Gibbon, 2005, p. 12).

According to Sayogo et al. (2015, p. 8) there is a growing need to combine sustainable supply chain research with sustainable consumption. They argue that there has been a tendency to treat consumption as a separate aspect of production while these two are in fact deeply intertwined. Therefore, Fairtrade could benefit from such approaches as sustainable products and practices are in the core of their systems. However, there are challenges, as obtaining information from farmers can be difficult due to a remote location

or lack of technical capacities. In addition, roasters might not be eager to reveal information about their commodity chains to maintain competitive advantage or due to fear of media exposure (Sayogo et al., 2015, pp. 11–12). Finally, the data ownership can spur trouble if there is a disagreement about how much information is published in terms of increased value and trust without violating any restrictions or confidentiality agreements. Maintaining documents about certification can itself be costly, which adds to the existing challenges of transparent supply chains. In other words, it can a difficult task to find an efficient path between revenue making and transparency strategies (Sayogo et al., 2015, p. 13).

Commodity chain data transparency can have various benefits for commodity chain stakeholders. Bateman and Bonanni (2019) list for example increased consumer trust and satisfaction, decreased reputational risks and the potential to form new, long-lasting partnerships. Gardner et al. (2019, p. 168) add that transparency can be an important steppingstone to gain more business partners for certification schemes. However, adopting transparency practices is a slow process. Bateman and Bonanni (2019) point out that global supply chains were not designed to be transparent in the first place which essentially makes the challenge so complex. Folinas et al. (2006, p. 631) state that especially agricultural products suffer from information gaps in the supply chain, due to lack of interest to share data or lack of training and expertise within the chain. In order to increase transparency, one should include external and internal stakeholders in the decision-making as well as invest in technology to gather, store and analyze data (Bateman & Bonanni, 2019.).

Finally, the term transparency suffers from the same problem as sustainability as both have different meanings for different actors. Gardner et al. (2019, pp. 165–166) argue that sustainability and transparency efforts are shifting and articulated differently by various actors, such as the state, markets and civil society. The extent of commodity chain transparency depends on who shares information and for whom, and how these actors are affected by the existing policies, regulations and incentives. Importantly, this raises the question of whom transparency is meant for and what kind of benefits it has. Gardner et al. (2019, p. 168) ponder whether commodity chain transparency offers the most benefits for the producers or the consumers due to improved product quality. They (p. 171) add that transparency is only a means to an end, and not an actual end. Therefore, it is crucial to ask what the purpose of shared information is and does it exclude some groups while including

others. Thus, the more powerful and resourceful actors usually have better capacities to analyze and use the data to their own advantage. Essentially, someone has to transform the data into something that is accessible and understandable for the public as well (Gardner et al., 2019, p. 172–173). Transparency combined with sustainability and commodity chains forms quite the pickle.

5. Findings

As qualitative content analysis recommends, I examined my data in a detailed manner to ensure a thorough inspection of data. Eventually, I formulated a total of 25 codes and 7 code groups, as shown at table 3. The codes are divided into segments concerning coffee, commodity chain data, transparency issues, Fairtrade and stakeholder needs as well as sustainability and they represent the central themes and ideas in my data. After the initial coding, I started to read through my data several times to ensure I did not miss any important aspects or observations.

Table 3. List of Code Groups and Codes.

Code Group	**Codes**
1. Coffee related issues	1.1 Coffee's commodity chain, 1.2 coffee's demand, 1.3 coffee's status.
2. Commodity chain data benefits	2.1 Benefits to consumers, 2.2 benefits to companies, 2.3 benefits to producers.
3. Commodity chain data related issues	3.1 Access to data, 3.2 confidentiality, 3.3 data ownership.
4. Data transparency issues	4.1 Cost-effectiveness, 4.2 defining the level of transparency, 4.3 information gaps,

	4.4 reasons explaining the lack of transparency, 4.5 mechanisms / solutions.
5. Fairtrade impact and significance	5.1 Fairtrade coffee, 5.2 strengths of the movement, 5.3 trust towards Fairtrade, 5.4 wider social significance.
6. Stakeholder needs	6.1 Companies (risk management), 6.2 consumers (interests), 6.3 producers (social quality, livelihood).
7. Sustainability trends	7.1 Future prospects, 7.2 transformation, 7.3 pressures and expectations, 7.4 communicating about sustainability / increased knowledge.

Following the advice of Erlingsson and Brysiewicz (2017, p. 95) I began to read over my transcribed interviews and documents several times to gain a sense of understanding. I started by sorting the most obvious codes, with little to no abstraction. These codes were identified using key words in the data, such as "benefits", "transparency", "commodity chain data", "trust", "risk" and "sustainability" and so forth. From there, I moved gradually towards more abstract and latent codes which allowed me to form certain themes and categories (Erlingsson & Brysiewicz, 2017, p. 95). For example, I noticed consistencies in the data like the various reasons that explained the lack of transparent supply chains and coffee's somewhat problematic status in Finland which I put under their own categories. Thus, Silverman (2014, p. 112) suggests that once the researcher has finished coding, they should shift their focus from apparent to more latent meanings and patterns. Therefore, I started to look for occurring patterns and similarities among my data. The code groups consist of a general examination of the themes, while the codes point to more detailed information. The code groups and codes are presented in alphabetical order for reasons of clarity.

These codes are interlinked, as shown in figure 1. Sustainability, with its underlying assumptions, is the overall context that gives the incentives to transform means

of production and trade. Fairtrade, among other certifications, is a crucial part of the sustainability trend as it provides third party evaluation for sustainability efforts. Fairtrade's impacts depend largely on the mechanisms it uses, such as the minimum price and price premiums, but its significance goes further than those. In fact, my data suggest that Fairtrade's wider societal significance seems to have gained foothold in terms of consumer trust, the growth of specific "fair" units such as Fairtrade cities and workplaces and thus, the fact that Fairtrade is seen as an essential part of sustainability portfolios. Despite its shortcomings, Fairtrade has managed to position itself in the Global North and create a relatively strong brand. These in turn are affected by the product related aspects, such as coffee and its commodity chain. Commodity chain data transparency form a set of subcategories that go back and forth between benefits, stakeholders needs and the ideal level of transparency. These form a synergy with each other, meaning that each component affects the other creating challenges for a transparent commodity chain. Finally, there is a link between coffee related issues and commodity chain transparency since increased transparency could potentially alleviate the coffee related issues and vice versa. I will go deeper into these arguments in the following chapters. Fairtrade's wider significance and the trend towards sustainability will be discussed in chapter six. These two themes do not directly answer my research questions, but as I consider them important parts of my overall analysis, I have decided to include them in my codes.

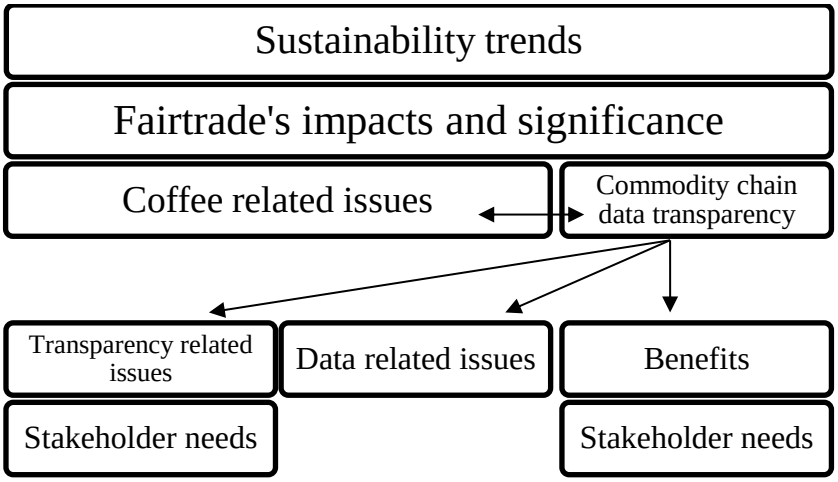

Figure 1. Mind Map of the Codes.

My research questions focus on the **challenges and needs** of Fairtrade certified coffee commodity chain data and the expected **benefits** from them. When I started reading through my data, I quickly noticed that the benefits and needs of stakeholders, such as consumers, companies and producers, intertwine in ways that it would be difficult to examine one without the other. Therefore, I have placed "stakeholder needs" under benefits and transparency related issues since stakeholder needs concern both segments, as seen in figure 1. Generally, coffee buying, or roasting companies and third-party monitoring bodies collect and store commodity chain data, but the level of publicity and transparency varies between actors. One observation that is evident in my data is that there seems to be an abundance of commodity chain data, but at the same time uncertainty of how and when to use the data to gain benefits from them. As the informant E. stated, data themselves do not tell much, but rather how they are analyzed and further used. The uncertainty about commodity chain data and the limited benefits experienced indicate that commodity chain data have not perhaps reached their full potential yet. This is probably because of the lack of resources or low level of motivation to invest in new technological tools, limited data, insufficient expertise about supply chain transparency or the constant shifts in consumer behaviors and in the sustainability trends. In other words, my data suggest that the current **challenges** of commodity chain data, combined with the various **stakeholder needs** overshadow the **expected benefits** from increased commodity chain data transparency.

On the other hand, commodity chain data has been a frequent theme in public conversation. For example, a growing number of Finnish coffee companies have made more commitments towards sustainability and transparent supply chains. Finnwatch is one of the "watchdog" organizations that has been driving this change, especially after their investigation in 2016. According to Viljasalo (2019), the amount of certified coffee grew a total of 45 million kilos in the Finnish coffee markets in 2018. These efforts are substantial in the Finnish context since coffee plays an important role in daily social life and culture. What seems to connect the companies that I interviewed is that they are committed to change the local coffee consuming practices. The informants come from different sized businesses that implement various sustainability efforts. Some of the smaller companies appear to have a strong sustainability brand while bigger companies have a selection of sustainability labelled and certified products in addition to coffee. However, bigger companies are integral

players when it comes to more systemic change due to their market position. Nevertheless, commodity chain data are a significant part of sustainability and the efforts towards it. Next, I will go over the benefits and challenges concerning the commodity chain data.

5.1 Commodity Chain Data Benefits and Challenges

After coding, I analyzed the benefits and the challenges associated with commodity chain data transparency. Here, I will present the basic elements of the benefits before going into stakeholder needs, which is when the topic becomes more complex. Bateman and Bonanni (2019) argue that commodity chain transparency has various benefits ranging from increased trust and stronger reputation to formulation of new partnerships. These appear also in my data, but they are tied to their specific stakeholder groups such as **consumers**, **companies** and **producers** (code group 2). Especially the benefit of collaboration is mentioned multiple times in FLOCERT's documents (FLOCERT, 2021a; FLOCERT, 2021b; FLOCERT, 2021c). However, it is important to note that my data represents mostly people from the private sector, so I have not actually interviewed consumers or producers. Therefore, the implications and interpretations presented on behalf of producers and consumers originate from the documents or interviewees, whose background is either in the private sector or NGOs.

The first category, **consumers**, forms a heterogenous group of coffee drinkers whose preferences shape what kind of coffee they purchase. Ethically motivated consumers value sustainable coffees, such as Fairtrade, while others might be less interested or committed to such products. In general, coffee's taste and price are the key factors that affect mainstream consumers' purchasing behavior (Samoggia & Riedel, 2018, p. 76). However, two of my informants raised interesting thoughts about the role of certification in consumer preferences. The informant A. argued that consumers do not necessarily care if the commodity chain is fully transparent, since they might only be interested in the fact that it has been certified. For these consumers, the most important thing might be that somebody else has acknowledged the existing problems in coffee production and acted to manage them, so the consumers do not have to worry about such issues. Similarly, the informant C. argued

that in a certain sense, certifications are an assurance for consumers so that they can make easy purchasing decisions between different products. Therefore, the certification ensures the validity of the commodity chains in favor of the consumers. This informant also stated that buying ethically produced coffee might reinforce the consumers' commitment to sustainability as it gives a good feeling and a sense of purpose. In other words, commodity chain transparency can at best give a sense of fulfillment for the consumers.

Commodity chain data transparency gives perhaps the most benefits to the **coffee buying companies** and the **producers**. The informant A. pointed out that transparency can help companies to express their Human Rights Due Diligence (HRDD) demands to show that they honor and are bound to respect human rights, as Gardner et al. (2019) also argue. The respondent C. explained that commodity chain transparency can increase the competitive advantage of a company if the "transparent" products gain more interest among the consumers than the conventional ones. Thus, transparent data aim to ensure the reliability of the chain so that the end-buyer feels assured that the products are not compromised with low sustainability standards. On the **producer** side, the expected benefits are increased market knowledge and better access to sustainability markets, as commodity chain data can give information about the markets where the products are sold (informants A. & B.; FLOCERT, 2017). However, Nygren (2015, pp. 24–25) notes that while the certified products are branded through sustainability elements, the Southern smallholders do not necessarily have knowledge of such brandings and creations of qualities. Therefore, market information alone is not enough in terms of producer needs, but rather the branding of such products. Nevertheless, the current level of traceability in the Fairtrade systems ensures that the producers are paid the Fairtrade minimum price and price premiums since every transaction has a digital footprint (informants A. & B.). However, a key observation is that these benefits are dependent on the stakeholder needs which essentially define the kind of benefits each stakeholder gets.

5.1.1 Different Stakeholder Needs

The expected benefits from commodity chain data transparency varies between stakeholders. The same applies for stakeholder needs which I have categorized in the same manner as before: **consumers, companies** and **producers** (code group 6). However, in terms of consumers and producers, the information gathered relies on the arguments presented by the coffee companies and NGOs. First, the amount of personal satisfaction over buying a bag of ethically produced coffee is interlinked with the persons interest towards sustainability themes. For example, the informant C. pointed out that the information about origin countries does not necessarily have resonance with the **consumers**, if they have no knowledge or familiarity with the country. This informant explained that from the point of view of the coffee companies, the key is to find out the interests of different coffee consumers and to develop ways through which companies can get consumers interested in certified coffees. For example, the commodity chain data could be visualized in an interactive or a storytelling way which could potentially raise the customers attention. However, an important question is why companies are keen to increase the interests of certified products. As seen with the studies of Naegele (2020), Mutersbaugh (2005), Johannessen and Wilhite (2010) and Valkila, Haaparanta and Niemi (2010), most of Fairtrade products value remains in the consuming country, particularly with roasters and retailers, thus expressing the tensions of capital and labor, North and South (Guthman, 2007; Staricco, 2019).

The informant C. found it crucial to tell these stories to help the consumers understand why they should buy certified coffee instead of conventional coffee. According to this informant, *"I think recycling is a good example. You take for example your plastic waste to the sorting place and think "oh, now I have recycled" although that is only the starting point for the whole process. First, you need to know why it is important to recycle and similarly, why it would be good to buy Fairtrade products. I think these things become more understandable with concrete examples and sometimes it means telling the about the challenges as well."*. Therefore, in order to give the consumers a sense of purpose, these issues need to be invested in the stories told by certificates.

However, such stories should be told carefully, without creating or reinforcing the imageries of "poor farmers" whose lives can be transformed with the help of consumer habits. Nygren (2015, p. 24) makes an important observation that while such imageries can be necessary in terms of branding certified products and shortening the "distance" between producers and consumers, they do not necessarily shift the information asymmetries or power imbalances in terms of global trade issues. It is also crucial to remember that consumer preferences are being manipulated through careful information sharing on the behalf of the information "holders", such as coffee roasters (Nygren, 2015; Ponte & Gibbon, 2005). As Ponte and Gibbon (2005, p. 10) explain, consumers are key actors in defining product qualities and thus, the governance of GVCs of coffee, but at the same time their preferences are affected by other actors, such as coffee roasters who are interested in getting more customers. Nygren (2015, p. 26) adds that certification schemes risk overestimating the role of the consumer as a changemaker in global issues of trade. She argues that focusing too strongly on consumers can take the pressure of transforming production networks away from governments and the private sector. Therefore, it is important not to over-emphasize the role of the consumers, as they have limited power overcoming structural issues (Isenhour, 2011). This is crucial in terms of Fairtrade's "niche" market position in which Fairtrade tries to maintain the role of supporting marginalized producers while mainstreaming their sales and trade practices, thus expressing the two philosophies of the global movement.

The informant E. stated that even though all the consumers do not have the same level of interest towards transparent supply chains, it is nevertheless important to take a step towards them. She agreed that it is crucial to find the appropriate ways to express commodity chain data so that the consumers get interested in and committed to these products. Importantly, consumer interests might shift with increased knowledge. According to Hawrylyshyn (2019), Fairtrade International on the other hand seems confident with consumer knowledge and argues that in general consumers are keen to know what companies do for the sake of sustainability. Raynolds (2009, p. 1090) points out that in the case of Fairtrade coffee, the commodity chains are strongly governed by roasters and retailers which sheds light on the power accumulation to the Global North. Therefore, the Finnish companies following the preferences of consumers have a role to play in making supply chains more transparent.

However, as seen with Haila (2000), Nygren et al. (2016) and Goodman (2004), the discourses of sustainability, associated with transparency, need to be examined carefully as they possess assumptions about the relationships between humans and nature. Importantly, these discourses can be excluding, emphasizing some viewpoints while ignoring others (Gardner et al., 2019). For example, Goodman (2004, p. 909) argues that Fairtrade products combine imaginaries of producer struggles with commoditization and ethics. The author continues that it is crucial to ask do the producers "see" the consumers in the same manner as consumers can see the producers via packaging, advertisements and reports. In other words, do the producers know their customers besides what kind of coffee the end-consumers want (Goodman, 2004, p. 910). Furthermore, it is important to remember that particularly agri-food products have been the subjects of colonial practices (Lyon, 2006, p. 461), making them vulnerable to imaginaries of "exoticness" and "otherness", in particular in the Western discourses (Nygren, 2015; Said, 1995). Essentially, Fairtrade needs to consider what kind of representations it creates of the Southern producers and how these imaginaries are received and further advanced in the consumers' minds.

In my data, coffee **companies**' needs are mainly associated with risk management. For example, the informant E. stated that it would be good to know if some farms are found to have continuous, severe cases of misconduct. This informant pointed out that identifying risks is especially crucial in terms of climate change and farmers' adaptation to it. This is in line with FLOCERT's (2017) statement which says that brands focus on risk mitigation in their supply chains. Therefore, for companies the commodity chain data would be beneficial in terms of how well the data explains about the potential risks and on the other hand how well they resonate with the customers' concerns and needs. However, the informant C. stated that if one chooses to share information about their commodity chains publicly, this information would consequently be public to the competitors, so one should consider whether it will be beneficial or not. In other words, transparent commodity chain data can be a competitive advantage as well as a disadvantage from the perspective of the companies.

The **producers'** needs, according to the views of NGOs and coffee companies, are associated with the need for social justice, such as equality and feasible livelihoods for the producers. This is highlighted in Fairtrade International's documents. For instance,

Kettler (2019) raises the point of volatile and decreasing market prices for coffee which affects the producers' livelihoods negatively. The informant D. pointed out that the amount of their "Return to Origin" (RTO) coffee is roughly 20 per cent of their coffee sales which is higher than the average RTO in coffee sales, usually below ten per cent in the coffee industry. RTO refers to the amount of sold coffee value that goes back to the producer. This informant added that the company they work for buys coffee for a higher price than the market price because it is the right thing to do. Now, the informant could say such arguments because they represent the company (Hirsjärvi, Remes & Sajavaara, 2013, p. 207) or because they genuinely believe that coffees' prices are too low or both. The informant later added that coffee is a business that cannot survive without the producers, so in a sense paying higher prices is the right thing to do. However, commodity chain data challenges seem to reach structural levels of issues which essentially makes it difficult for such actions to have a significant impact. Paying higher prices is extraordinary and deviant in terms of capitalist ideals, but they are not enough to counter the historical legacies of coffee relates issues, such as coffee price fluctuations, the concentration of "coffee giants" and the formulation of buyer-driven chains (Grabs & Ponte, 2019; Gereffi and Kaplinsky, 2001).

However, the question is how the producers benefit from the Fairtrade commodity chain data. For example, the document published by FLOCERT (2020) explains that for the producers, the data verification platform Fairtrace can provide better visibility and control over the minimum price and social premiums reported by the traders since the producers have an easier way to contact the traders. All in all, the various stakeholder needs make it challenging to gain direct benefits for all the stakeholders from the commodity chain data transparency. The challenges are further increased with data related challenges, such as confidentiality and the ambiguity of the concept of transparency, to which I will focus next.

5.2 Commodity Chain Data and Transparency Related Challenges

The informants and the documents that I gathered present similar observations about the difficulties of tracking supply chains and collecting data which relate to code groups **3. commodity chain data issues** and **4. data transparency issues**. There are quite a few

reasons of why it is so challenging. For example, some of the informants mentioned legal challenges such as confidential information that slows the process of getting information from each supply chain stakeholder. The data collected can also be incomplete or misreported which causes errors in the tracking, making it difficult to present credible data. Essentially the data that are collected depend on the businesses' needs, particularly which products are tracked and how, as seen with the informants. The informant D. presented their open price table which shows data about the prices they paid for coffee. The data were gathered from the company's wholesalers which was "*very time consuming and required determination*" according to the informant. It seems that getting information itself is a difficult task, although the data exist at some level. In the following I present some of the main points why there is a **lack of transparency** in Fairtrade's coffee commodity chains.

5.2.1 Data Ownership

Commodity chain data related issues forms the code group 3, with subcodes for **access to data, confidentiality** and **data ownership**. After inspecting my data, it became clear that one of the reasons behind information gaps or insufficient data is because of restricted access to data or limited data ownership. When interviewing informants A. and B., I learned that FLOCERT is the authority that collects and stores information about Fairtrade's supply chains and presents them in different platforms, such as Fairtrace and FairLens. These platforms are however for internal use only. Indeed, it seems that FLOCERT is very strict about sharing information related to the commodity chains and transparency. For example, there is very limited information available about FairLens, the data governance center of the Fairtrade network (FLOCERT, 2021c). FLOCERT oversees the usage of data with strict policies and regulations to which NFOs and other members of the Fairtrade systems are required to follow.

This led me to the next challenge, **access to data**. As the it became apparent, information about Fairtrade commodity chains is primarily for internal use, meaning NFOs and POs. In sum, the data governed by FLOCERT is mostly **confidential** when it comes to externals such as consumers. The strict policies governing the usage of producer data seems

to be in line with the informants' experiences about producer visibility. Some of the informants stated that they would like to know more how the effects of Fairtrade are experienced at the grassroots level, since information about farmers is more difficult to come by due to information gaps.

5.2.2 The Level of Transparency

Moving onto the code group **4. data transparency issues**, I present more abstract phenomena related to commodity chain data. First, what is the current level of transparency in Fairtrade's supply chains? The informant G. for example stated that in terms of Fairtrade, the "level" of transparency could be associated with the monitoring of the minimum price and social premiums in order to ensure producer benefits. This reminded me of what the informant A. said about traceability and the purpose of following the virtual transactions concerning the minimum price and premiums and that this kind of transparency is indeed better than no traceability at all. Therefore, for Fairtrade the most central indicator of transparency would be explicitly the minimum price and premiums. However, according to the informant B., Fairtrade is working towards fully transparent supply chains in their new strategy for the years 2021–2025. In the future, the ideal level might be tracing the whole chain, with the intermediaries included. However, it remains to be seen how openly the supply chains are presented to the public, since currently it was rather difficult for me to get information about commodity chain data transparency in the websites of FLOCERT.

The informants A. and B. further explained that the supply chain is traced via virtual transactions, but somewhere between the PO and a trader the information chain might be cut. In other words, the information does not pass on, especially if the trader is a large company with vast logistics. This essentially creates **information gaps** in the data. Thus, POs do not necessarily provide information about the specific farms where the bags of coffee come from. In other words, it is very difficult to get information about individual farmers, contributing to more **information gaps**. The informants added that basically it is possible to trace the whole chain, but for the most part the data are fragmented and intensively manual to follow through. For example, one of the platforms maintained by FLOCERT, Fairtrace,

stores data about Fairtrade ingredients and the payments of price premiums. Fairtrace uses a two-way verification to ensure credibility and validity. Furthermore, it is the right place to go for supply chain information. However, the informant C. described that these platforms are a somewhat "technical" and hoped for more clear, detailed information.

The issue of not reaching the farmers in supply chain mapping conflicts with the consumer and companies' needs, who hope to gain more information about the effects of Fairtrade. For example, the informant C. mentioned that in terms of trust and credibility, it would be important to be able to announce which farms received the price premiums and how they have been used. This can be associated with the companies' needs to tell interesting stories in order to gain consumer trust. According to this informant, the most interesting aspects of coffee's commodity chain take place in the farms and not perhaps in the middle parts. However, as seen with the different stakeholder needs and benefits, one needs to consider whether it is wise for all the stakeholders to share producer-related information. The informant E. raised an important point about misconduct in the commodity chains and how it might result in a situation where the actor is then kicked out of the chain. This informant also added that sometimes it is better to deal with misconduct within closed doors since the matter might be extremely delicate and require reliable participants to manage the issue. Therefore, it is important to find a middle ground between exposing issues in commodity chains and managing them without harming the actors involved. Furthermore, it might be in the interests of the producers to maintain a level of privacy.

The informants presented various **solutions and mechanisms** to the problems involved in current systems of commodity chain data transparency. One option according to the informants A. and B. would be to track product barcodes which would be then reported to Fairtrade. However, the informant G. noted that in a logistical sense, these mechanisms can be difficult to establish on the ground level, since every stakeholder should be informed of such practices. Additionally, there needs to be room for human errors. The informant C. argued that besides QR-codes and blockchain technology, one needs to have long-lasting partnerships with the producer or supplier to be able to exchange information more fluently. Additionally, the informant E. highlighted the role of governments and legislation and their importance in countries with less institutional capacity. However, many of the recent projects to track transparency in Fairtrade's commodity chains have been pilots, according

to informants A., B. and G., thus implying that the trend towards transparency is taking little steps at a time.

In addition, if the POs were to collect data from individual farmers, they would have to be trained and have sufficient resources to do so. According to the informants A. and B., a proper infrastructure and methods for collecting vast amount of data would be required, which might not be ideal in terms of local realities. These efforts would also have to consider the stakeholders privacy. Similarly, some commodity chain actors might not be interested in transparency efforts due to **costs and expenses**. For example, questions of how much coffee is transported and from where depends on the coffee's volumes and demand. The informant A. mentioned that bigger traders do not necessarily engage in direct trade since it is not quite profitable for them if the sales volumes are low and expenses high. Fairtrade International (2021f) presents similar arguments and states that tracking each step of a single product can be expensive. In other words, the question of implementing transparent supply chains needs to be **cost-effective**.

The informant E. argued that currently the collection of thorough information about supply chains is one of Fairtrade's weaknesses. According to this informant, there are minor advancements, but they do not perhaps provide relevant information. The issue is escalated with complex products such as ice cream or mixed coffee bags that come from different locations and producers. For example, a coffee cooperative or association can consist of thousands of individual farmers who are part of a single producer organization which makes it almost impossible to trace the origin up to the level of the producer. In this sense, all the stakeholder needs interlink, forming a complicated set of personal interests. It might be in the interests of the producers to maintain a certain level of privacy, while on the other hand, consumers and business sector agents might need more information about certification impacts in order to be convinced of the positive aspects of such initiatives. This makes it difficult to define a **level of transparency** that would meet the needs of all stakeholders. Essentially, one needs to consider for whom are the data for and what kind of implications they have (Gardner et al., 2019). Since my research focuses on the private sector agents, it seems that the commodity chain data are designed for the needs of the end-consumers and the private sector, especially in terms of coffee that is considered as a buyer-driven chain. However, it is important to note that my research does not include producer

interviews which makes it difficult to gain a wider understanding of their perspectives regarding the issue.

Finally, looking back at the research questions, I have now presented some of the central challenges and needs related to commodity chain data transparency in Fairtrade coffee. What is left is to examine how are the benefits with their challenges of data transparency distributed among the stakeholders. The answer is not simple, as they are deeply connected to the specific stakeholder needs. For example, consumers might benefit from increased transparency in Fairtrade's coffee commodity chains by gaining a sense of fulfilment and purpose. However, consumers' interests depend on their preferences and socioeconomic backgrounds. Companies and certification schemes on the other hand might get more customers, new cooperation opportunities and appear more responsible in the eyes of consumers and civil society. However, this can further empower the roasters and retailers if the commodity chain data are being used for the sole purposes of the private sector.

Additionally, there is a risk of reinforcing the Western discourses of sustainability and creating imaginaries of struggles, exoticness and otherness. For the producers, increased transparency can enable better access to the global markets, but it is unclear are the data currently being used for this purpose and how the data are experienced in the producer side. All in all, it seems that with current pilot projects and slow shift towards transparency, the expected benefits are too low to motivate a more systemic transformation. Therefore, to answer the research questions, I argue that due to the vast challenges of gathering commodity chain data and defining a level of transparency, the current benefits from commodity chain data transparency are quite low in terms of wider transformation. The important question is what interests are represented in the Fairtrade commodity chain data and how well these meet the needs of the commodity chain stakeholders.

5.3 Rethinking Coffee

Coffee's historical price fluctuations, increased demand and the formulation of new consuming behaviors have created social norms around coffee that partly maintain the issues

related to coffee production. Continuing to the code group 1, **coffee related issues**. Coffee has a somewhat problematic **status** in Finland due to high consumption and social norms. The informant D. argued that coffee is often perceived as a cheap commodity, since the price of conventional coffee is relatively low, and coffee is often used as a product to persuade clients to the store. This informant continued that, *"for example, people might often make a whole pan of coffee which they do not however drink completely. The rest is then poured down the drain."* This informant pointed out that it is important to the change the current coffee consuming practices into more ethical and sustainable ones. The informant F. had similar thoughts about affecting the consumers by offering certified coffee and thus, improve the lives of the producers. The informant C. concurred by pointing out that the price of conventional coffee is incredibly low even though the processes of growing, harvesting and manufacturing are labor-intensive with the risk of being compromised altogether by climate change. According to this informant, *"it is important to tell people this, to show them that their coffee indeed does not come from the roastery alone.".* In other words, the label should impact the consumers in a way that they might change their consuming behavior.

In general, the approaches that seek to change consumer behavior in sustainability issues are called "sustainable consumption policies" which aim to reduce the environmental impacts of consumption (Roberts, 2012). Product labelling, such as Fairtrade and Organic, are categorized as "weak discourses" that promote eco-efficient lifestyles without causing a significant change in consumers' lives. It is therefore uncertain whether such discourses can achieve sufficient transformation in sustainability practices. Therefore, the focus should be on sufficiency rather than eco-efficiency (Roberts, 2012, p. 93). Reflecting the studies of labels and imaginaries by Guthman (2007) and Goodman (2004), the question of eco-efficiency and sufficiency could be taken into consideration in terms of Fairtrade marketing and commodity chain data visualizations. The question is what kind of representations the commodity chain data could potentially create and whose interests do they serve.

Another central theme is the **demand** for sustainable coffee. As seen earlier, Fairtrade represents a somewhat "niche" market with supply exceeding the demand. The informant A. told me that the demand facilitates how coffee is transported to the consumer markets, similarly to costs and expenses. For example, a small roastery in Finland does not

necessarily have the capacity to buy directly from producers which is why there are large traders in between. According to Kettler (2019), Fairtrade International also acknowledges the fact that consumers must create the demand for certified products to help the farmers to survive. Additionally, sustainable and specialty coffees have to compete with the vast variety of conventional coffees. For example, the informant D. raised an interesting point about their specialty coffees which they considered separate from conventional ones. Such coffees do not compete with mainstream coffee retailers since their coffee prices would not hold against low priced coffee.

Coffee's demand is tied to its future possibilities. The current threat of climate change undermines the farmers' livelihoods and the capacity to grow coffee. Thus, rising demand means more coffee plantations. Robbins (2013, p. 253) raises an important fact that coffee can be grown in various settings such as underneath shade trees and under the sun which, however, requires more pesticides. Robbins argues that the challenge is to decide whether to protect existing forest areas, grow coffee under the shade trees or to make room for open field coffee plantations which are technically easier to manage, but ecologically less sustainable. The informant E. mentioned the same problem and argued that there needs to be a middle ground for the continuity of farmers' livelihoods and the sustainable way of growing coffee.

Coffee's commodity chain is in itself a complex phenomenon to analyze. The informant A. described Finland as Cross Broder Sales (CBS) country for coffee since Finland does not have ecological conditions for coffee growing. In an ideal situation, the PO sells the coffee sacks to a trader who then sells the coffee to the buyer. However, if the beans in one of the farms is ruined, the trader must buy the coffee from somewhere else. This can include other traders and middlemen, thus increasing the complexity of the chain. Additionally, the informant D. explained that the local conditions affect the chain from within. For instance, if the farm is located far away from the harbor or include difficult roads, the journey to the exporter might get slowed down.

The status of coffee as a global commodity is problematic because the realities between producers and consumers do not match, due to the complexity of coffee commodity chains. As argued in my data, coffee is rather convenient for the consumers, as it has an

abundant supply and it is easy to prepare as well as enjoy. Thus, coffee is a safe product to drink even without a certification. Despite Fairtrade's efforts to shorten the distance between consumers and coffee producers, there lies a risk of creating imaginaries of labels and livelihood struggles (Goodman, 2004; Guthman, 2007). Such imaginaries can bring the consumer closer to the producer, but it is necessary to ask does it bring the producer closer to the consumer. For the producers the reality is different since coffee can be an important livelihood that is currently threatened by climate change and by unsecure market prices. This contrast between the realities of consumers and producers is what partly maintains the unequal power relations, without forgetting the powerful role of transnational companies and big retailer chains and their privileged position in the global markets. In its own part, commodity chain data transparency can help to mitigate coffee related issues as it can increase general knowledge and shed light on the developmental aspects of coffee, but in terms of these benefits, it is crucial to consider the needs of all the stakeholders.

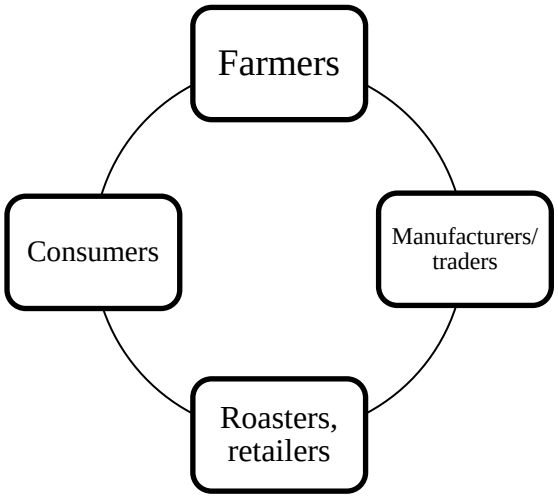

Figure 2. Coffee Commodity Chain Cycle.

Figure 2. shows a cycle for **coffee commodity chain.** It visualizes the intertwined relationship between the different commodity chain stakeholders. Essentially, consumer preferences, companies' interests and sustainability demands affect what kind of coffee flows into the markets. Similarly, farmers' own production methods and experiences affect the others especially if the coffee is organic. In a sense, all of the stakeholders within the cycle are important: they have their own roles, goals and preferences. The cycle would not work if one these actors fell out. As the blog by Kettler (2019) explains, a fair compensation for the farmers makes good business sense. Without farmers there would be no production and without consumers there would be no markets. Therefore, to ensure benefits to all of the stakeholders, one needs to carefully examine the needs of different stakeholders. Instead of thinking linearly about supply chains, I have presented a cycle that expresses the continuous, intertwined relationships of the stakeholders. In a way, the cycle highlights the importance

of producers as well as consumers, and not just those who are considered to have the most power in the global commodity chains. All in all, the current status of conventional coffee as a cheap, abundant commodity partly maintains the unjust power relations.

6. Discussion

Some of the informants from the private sector involved in this study showed similar considerations about how to increase the demand for sustainable products. They pondered for example what could be the most interesting ways to visualize supply chain data and how to tell stories of the producers behind certification labels. To a certain degree, this makes sense since coffee is an example of a buyer-driven value chain which relies heavily on the demand. Fairtrade's impacts, such as minimum price and social premiums also depend on the sales of Fairtrade products. Therefore, the change in commodity chain transparency can be expected to start with the consumers and the civil society and regulators who might demand changes. On the other hand, consumer-oriented approaches alone should not be given too much focus since they might otherwise demotivate governmental and institutional approaches, thus ignoring the consumers' limited capacities to address structural issues in coffee production (Isenhour, 2011; Nygren, 2015). Currently, the process of accommodating more transparency is slowly taking place, but some questions remain about how and where it should be done. Finding a sweet spot for transparency is difficult due to different stakeholder needs. The issue is ultimately structural, and many people do not simply know what lies behind complex commodity chains. Although Fairtrade's relatively small impact and its "niche" market position has been criticized, fair trade as a global movement can nevertheless influence consumers and companies to join the journey towards more transparent commodity chains, as it entangles with the governance of such chains.

Overall, the challenges and needs of Fairtrade coffee commodity chain data are complex and multidimensional. While there is a need to grow consumer interest in Fairtrade products for the sake of the producers, there remains a risk of over-emphasizing the role of the consumers and thus, creating imaginaries of livelihood struggles tied to commodities (Goodman, 2004). Commodity chain data visualizations are essential in terms

of how the producers are represented and these imaginaries created. Reflecting to the studies of Ponte and Gibbon (2005), Goodman (2004) and Lyon (2006), data visualizations and transparency should therefore consider the producers' viewpoints and needs in order to shift the power asymmetries of coffee commodity chains. Currently, the data suggests that there is a "consumer first" -approach. Coffee buying companies try to identify the preferences of the consumers, for the sake of the producers which essentially risks over-emphasizing the role of the consumers. With the current information gaps in Fairtrade's coffee commodity chain data, it is unclear how well the data serve the purposes of the producers. However, by not publishing data concerning the producers, Fairtrade can also protect the privacy of the producers.

6.1 Fairtrade and Transparent Commodity Chains

Lund-Thomsen and Lindgreen (2018) present an interesting research about the question of finding a "sweet spot" for ethical trade. In this sweet spot the interests of workers, buyers and suppliers would meet and provide benefits for all of the stakeholders. According to these authors, there is a common assumption in the globalized markets that it is possible to find such optimal points of trade, although this remains to be seen. Lund-Thomsen and Lindgreen (2018, p. 85) further add that global commodity chains are embedded in different levels of locality and globality. The chains are fixed in geographical locations while working under the conditions of local institutions, societies and cultures. With varying interests, values and institutions, global commodity chains are mutually conflicting and collaborative. Lund-Thomsen and Lindgreen (2018) argue that ethical trade initiatives have been criticized for the fact that they have often failed to include sufficient environmental standards and local, producer-driven values. Thus, these initiatives do not address the root causes of global problems such as poverty and inequality and give only minimal benefits to the producers. The same criticisms have been raised in the case of Fairtrade as well (Estevez et al., 2018; Husk, 2018; Nelson et al., 2016; Mare, 2008; Robbins, 2013; Valkila & Nygren, 2010).

In their research, Lund-Thomsen and Lindgreen (2018, pp. 85–87) argue that in order for the stakeholder interests to meet, there needs to be a clearly defined governance

in place, different from **market-based** and **hierarchical** governances analyzed by Lee and Gereffi (2015). On the other hand, Fairtrade coffee falls into the category of buyer-driven chains, but with the exception of being relational in its form of governance (Raynolds, Murray & Wilkinson, 2007, p. 36). Therefore, it promotes collaboration and trust over command and control. Ultimately, Lund-Thomsen and Lindgreen (2018, p. 89) argue that the overall idea of finding "sweet spots" in ethical trade is challenging since the globalized markets are incredibly fragmented and riddled with environmental problems and unjust profit accumulation to the detriment of social equality. Promoting such "sweet spots" could potentially water down the purpose of ethical trade since unrealistic expectations can ignore the underlying disparities between labor force and capital accumulation capitalist economy (Lund-Thomsen & Lindgreen, 2018, p. 89; Grabs & Ponte, 2019). This is also apparent in my data which suggest that finding a "sweet spot" in the level of transparency regarding commodity chain data is difficult.

Fairtrade's possibilities to increase the sustainability of small coffee producers' livelihoods is under a constant discussion. Raynolds (2014, p. 502) argues that Fairtrade has succeeded in bringing the producers closer to the consumers by telling stories of the local farmers and producers. This helps consumers to form emotional or social attachments to remoter locations and realities. The same observations were mentioned in my interview data as well. However, several other researchers argue that Fairtrade products create idealistic imageries of social sustainability, justice and responsibility (Goodman, 2004; Guthman, 2007; Robbins, 2013, pp. 255–256). On one hand, consumers might get more committed and demand companies to implement transparency efforts in their supply chains. On the other hand, there is a risk of creating exotic imaginaries of "poor farmers" in the Global South whose lives are improved by purchasing a product (Nygren, 2015). The challenge is to find an appropriate way to tell about the issues of global coffee production and trade without compromising the Southern producers. Perhaps in the case of Fairtrade there is a need to move from producer-oriented storytelling towards a consumer-oriented one, with the focus being on sufficiency, rather than eco-efficiency as Roberts (2012) explained.

Robbins (2013, pp. 258–259) argues that Fairtrade is nevertheless consistent with the neoliberal ideals in a sense that it sees the producers as an object for empowerment who in turn, are empowered by the actions of consumers. In this sense, Fairtrade moves the

responsibility of protecting society from market annihilation from the states to individual customers. This is apparent in Fairtrade's own documents and the previous studies which show that consumers must create the demand for Fairtrade products, in this case coffee. Essentially, this creates the dilemma of transparency. Whose needs are included when tracing supply chains and how to make sure that the increased transparency does not potentially harm the producers? Fairtrade also enjoys the support of a rather modest group of customers who are loyal to the brand but are not enough to boost global sales and break Fairtrade from its "niche" market position. Currently, Fairtrade coffee production exceeds its demand which undermines the benefits to the producers and thus, empowers the already powerful, the retailers and consumers.

Commodity chain data poses a question of power, like commodity chains in general, as theorized by Gereffi (2011). According to the researchers using a GVC framework, the retailers, consumers and other commodity chain actors in the Global North tend to have more power in the chain in relation to the producers in the Global South (Naegele, 2020; Ponte & Gibbon, 2005; Valkila, Haaparanta & Niemi, 2010). In terms of Fairtrade, the highest authority to govern commodity chain data is FLOCERT. The data available is strictly for those internal to the Fairtrade system and involves rules about the usage of data. The expected benefits from the commodity chain data are not very high, since many of the projects are still in pilot stage. What is mostly unclear is the question of how are the small-scale producers in the Global South benefiting from the data if the most "powerful" actors in the Global North encounter challenges with it. It is definitely a point for further research in the future. Overall, despite coffee being a traceable product, there are vast challenges with implementing transparency that would meet the needs of all the commodity chain stakeholders, thus invoking the question of whose interests are represented in the commodity chain data.

6.1.1 Fairtrade's Significance

Despite the issues related to Fairtrade coffee commodity chain data transparency, the overall significance of Fairtrade seems to hold its position as a valid and meaningful partner in the

global markets. When speaking about **Fairtrade coffee**, most of my informants argued that in terms of sales volumes, the significance is fairly low. However, coffee has for long been one of the most popular ones and to a certain degree, its visibility might compensate the sales volumes. What is interesting is that many of the informants thought that **Fairtrade's significance** reaches beyond its products, including the Fairtrade workplaces and congregations which showcase Fairtrade's **wider societal influence**. Furthermore, Fairtrade Finland has conducted development cooperation programs throughout Africa and Latin America, to complement the certification system and to promote a more holistic take on development (Fairtrade Finland, 2021b).

Several of my informants pointed out that Fairtrade's **strength** is that is fills three important criteria in terms of development and sustainability. First, there are the social criteria such as the minimum prices and social premiums aimed to improve wages, promote community development and to prevent child labor. Second, Fairtrade includes some environmental standards to reduce environmentally harmful production methods and thus, promote "sustainable consumption" at some level. Finally, Fairtrade offers third-party monitoring, which is a more transparent and trustworthy system compared to those systems where the companies monitor their operations themselves. Several informants consider Fairtrade a synergic effort bringing benefits for companies, for the certification body and for the consumers, and thus with potential to bring efficient results. However, it is important to note that these results represent the actors situated in the Global North. Nevertheless, Fairtrade seems to have succeeded in becoming a valid partner for companies and other NGOs, according to my data.

6.2 The Trend Towards Sustainability

The "sustainability trend" and the questions of traceability do not efficiently reach the current global commodity chains despite being so comprehensive and incredibly popular. Without legislation commodity chain data transparency is for the most part voluntary. There are pilot projects in many sectors on traceability, including textiles and several food products, but these are difficult to manage if the commodity chain spreads into multiple

locations and regions. For example, electronics can be extremely difficult to trace all the way to individual components due to several individual particles. In this sense, coffee seems like an easy commodity to trace, especially in the case of single coffees which usually contain only one variety of coffee. Nevertheless, even with such "simple" commodity chains, Fairtrade coffee's commodity chain data suffers from information gaps and from complexities because of stakeholders' different needs and ideas about transparency. Afterall, we are dealing with a deeply structural issue that becomes even more challenging with complex commodity chains. Commodity chain data, however, holds the potential to shift the tide. Many companies already collect commodity chain data, for example, economic purposes, so the problem is not always the lack of data. The question is how that data are used and analyzed to maximize benefits for all the stakeholders and how relevant the data are in terms of stakeholder needs.

The role of private companies is evident in terms of sustainability and global trade. As my data shows, coffee roasters and retailers are interested in what kind of stories, commodity chain data visualizations and sustainability practices have resonance among their customers, thus expressing a somewhat "consumer first" -approach. This is problematic in a sense that it might overshadow the interests of the producers and further empower those situated in the Global North. Additionally, firms work as the middleman in forwarding the consumer preferences to the producers, thus following the rule of buyer-driven chains. Ultimately, without the demand for ethically produced products and it becomes incredibly difficult to commit to transparent supply chains. Governments and NGOs are also required to develop and maintain new forms of trade and economic activity. Nevertheless, there is an interesting duality between the roles of the companies and the customers which affect the sustainability trends. At the same time, there is a need to consider sustainability through the viewpoints of the producers.

Increasing transparency in the global commodity chains is not an easy task. In fact, it seems to require systemic change with room needed for more transformative changes. The challenge is to bring together the interests of the coffee community (coffee drinkers and producers) with the interests of the private sector (coffee sellers). How this is done under the existing power asymmetries is a challenge. There needs to be a clearly defined goal for transparency and of the purposes it is supposed to serve. Otherwise there is a risk of

conflicting stakeholder interests under the uneven power relationships which makes it fairly difficult to increase both transparency and justice. In other words, one needs to think what transparency means for the different stakeholders involved. Importantly, transparency should not be treated as a "mainstream" concept since as my data suggest, it is a multidimensional term with various implications. Otherwise there is a risk of watering down the concept's meaning and thus, create dominating discourses. Regarding future research, I suggest that the issue of Fairtrade commodity chain data are examined and analyzed from the perspectives of the producers.

7. Conclusions

The problem of commodity chain data transparency has its roots in the history of trade and coffee. Coffee has transformed into various branches of consumer behavior with different preferences and interests. Coffee's commodity chain follows mainly the pattern of South to North, thus indicating a buyer-driven chain with demand being the facilitating element. Similarly, it has become the arena for contesting sustainability efforts and economic competition. The global demand for coffee is continuously growing, while the producers are known to suffer from insufficient wages and environmental risks. The urgency of climate change along with the existing power asymmetries in the coffee sector threatens the whole future of coffee and those involved with it. Despite being a valuable trade product, coffee's prices have continued to decrease over the years, thus indicating a disparity between coffee's demand and its value. The producers are in a disadvantaged position compared to the commodity chain actors in the Global North, who possess more power as the GVC framework suggests. In all this, Fairtrade promotes the rights and equality of the producers and thus, tries to shift the power balance to a more reciprocal point with the help of the minimum prices and premiums.

At the same time the need for more transparency has grown with the pressure of NGOs, consumers and certification bodies. However, increasing transparency is an enormous task that requires the commitment of each commodity chain stakeholder. Thus, data transparency needs to have certain benefits that meet the stakeholder needs in order to

be effective. At best, it can offer competitive advantages, increase trust and connect actors with each other, providing them with new partnerships and customers. At worst, it can disempower those who are already disadvantaged. Therefore, the current challenges and needs of commodity chain data define what kind of benefits the Fairtrade stakeholders receive. It is important to consider what specific interests drive transparency efforts. Despite having issues in conducting fully transparent commodity chains, Fairtrade has nevertheless managed to form a wider significance around itself that goes beyond its niche market position. The shift towards more transparency is slowly finding its place in current sustainability trends articulated by consumers, NGOs and companies, but the transformation is still in its infancy. Opening commodity chains is a structural move that takes time and effort which is why it is a problem with no single solution. Instead, it requires the commitment of people, with their various needs and interests.

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Appendix

Semi-structured interviews

- Reilun kaupan kahvi: yleistilanne, myynti ja merkitys Suomessa.
- Kahvin toimitusketjut: mitä tiedetään? Mitä ei tiedetä? Onko dataa tarpeeksi? Reilun kaupan tuomat edut? Mahdolliset haitat?
- Toimitusketjudatan mahdollisuudet: millainen vaikutus toimitusketjudatalla on?

Relating to Fairtrade coffee:

- How many of your coffee products are Fairtrade certified? Kuinka suuri osa kahvituotteistanne on Reilun kaupan sertifioimia?
- When did you start buying Fairtrade certified products? Milloin aloitte ostaa Reilun kaupan sertifioimia tuotteita?
- What inspired you to certify some of your coffee products? Mikä inspiroi teidät sertifioimaan kahvituotteitanne?
- Why Fairtrade? Miksi juuri Reilu kauppa?
- What do you think about the coffee production in general? Mitä ajattelet kahvin tuotannosta yleisesti?
- What kind of challenges there might be? Millaisia haasteita siinä on?
- What do you value in coffee production? Mitä sinä pidät tärkeänä kahvin tuotannossa?

Relating to coffee commodity chains:

- Moving onto the commodity chains of coffee, how would you describe your commodity chains in a few words? Miten kuvailisit kahvin toimitusketjujanne muutamalla sanalla?
- How has the Fairtrade certification (of the products) affected the chain? Onko Reilu kaupan sertifikaatti muuttanut toimitusketjuja?
- How about your knowledge? How? Entä omaa tietämystäsi? Miten?

- What would you wish to know more about the Fairtrade commodity chains? Mistä haluaisit tietää enemmän Reilun kaupan toimitusketjuissa?
- Are there any challenges or gaps regarding the data and transparency? Onko datan läpinäkyvyydessä vielä jotain haasteita tai sokeita pisteitä?
- Is it difficult to gather information about your supply chains? Onko tiedon kerääminen toimitusketjuistanne hankalaa?

Relating to commodity chain possibilities:

- What is the influence of commodity chain data to you or your business? Millainen vaikutus toimitusketjudatalla on teidän teille? Tai teidän toiminnallenne?
- Or for your brand? Tai brändille?
- How do you use commodity chain data, for what purpose? Miten te käytätte toimitusketjudataa, mihin tarkoitukseen?
- Is there something that you would you like to add? Any final thoughts?