# EXAMINING THE SUSTAINABILITY OF SOCIALLY DRIVEN SPECIALTY COFEE BUSINESSES IN ERADICATING POVERTY AMONG MICROCOFFEE PLANTERS

#### **NUR SYAFIQAH BINTI A RAHIM**



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UNIVERSITI TEKNIKAL MALAYSIA MELAKA

## **APPROVAL**

'I hereby declared that I read through this thesis and in my opinion that this thesis is adequate in term of scope and quality which fulfil the requirement for the award of Bachelor of Technopreneurship with honours (BTeC)'

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## **DECLARATION**

"I declared that this report entitled "Examining the Sustainability of Socially Driven Specialty Coffee Businesses in Eradicating Poverty among Micro-coffee Planters" is the result of my own work except for the quotes as cited in their referee.



#### **DEDICATION**

This research is dedicated to my late father, Mr. A Rahim Bin Aliman and my lovely mother Mrs. Hayati Binti Hassan who has always been there supporting me through my ups and downs and giving me the extra boost that I always needed to finish up my thesis. I want to show my gratitude to Malaqa Coffeehouse that gives me inspiration and heads-up to choose this research's title. I have always dream on being a social entrepreneur. Thanks to this research, I know all the challenges and had a chance to meet social entrepreneur and learnt from them. Mr. Albert Feisal @ Muhd Feisal Ismail and Dr. Mohd Amin Bin Mohamad, my supervisor and panel that has been guiding me and giving me the motivation to finish my thesis. I also want to say thank you to all my friends that have been extremely helpful in completing this Final Year Project. Finally, I dedicate this thesis to my family that always support my emotion unconditionally without any rest.

#### **ABSTRACT**

This research aims to examining the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters. The focus of the study was to identify the problems faced by social entrepreneurs while running business. This research was implemented eradicate poverty among micro-coffee planters in Malaysia which is increasing day by day. Micro-coffee planters produce the most delicious coffee beans in the world called 'Specialty Beans' but they do not know how to market and share the deliciousness of coffee beans to people out there. This is when Social Entrepreneur get in the line and helps them in any ways to eradicate poverty according to Sustainable Development Goals (SDG). The Sustainable Development Goals (SDGs), were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. This research focused on SDG 1 which is No Poverty. This research was conducted using qualitative analysis method and data collection was undertaken in Cyberjaya, Batu Pahat, Johor, and Kulai, Johor. Interviews were used as method to collect and obtain original data information on three social entrepreneurs that had knowledge in helping micro-coffee planters. The findings and the result of the study shown that these social-driven businesses got challenges in helping micro-coffee planters' market while sharing their specialty coffee beans, the study aims to address the issue of the increasing of poverty among these planters. The research is aligned with the Sustainable Development Goals (SDGs), particularly SDG 1: No Poverty. Through qualitative analysis and interviews with knowledgeable social entrepreneurs, the study managed to gather valuable insights to assist micro-coffee planters and contribute to poverty eradication efforts.

Keywords: Entrepreneurship, Social Entrepreneurship, Sustainable Development Goals (SDGs), SDG 1 (No Poverty), Specialty-coffee, Eradicate Poverty, Business Practices

#### **ABSTRAK**

Kajian ini bertujuan untuk mengkaji kelestarian perniagaan kopi istimewa yang didorong secara sosial dalam membasmi kemiskinan di kalangan penanam kopi mikro. Fokus kajian adalah untuk mengenal pasti masalah yang dihadapi oleh usahawan sosial semasa menjalankan perniagaan. Kajian ini dilaksanakan untuk membasmi kemiskinan di kalangan penanam kopi mikro di Malaysia yang semakin meningkat setiap hari. Penanam kopi mikro menghasilkan biji kopi paling lazat di dunia yang dipanggil 'Biji Khas' tetapi mereka tidak tahu bagaimana untuk memasarkan dan berkongsi kelezatan biji kopi kepada orang di luar sana. Inilah masanya Usahawan Sosial turun padang dan membantu mereka dengan pelbagai cara untuk membasmi kemiskinan mengikut Matlamat Pembangunan Mampan (SDG). Matlamat Pembangunan Mampan (SDG), yang diadopsi oleh Pertubuhan Bangsa-Bangsa Bersatu pada tahun 2015 sebagai seruan am untuk mengakhiri kemiskinan, melindungi planet, dan memastikan pada tahun 2030 semua orang menikmati keamanan dan kemakmuran. Kajian ini memberi tumpuan kepada SDG 1 iaitu Tiada Kemiskinan. Kajian ini dilakukan menggunakan kaedah analisis kualitatif dan pengumpulan data dijalankan di Cyberjaya, Batu Pahat, Johor, dan Kulai, Johor. Temubual digunakan sebagai kaedah untuk mengumpul dan mendapatkan maklumat data asli mengenai tiga usahawan sosial yang mempunyai pengetahuan membantu penanam kopi mikro. Hasil kajian menunjukkan bahawa perniagaan yang didorong secara sosial ini menghadapi cabaran dalam membantu pemasaran penanam kopi mikro dan berkongsi biji kopi istimewa mereka. Kajian ini bertujuan untuk menangani isu peningkatan kemiskinan di kalangan penanam tersebut. Kajian ini sejajar dengan Matlamat Pembangunan Mampan (SDG), khususnya SDG 1: Tiada Kemiskinan. Melalui analisis kualitatif dan temubual dengan usahawan sosial yang berpengetahuan, kajian berjaya mengumpulkan pandangan berharga untuk membantu penanam kopi mikro dan menyumbang kepada usaha membasmi kemiskinan.

Kata Kunci: Keusahawanan, Keusahawanan Sosial, Matlamat Pembangunan Lestari (SDG), SDG1 (Tiada Kemiskinan), Specialty-Coffee, Membasmi Kemiskinan, Latihan Perniagaan.

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#### **CHAPTER 1**

#### INTRODUCTION

#### 1.0 Introduction

This chapter explained some description of the background of the study, research problem, research question, research objectives, importance scope, limitation, the definition of terms, and summary. This chapter will examining the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters.

#### 1.1 Background of the Study

The commitment of those who have made it their life's work to continuously put quality first allows specialty coffee to exist on a consistent basis. In the life cycle of a coffee bean, this is not just one person's job, but specialty only happens when everyone involved in the coffee value chain cooperates and has a laser-like focus on standards and excellence from beginning to end. This is not a simple task, but because to these committed individuals, there are many specialty coffees readily available right now, around the world and perhaps not too far from you. In Malaysia, the specialty coffee industry is growing quickly. However, many customers still don't grasp how coffee works and are still tangled in our regional "kopi-o" coffee culture.

Great coffee begins with the farmer, whose family has probably spent decades refining their strategy for cultivating the best coffee possible. The producer that makes specialty coffee dedicates his or her life to developing and

refining the best grade coffee on earth, which is grown in specific altitudes and climates and nurtured for years prior to the first harvest. For them, quality rather than quantity is the most crucial factor. Only coffees that are flawless and have been harvested at their ripest stage will move on to the hands that will shape them. The ability of the micro-coffee planters to interact with quality-conscious consumers assures a greater profit option that supports people, families, and communities all around the world.

Specialty coffee café had been developed in a short time in Malaysia. Specialty coffee cafes have become something that is interesting to visit because of the ambience and the environment. Specialty coffee owner in Malaysia really had passion in their business and willing to create something that can gives a big impact towards their business. Social entrepreneurship is one of the projects that had been done by specialty coffee owners to achieve big in their business.

A method of conducting business that aims to improve the world by solving social, cultural, or environmental challenges is known as social entrepreneurship. Social entrepreneurs are people or organizations that create, finance, and carry out creative possibilities to increase social wealth. They launch a company to change the world.

In conclusion, social entrepreneurship is a powerful approach that combines entrepreneurial principles with a deep commitment to creating positive social and environmental change. It goes beyond traditional charity or philanthropy by leveraging innovative solutions, sustainable business models, and cross-sector collaborations to address systemic challenges.

#### 1.2 Problem Statement

This study is about on how a specialty coffee owner in Malaysia survive in coffee industry by using social entrepreneurship method to keep sustain and gives benefits to others especially those in needs especially micro-coffee planters all over Malaysia. To help guide the growth of social businesses and social entrepreneurship in Malaysia, the nation released the Social Entrepreneurship Action Framework 2030 (SEMy2030) in April 2022.

Social entrepreneurship (SE) in Malaysia is still new and need to be discover as soon as possible because the positivity of impacts that can help community. In Malaysia, most of community faced an economy problem. They were divided into 3 income classification of economy range. Households are categorised into three main income classifications: Bottom 40% (B40), Middle 40% (M40), and Top 20% (T20). B40 represents the bottom-tier households that have an income of below RM 4,850. Community of B40 need those help especially from social entrepreneurs out there.

This study focused on eradicating poverty among micro-coffee planters by socially driven specialty-coffee businesses. Eradicate poverty were in Sustainable Development Goals that had been introduced on 25 September 2015. Sustainable Development Goals (SDGs) are a universal call that is being made public around the world to create a world without any poverty, the sustainability of the planet in line with the creation of world peace and prosperity by 2030. There are 17 goals that had been highlighted by the United Nation in their mission to create a new world without any fuss.

Specialty coffee cafe in Malaysia had a rapid growth rate especially café that runs as social enterprise. These cafés managed to create job opportunity to people out there, but they do not have further knowledge about how to sustain and how to keep growth in Malaysia market. Eradicating poverty are one of the focuses point that social entrepreneur aims onto it.

While money is limited for social enterprises in their early stages, it is far more abundant for scale-ready social firms. Impact investment has advanced, and the discipline is attempting to take off. The validity of a capital market that assumes investors will be acceptable with below-market financial returns, however, is also seriously questioned. Additionally, there are lingering concerns about whether a business that is required to generate sizable profits may freely pursue and prioritise social change.

#### 1.3 Research Question

Since this research is developed to examining the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters, the research questions of this study are:

- How do socially driven specialty coffee enterprises help and strengthen local communities and coffee farmers?
- What kind of obstacles that social entrepreneurs face while running businesses?
- What effect do socially driven specialty coffee businesses have on sustainable development and the reduction of poverty?

## 1.4 Research Objectives

The specific objectives of this study are:

- To investigate the social entrepreneurship adopted by socially conscious specialty coffee enterprises to support the welfare of smallscale coffee growers and their communities.
- To analyze the difficulties and obstacles that entrepreneurs encounter while attempting to participate in socially conscious specialty coffee supply chains and gain from efforts to eradicate poverty.
- To propose suggestions for improving the sustainability of socially responsible specialty coffee businesses in their efforts to eradicate poverty, including implications for legislation and support systems.



## 1.5 Important of the Study

The importance of this study is as follows: -

- Helps Social Entrepreneur and Social Innovation (SESI) and relevant government agencies and others to overcome poverty among micro-coffee planters by opening a specialty café in Malaysia. This is in line with the government's intention to help these groups improve their economic status.
- Increase micro-planter coffee's level of motivation, business plan, and practices to achieve higher economic standards through entrepreneurial programs and activities in field. Thus, the business profile of social entrepreneur can be guide into people who want to experience and starts to invest in coffee industry in Malaysia that will raise existing business opportunities.
- The results of this study can be used as a gold mine of knowledge and general reference material on the involvement of social entrepreneur in the works on the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters in Malaysia. This study can extract inner self of public to learn and improve the characteristic of social entrepreneur themselves.
- The result of this study can help other researcher as a pinpoint of eradicate poverty alongside The Sustainable Development Goals (SDGs). This study focuses on SDG 1 which is No Poverty.

#### 1.6 Scope of the Study

This study is genuinely examining the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters. This scope of this study focuses on the determination of social entrepreneur in eradicating poverty among the groups of micro-coffee planters in Malaysia also on the track in helping them in improving business practices in their lifestyle. This research will be conducted at United States, Batu Pahat, Johor and Kulai, Johor.

#### 1.7 Definition of Terms

The definition of terms is typically an extension to a several works such as book, research paper also pamphlet either at the beginning or more frequently near the end with a list of acronym and others. This is an important part of the research paper in which the key or important terms in the study are clearly defined.

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A social entrepreneur refers to an individual who pursues novel ideas with the potential to solve or alleviate certain community-oriented problems. Social entrepreneurs often are willing to take the risks associated with their venture to help address issues, enabling positive change in society. (TEAM, 2022). Dheeraj Vaidya (2023) said, "A social entrepreneur signifies an individual running an organization or enterprise to address social problems and bring about social change through innovative solutions. The pressing community-related problems may include supplying food to poor people, providing low-income individuals with access to financial services, supporting orphaned children, empowering women, etc."

#### **Social Entrepreneurship**

Social entrepreneurship refers to the process of identifying and actively pursuing opportunities to generate social value through innovative and resourceful means. Social entrepreneurs are individuals who possess traits such as innovation, resourcefulness, and a focus on achieving results. They draw inspiration from both the business and non-profit sectors to develop strategies that effectively maximize their impact on society. These entrepreneurial leaders can be found in various types of organizations, including large and small enterprises, new and established ones, as well as religious and secular institutions. Furthermore, social entrepreneurship encompasses entities that fall within the spectrum of non-profit, for-profit, and hybrid organizations.

#### Micro-coffee Planters

Some sources use different criteria to define micro roasters, even though there is no official definition. One way to define them is by the capacity of their roasting machine, typically ranging from 1kg to 3kg, according to some. Alternatively, other definitions consider a micro roaster to be any coffee roasting business that roasts less than 100,000 pounds (approximately 45,340 kilograms) of coffee in a year.

#### **Socially Driven**

"Socially driven" refers to behaves, projects, or organisations that are motivated by a strong desire to address social issues and generate positive social developments. Individuals, organisations, or businesses who prioritise societal welfare and actively endeavour to improve the lives of others while pushing for equality, fairness, and sustainability are included. Typically, socially motivated endeavours focus on reducing poverty, increasing education, improving healthcare, saving the environment, protecting human rights, and supporting community development. The underlying motivation is

to have a positive impact on society and to help individuals and communities better.

#### **Specialty Coffee**

Specialty coffee refers to a type of premium coffee that receives meticulous attention throughout its production and preparation. It encompasses the cultivation and acquisition of coffee beans from specific regions renowned for their unique flavour characteristics, as well as careful processing techniques to maintain the beans' distinctive qualities. Specialty coffee is commonly obtained from small, independent farms or cooperatives and undergoes stringent quality control procedures at every stage, starting from harvesting to brewing. It places significant emphasis on factors such as the coffee's origin, variety, altitude, processing method, and overall quality of the final cup. The objective of specialty coffee is to showcase the intricate flavours and aromas of the beans, delivering a more sophisticated and enjoyable coffee experience for discerning consumers.

# The Sustainable Development Goals (SDGs)

Development, which was accepted by all United Nations Member States in 2015. The 17 Sustainable Development Goals (SDGs), which are a global partnership's urgent call to action for all developed and developing nations, are at the centre of it. They understand that eradicating poverty and other forms of deprivation requires concerted efforts to combat climate change, protect our seas and forests, enhance health and education, and lessen inequality. These 17 goals had been running through the nation by most of the NGOs, Government and other entities that dreamt on creates a better world. Most of the goals were implemented by entrepreneur that helps communities and it is called Social Entrepreneur. They gain profit to gives back to community and support them

in any ways to follow The Sustainable Development Goals (SDGs) given by the nation.

#### 1.8 Limitation of Study

This study is to examine the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters. This study's focus was on social entrepreneur who helps increase the level income of micro-coffee planters.

The limitations of this study are as follows: -

- 1. This study focuses on entrepreneur who involved in coffee industry and builds social enterprise in Malaysia. Thus, the information obtained from social entrepreneur who helps micro-coffee planters in increasing their level of income while helps eradicating poverty among them.
- 2. This study is only conducted among social entrepreneur that helps eradicating poverty among micro-coffee planters. Therefore, the results of the study are likely to describe the activities and problems faced by social entrepreneur in sustaining social enterprise in Malaysia.

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3. This study will focus on social entrepreneur's business profile, their successful story, and business practice that been used throughout the coffee business with micro-coffee planters.

# 1.9 Summary

The first chapter of this thesis opens with the background of the study and further describes the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters. This is followed by the problem statement, research objectives, research questions, importance of the study, definitions of terms, scope, and limitations of the study. The chapter concludes with the organizations of the thesis.



#### **CHAPTER 2**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter will briefly explain the sustainability of specialty coffee businesses in eradicating poverty among micro-coffee planters especially in Malaysia. Social enterprise in Malaysia had been running through every process to keep sustain and up to date along trends. A company with social goals is referred to as a social enterprise. As opposed to a regular firm, a social enterprise does not prioritize maximizing profits. Unlike charity, social enterprises engage in activities that bring in money to support their social goals.

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#### 2.2 Specialty Coffee Businesses

#### 2.2.1 Coffee Culture among Generation Y

According to studies, oil and coffee are the two commodities that are traded the most (Topik, 2003). Cafes, coffeehouses, and coffee shops, according to Pongsiri (2013), serve coffee or other hot beverages; as the name implies, coffeehouses concentrate on serving coffee and tea as well as light snacks. Younger people are more likely to indulge in conspicuous expenditure and frequent upscale eateries as a form of self-expression or as a representation of the lifestyle they aspire customers' degree of

happiness directly affects the quality of a product, which in turn affects their decision to buy a good or service (Beibei, Shiyang & Jiahong, 2013).

As they look for higher quality goods and services, consumers nowadays are becoming more demanding (Kang, Tang, & Bosselman, 2011). In contrast to other product characteristics like variety, brands, feature, size, and others, Goi (2013) revealed that product quality is a significant influence for customers. According to a survey, Generation Y in Sweden prefers high-quality coffee shops (Beibei et al. 2013). According to Jaw, Leslie, Mattock, and Shahinfar (2010), some Canadian customers place a higher value on a coffee's flavour than its cost. e to (Kim, 2014; Yoong, 2014).

These shows that most of the youngster really love coffee in terms of to their own leisure also their booster in their daily life.

#### 2.2.2 The Benefits of Specialty Coffee

Coffee grows in a limited zone between the tropics known as the 'bean belt' throughout the world. Most countries in the Americas, Africa, and Asia grow coffee in areas with mountains higher than 1,000 metres. Coffee is an important sector in developing countries, contributing significantly to GDP as well as creating direct and indirect jobs.

A speciality coffee is associated with a certain region, cooperative, estate, or farm. This provenance enables qualified taste experts, known as Q Graders, to analyse the parcel of coffee and assign a "Cupping Score." If the score is 80/100 or more, the coffee is classified as speciality. This grade is based on the quality and flavour of the coffee, as well as the higher prices paid to facilitate reinvestment at the farm level, which allows for continuous improvement.

As the beans proceed from field to cup, an extensive community of people and businesses are enthusiastic. From cooperatives to processing mills, storage facilities, exporters, and importers, it is often those focused on Specialty grade coffee who establish projects with favourable effects. For example, childcare for farm families, educational projects, healthcare support, beneficial infrastructure projects, and initiatives to foster female independence in the workplace. (AMAMUS LTD, 2019)

#### **2.2.3 Summary**

Specialty coffee businesses are establishments that prioritize the production, sourcing, and serving of high-quality coffee that is considered special or unique. These businesses are committed to providing an outstanding coffee experience, with a focus on factors such as where the coffee comes from, its flavor profile, and the overall skill involved in its production. Specialty coffee businesses often work directly with coffee farmers or specific regions to ensure that their coffee meets the highest quality standards.

In addition to obtaining exceptional coffee beans, specialty coffee businesses typically employ knowledgeable baristas who are skilled in various coffee preparation methods and can create distinctive and well-crafted coffee beverages. These businesses also place importance on sustainability and ethical practices throughout the coffee supply chain, including fair trade agreements, environmentally friendly farming methods, and supporting local coffee communities.

Furthermore, specialty coffee businesses offer a diverse range of coffee options, showcasing different brewing techniques, coffees from specific origins, and carefully selected blends. The goal is to highlight the unique characteristics and flavors of each coffee variety, allowing

customers to fully appreciate and explore the nuances of specialtygrade coffee.

In summary, specialty coffee businesses strive to deliver an elevated coffee experience that combines exceptional taste, ethically sourced beans, and a profound appreciation for the art and science of coffee production and preparation.

#### 2.3 Business Practices of Social Entrepreneur

#### 2.3.1 Social Initiatives in Coffee-producing Communities

Around 25 million families worldwide rely on the sale of coffee to make a living, and smallholder growers account for 80% of the world's coffee production. But many are unable to advance beyond subsistence farming due to persistently low coffee prices and ongoing instability. The consumer end of the coffee supply chain has begun to realize this, though, in recent years. Consumers of today are becoming more and more inquisitive about the origin of their coffee and the social and environmental effects of their purchases. This puts pressure on coffee roasters to get coffee that has been ethically produced and to help the communities where they source their coffee. To accomplish this, roasters frequently make the commitment to promote social impact at the source, either directly or through their green coffee supplier.

# 2.3.2 Social Entrepreneurship: Creating New Business Models to Serve the Poor

The fact that the term "social" can signify many different things to various people based on their personal and cultural origins further complicates the situation. It is impossible to determine whether allocating funds to assist the homeless in Paris generates as

much social value as providing food to undernourished children in Kabul without a general goal. Without defining the specific traits that characterize SE apart from traditional or business entrepreneurship, it may not be able to define the scope of SE. This uncertainty can be resolved by looking at SE through the lens of a globally accepted objective that combines societal demands and to which several organizations and corporations have committed themselves: attaining sustainable development (Seclos & Mair, 2004).

#### **2.3.3 Summary**

Social entrepreneurship business practices are the specific strategies, approaches, and methodologies used by social entrepreneurs in their entrepreneurial efforts to produce social and environmental impact. These practices are distinguished by a blend of business principles and social responsibility, with the goal of achieving financial sustainability as well as positive social effects. The mission and social effect of social entrepreneurs take precedence over profit maximization. They link their company objectives and actions with their social or environmental mission, ensuring that every area of their organization contributes to good change. Social entrepreneurs concentrate on creating long-term business strategies that provide cash to fund their charitable endeavors. They seek strategies to attain financial viability and self-sufficiency, ensuring their ventures' long-term viability.

#### 2.4 Social Entrepreneur Profile

#### 2.4.1 Empowering B40 Farmers with Coffee

B40 coffee farmers in Sabah produce a range of quality coffee seeds, but without proper distribution and heavy reliance on the "middleman", they struggle to make ends meet. To sell sustainable coffee while helping the Sabahan farmers earn the profits they deserve, BosCo decided to only use beans from Sabah while controlling markups and price hikes in the process. Viviantie Sarjuni, one half of the duo behind Borneo Specialty Coffee (BosCo), the decision to become a social enterprise, the effects of the MCO on their supply chain, as well as the speed at which they wish to grow their coffee outlets

# 2.4.2 Johor's House of Kendal gives homegrown Liberica beans a specialty coffee makeover.

House of Kendal is managed by Adam Esham, an 18-year-old coffee roaster, and his father, Esham Salam, who is both an engineer and entrepreneur. Adam became involved in the business at the age of 17, inspired by the rich history of coffee in Malaysia, particularly the prominence of Liberica beans. The research center for Liberica beans, located in Senggarang, holds special significance for Adam's family, as it is situated in his father's hometown of Batu Pahat. In the 1960s, their family's coffee farm was devastated by fires caused by a heatwave, leading to the abandonment of coffee crops in favor of rubber and oil palm plantations. However, a few years ago, Adam and his father decided to revive their family's coffee business by replanting Liberica beans and nurturing micro farms to produce high-quality coffee with international recognition. Adam, who has competed in prestigious events such as the Asean Open Roasting Championship and the Malaysian Brewers Cup 2020 held in Ho Chi Minh City, emphasizes their mission to restore the glory of Liberica beans. At House of Kendal, they oversee a group of small coffee farms, known as kebun in Malay, and strive to help farmers achieve improved returns for their efforts.

# 2.4.3 Why this Johorian is so determined to grow this rare coffee for his seed-to-cup café.

In a world dominated by Robusta and Arabica coffee, Liberica coffee stands out as a rare and unique species, often compared to a mythical creature like a unicorn. Renowned for its exceptional sweetness, Liberica coffee is so scarce that it is considered endangered, with sources suggesting that it represents less than 1% of the world's coffee production. However, for a farm situated in Johor, Malaysia, Liberica coffee is not only a rare gem but also a way of life. My Liberica Coffee, aptly named, goes beyond being just a café; it is a comprehensive company that encompasses its own farm, processing facilities, and roastery. Since its establishment in 2009, the company has gained more than a decade of experience and has faced both successes and challenges, pioneering the specialty coffee movement in Malaysia.

#### 2.4.4 Summary

A social entrepreneur profile is a set of characteristics, qualities, and attitudes that are commonly associated with people who engage in social entrepreneurship. Social entrepreneurs are motivated by a desire to address social and environmental issues while developing long-term and effective solutions. They combine business knowledge with a strong sense of social responsibility, with the goal of making a positive change in society through their entrepreneurial endeavors.

Social entrepreneurs are highly committed to a certain social or environmental concern. They have a clear sense of purpose and are dedicated to bringing about positive change in that sector. They frequently think beyond the box, seeking unique and imaginative solutions to social problems. They are willing to create innovative solutions with long-term influence. Social entrepreneurs place social impact ahead of financial gain. They define success not only in terms of profit, but also of the positive outcomes and advantages they provide to communities and individuals. Social entrepreneurs are adept at issue solving. They have a remarkable capacity to detect social concerns, analyze core causes, and create unique solutions that effectively address these issues. Furthermore, social entrepreneurs frequently demonstrate great leadership qualities. They inspire and motivate people to join their cause, establishing a sense of community and mobilizing resources and support to make a larger effect. Despite that, social entrepreneurs are motivated by results and attempt to make a demonstrable and scalable impact. They work to create models and tactics that may be repeated, expanded, or changed to address similar social issues in many locations.

It's crucial to highlight that social entrepreneurs can come from a variety of backgrounds, histories, and tactics, but they all share the goal of applying entrepreneurial principles to promote positive social change.

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2.5 Eradicating Poverty among Micro-Coffee Planters

# 2.5.1 Empirical Findings of Social Entrepreneurship Development and Poverty Alleviation

The goal of social entrepreneurship is to combat poverty while pursuing an entrepreneurial strategy. "Many studies suggested that trade opening up has a beneficial effect on poverty reduction," Social entrepreneurship offers a viable strategy for eradicating the root causes of poverty, which supports economic growth. The focus of social entrepreneurship is typically on using market-oriented activities to bring about systemic change that improves people's lives. These businesses may be for profit or charity. In the financial ecosystem,

social entrepreneurship has a specific role to play. The effects of social entrepreneurship on the eradication of poverty and income growth for microfinance recipients are, at best, ambiguous.

# 2.5.2 Agriculture Dept ready to assist coffee entrepreneurs in Malaysia, says deputy D-G

The Ministry of Agriculture and Food Industries (Mafi), specifically the Agriculture Department, is fully prepared to support individuals who have an interest in venturing into the coffee business. They offer comprehensive assistance, guiding aspiring entrepreneurs from the initial stages of planting preparation to the implementation of irrigation systems and coffee processing. Datuk Zahimi Hassan, the Deputy Director-General of the Department of Agriculture (Management and Regulatory), stated that Malaysia currently has approximately 2,000 coffee growers, primarily located in Kedah, Johor, and Sabah. Most coffee varieties cultivated in the country are Liberia and Robusta.

Based on data provided by the Department of Agriculture, the coffee cultivation area in Malaysia was 2,220 hectares (ha) in 2021, compared to 2,114 ha in 2019. In terms of production, the country yielded 4,241 tons of coffee in 2020, compared to 3,559 tons in 2019. Johor and Sabah emerged as the primary coffee producers. Zahimi Hassan expressed optimism that coffee production would continue to grow annually, considering the potential of coffee bean production as the trees mature. He shared these insights with reporters during the national-level 2021 World Coffee Day Celebration, held today in the given location.

## 2.6 Conceptual Framework

The conceptual framework of this study focuses on the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters and it contains a few aspects of the study findings that have been described in this chapter. First, the researcher investigates how social entrepreneurs use their business in exposing specialty coffee's cafe to help overcome the problem of poverty among micro-coffee planters in Malaysia. Next, the researcher looked at the business practices of social entrepreneurs in the coffee industry. Researchers found that there is one way to sustain social enterprise which is to use market-driven strategies to become successful social entrepreneurs.



Figure 2.1 – Conceptual Framework

# 2.7 Summary

This chapter shows a description of each keyword and the Conceptual Framework of the "Examining the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters". In this study, the researchers focused on finding out if there are any problems faced by social enterprises in handling specialty coffee businesses in this era. They focused on how it works socially driven.



#### **CHAPTER 3**

#### RESEARCH METHOD

#### 3.1 Introduction

The previous chapter mentioned the development and sustainability of socially driven specialty coffee businesses and ways to eradicate poverty among micro and small coffee planters. Next, in chapter 3 is an explanation about methodology that was used by researcher to gather information and statistics in this research. This research includes the process of describing, explaining, and forecasting the method used in this research. The use of appropriate methods to determine the accuracy and best result given and can be able to achieve research objective.

#### 3.2 Research Design

The role of the research design is to ensure that the information gathered enables you to deal with the research issue in an appropriate way, objectively and as unequivocally as possible. In the field of social sciences study, gathering knowledge related to the research issue usually includes determining the type of data required to test a hypothesis, evaluate a program, or adequately explain and determine the significance of an observable phenomenon (De Vaus, 2006).

According to Saunders et al. (2009), there are three different ways of explaining the research process. They are exploratory, descriptive, and explanatory. The way the research question is posed defines what sort of analysis it generates.

The goal of the exploratory study is to seek new insights into the problem. This is necessary if the researcher wishes to understand an issue better. This form of research is mostly focused on literature search, interviewing subject experts, or interviewing focus groups. The descriptive method requires the researcher to have a clear understanding of the subject before the data is collected, since the aim is to provide an accurate picture of the subject being studied. The last method is explanatory and is often used to explain the causal relationship between variables (Saunders et al., 2009).

In this research, the researcher chooses the exploratory research design to explore the effectiveness of social entrepreneurship in eradicate poverty among micro coffee planters in Malaysia. Exploratory research, as its name suggests, aims to investigate research concerns, and does not aim to provide final and conclusive solutions to current problems. This form of research is generally undertaken to study an issue that has not yet been clearly identified (Belic & Jonsson, 2012).

Conducted to assess the essence of the problem, exploratory research is not intended to provide definitive evidence, but to help us better understand the problem. When undertaking exploratory research, the researcher should be able to shift direction because of the disclosure of new data and new insights (Exploratory Research - Research-Methodology, n.d.).

In this study, the researcher decides to implement the qualitative analysis method. Qualitative research can be defined as the collection of data which is open to interpretation, such as attitudes and opinions, and which may not be validated.

#### 3.3 Methodological Choice

There are three main categories of research methods: quantitative, qualitative, and mixed methods. Quantitative research involves collecting numerical data through questionnaires and analysing it using graphs or statistics. On the other hand, qualitative

research involves interviewing participants and collecting non-numerical data, which is then categorized for analysis. Mixed methods research combines both quantitative and qualitative data collection and analysis techniques. (Saunders et al., 2016)

Qualitative research serves to gain insights and comprehension regarding a given problem. It is an open-ended and exploratory research approach that delves into intricate phenomena that cannot be adequately explored through quantitative methods. However, it does contribute to the generation of ideas or hypotheses for subsequent quantitative research. Qualitative research is employed to attain a profound understanding of human behaviour, experiences, attitudes, intentions, and motivations, relying on observation and interpretation to uncover individuals' thoughts and emotions. It is a research method in which the researcher places significant emphasis on the perspectives of the participants. Various types of qualitative research include case studies, grounded theory, ethnography, history, and phenomenology. (Sharique Ahmad, Saeeda Wasim, Sumaiya Irfan, Sudarshana Gogoi, Anshika Srivastava, Zarina Farheen, 2019).



**Qualitative Research Methods. 2023** 

Qualitative research methods involve the collection and analysis of non-numeric data to comprehend individuals' social reality, including their attitudes, beliefs, and motivations. This approach focuses on investigating intricate phenomena and gaining insights into people's experiences and perspectives regarding a particular subject. Qualitative research employs various techniques such as in-depth interviews, focus groups, and observations to gather detailed and context-specific information. It proves especially valuable when researchers intend to comprehend the interpretations individuals assign to their experiences or uncover the underlying causes of their behaviour. Examples of qualitative research methods comprise ethnography, grounded theory, discourse analysis, and interpretative phenomenological analysis.

Different techniques fall under the umbrella of qualitative research methods, including ethnography, grounded theory, discourse analysis, and interpretative phenomenological analysis. These approaches have found extensive application in a range of academic fields, such as sociology, anthropology, political science, psychology, communication studies, social work, folklore, educational research, and software engineering research.

When conducting qualitative research, data collection methods commonly involve conducting in-depth interviews. During these interviews, researchers ask open-ended questions to obtain insights into participants' experiences, perceptions, and behaviours. Another technique employed is the utilization of focus groups, where participants engage in group discussions that facilitate interaction and the exploration of diverse viewpoints. Furthermore, researchers may also employ observation and immersion within the research setting to document social interactions and behaviours. Analysing textual and visual materials through content analysis is another approach. Lastly, oral history is employed to gather first-hand narratives and personal accounts of historical events or experiences from individuals who have directly experienced them.

In this research, qualitative research approach is the best method for details about the topic. It is because qualitative research offers valuable insights into the social meanings and processes by investigating the reasons and mechanisms behind how groups think and behave in specific ways. It provides a more profound comprehension of real-world issues and can be conducted independently as a standalone study or as a

component of mixed-methods research that integrates qualitative and quantitative data. The interview questions would be prepared get insight through formal and informative interviews with social entrepreneurs that involves micro-coffee planters in their project all over Malaysia such as Cyberjaya, and Johor. The interview questions would be related to the topic which is sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters.

## 3.4 Primary Data Source and Secondary Data Sources

The main source of data is the original source from which a researcher collects data for a specific study topic or objective. There are various approaches to gathering primary data, with the most employed methods being experiments, field observations, interviews, and independent surveys. In comparison to collecting secondary data, acquiring primary data is more demanding in terms of time and financial resources. According to Salkind (2010) it was claimed that obtaining primary data sources incurred higher costs and consumed more time compared to acquiring secondary data. The primary data source, often referred to as a raw data source, comprises information that the researcher personally collected for a specific research objective or project (Salkind, 2010). Basic data collection techniques encompass activities such as desk reviews, surveys, and workplace site observations. Examples of the initial data source include expert opinions, measures of occupational exposure, and pretested data-gathering tools (Jilcha Sileyew, 2019). In this research, the primary data are collected using in-depth interview to collect the research data regarding the sustainability of socially driven specialty coffee business in eradicating poverty among micro-coffee planters.

Secondary data pertains to information that has been previously obtained from primary sources and is now made accessible to other researchers for their use. This data has already been collected in the past (Formplus, 2020). The utilization of this data source reveals the research

scope of the advanced approach and highlights a research gap that demands consideration. Numerous internal and external sources of information, covering a wide range of subjects, can be utilized as secondary data sources in this context (Jilcha Sileyew, 2019). The primary sources of secondary data for this study were obtained from published scientific books, online web pages, and papers. To search for scientific articles, various databases such as Google Scholar, 'Perpustakaan Laman Hikmah UTeM' research engine, ProQuest, Emerald Publishing, ScienceDirect, and others were utilized. The keywords "specialty coffee", "social entrepreneur", "social enterprise", "micro-coffee planters", "poverty", "social entrepreneurship", "socially driven,", "The Sustainable Development Goals (SDGs)", and others were most used during the research process. To collect empirical data, a survey was created, while secondary sources offer established theories that serve as frames of



#### 3.5 Location of Research

As a platform for conducting this research, the researcher selects 2 different states in Malaysia and one from United States. The first state is Batu Pahat, Johor. Batu Pahat is a vibrant city located in the state of Johor, Malaysia. It is known for its rich history, delicious food, and bustling markets. The city offers a mix of modern amenities and traditional charm. There is plenty of coffee farm at Batu Pahat. It is a great place to experience the warmth and hospitality of the local community. Next is Kulai, Johor. Kulai is a charming town located in the state of Johor, Malaysia. It is known for its serene atmosphere, beautiful landscapes, and friendly community. The town offers a mix of modern developments and natural beauty. It's a great place to unwind and experience the laid-back lifestyle of Johor. These two places were interviewed physically by researcher. Last is at Cyberjaya. The exact interview location is at University of Strathclyde, Scotland which is where the respondent pursues the studies. The session was made in Google Meet.

#### 3.6 Research Strategy

Multiple studies have provided evidence that a researcher's research strategy refers to their planned approach towards investigating their research topic. The research strategy encompasses a selection of techniques for data collection and analysis, representing a methodological interplay influenced by philosophy (Saunders et al., 2016; Denzin and Lincoln, 2011). Saunders et al. (2016) also highlighted the importance of maintaining consistency in the researcher's chosen research approach throughout the study's design. A research strategy encompasses a holistic method for addressing the research questions, which includes defining research objectives, identifying data collection sources, and considering research limitations (Al-Ababneh, 2020). The research methodology employed

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in this study involved the utilization of a case study approach. As described by Yin (2014), a case study involves an in-depth investigation of a subject or phenomenon within its real-life context, distinguishing it from other research methods. In case study research, the term "cases" can encompass individuals, groups, organizations, associations, change processes, events, or various other subjects of study (Saunders et al., 2016). The researcher used a case study strategy to refer to the sustainability of socially driven specialty coffee business in eradicating poverty among micro-coffee planters.

# 3.7 Types of Interviews

In an interview, the researcher will interact with a topic, to understand more about it. While another response, one understands different the conversation and offers question. An interview will be conducted in person. Additionally, doing interviews in person will avoid miscommunication. They help researcher explain, better understand, and explore research subjects' opinions, behaviour, experiences, phenomenon, and other. Interview questions are usually open-ended questions so that in-depth information will be collected.

The interview is a crucial way of acquiring information because it allows the researcher and the participant to communicate verbally. It is often used in surveys, exploratory and descriptive studies, and other types of research. There are various interviewing techniques available, ranging from entirely unstructured interviews in which the subject can talk anything to highly structured interviews in which the subject can only answer predefined questions. The quality of the data, like any other technique of data collecting, is determined by the interviewer's expertise and the design of the interview. The interviewer may ask deceptive or imprecise questions, which may cause the interviewee to get confused. Inadequate interviewing procedures, whether deliberate or inadvertent, can have negative impact on participant responses. Such

difficulties will have an adverse effect on the research outcomes (Fox & Millands, 2009)

There are various ways to classify interviews in qualitative research, considering factors such as their execution and intended purposes (Edwards & Holland, 2013). Interviews can be categorized as either professional or informal, with informal interviews being a common part of everyday interactions. While informal interviews can be used for qualitative research, their effectiveness is limited when dealing with complex subjects. On the other hand, formal interviews are more commonly found in corporate settings, as they follow a structured approach, uphold higher standards, and possess an official nature. Unlike informal interviews, formal interviews involve the presence of a lead analyst (Adhabi & Anozie, 2017)

Furthermore, structured interviews involve a highly influential interviewer who exercises control, thereby limiting the interviewee's spontaneity and flexibility (Stuckey, 2013). These types of qualitative interviews resemble job interviews in their format, where participants are expected to provide concise and straightforward responses to clear inquiries. The intense stress associated with structured interviews can cause subjects to become nervous and provide incoherent answers. This characteristic is inherent in a structured interview, which requires the researcher to strictly adhere to a predetermined set of instructions (Adhabi & Anozie, 2017). Similarly, in guided interviews, the researcher prepares a predefined outline of topics and questions (Stuckey, 2013). In contrast, semi-structured interviews lack a fixed structure. The effectiveness of these interviews depends on the interviewee's responses to the researcher's questions or topics. While there are guiding questions in place (Adhabi & Anozie, 2017), the researcher may adapt and ask more specific questions based on the interviewee's initial responses.

Lastly, it is currently believed that there are no completely unstructured interviews. However, certain interviews may be labelled

as such due to their fragmented nature. Instead, we can view these interviews as having a narrative theme, and unstructured interviews, such as those utilizing narrative questions, operate within a different conceptual framework (Neto & Reis, 2014). It is important to note that unstructured interviews are controlled discussions designed to meet the researcher's specific requirements. They can take various forms, including open-ended interviews and focused interviews, where the researcher directs the subject towards a particular topic of interest (Jamshed, 2014). This study is a semi-structured interview. Semistructured interview is a type of interview where the interviewer has a set of predetermined questions but also has the flexibility to ask followup questions based on the interviewee's responses. It allows for a more conversational and in-depth exploration of the topic being discussed. This type of interview provides a balance between structure and flexibility, allowing for a deeper understanding of the interviewee's thoughts and experiences. Due to this, the interview would be more understandable and gain more knowledge and information about the research topic in deeper.

# 3.7.1 Interview's Protocol

During interviews, the interviewer and interviewee engage in conversations to collect data on specific themes. The goal is to gain a deeper understanding and promote open information exchange. Interviews can be conducted in person or online. In this study, a semi-structured interview approach is used, which means it's not overly regulated, allowing the interviewee to freely discuss whatever comes to mind.

# 3.8 Types of Sampling

In this paper, we will be using purposive sampling as the sampling method. This method is commonly used in qualitative studies because it prioritizes validity and efficiency. It is also known as selective or subjective sampling, as researchers follow specific criteria to select respondents who will provide desirable results for the study. Within purposive sampling, we will be adopting snowball sampling. Snowball sampling involves recruiting potential subjects based on referrals from existing participants, creating a chain referral process. In this study, we will strictly focus on specialty coffee businesses' owners for our sampling.

#### 3.9 Time Horizon

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There are two main approaches to collecting data based on time horizons: cross-sectional studies and longitudinal research. Cross-sectional studies employ a positivistic methodology to gather data from multiple contexts simultaneously. This method involves collecting data once within a short timeframe, providing a snapshot of a particular phenomenon. It is commonly used in research literature to examine correlations between variables in large samples (Al Ababneh, 2020). In contrast, longitudinal research aims to study the progression of issues over time (Al-Ababneh, 2020).

In the current study, the researcher had to fasten the interviews time to the limited time available and the focus on case studies conducted through interviews. The research will be conducted over a brief period of 10 months, from March 2023 to January 2024.

#### 3.10 Data Analysis

According to Thomas (2006), within the framework of a general inductive method, the process of data analysis aims to develop categories that form a framework or model. This framework can explain important concepts or procedures and provide a summary of the raw data. Qualitative data analysis involves the task of attributing meaning, structure, and organization to a substantial amount of collected data (Marshall, C., & Rossman, G., 1990). The goal of qualitative data analysis is to explore the relationship between data categories and themes to gain a deeper understanding of the phenomena being studied (AlYahmady Hamed Hilal & Saleh Said Alabri, 2013). Therefore, researchers need to approach the analysis with attentiveness, adaptability, and productive engagement with the data, rather than relying strictly on rigid procedures (Corbin, J. M., & Strauss, A. L., 2008).

#### 3.11 Thematic Analysis

Thematic analysis is a widely used qualitative analysis method in both primary and systemic research. However, there is often confusion regarding its definition, leading to potential implications for the quality of subsequent analysis. Thematic analysis is commonly understood as a methodology for identifying, evaluating, and reporting patterns or themes in data. While the flexibility of this approach can be advantageous, it can also pose risks, particularly for individuals without expertise in conducting such assessments (Purssell & Gould, 2021). In line with the literature, the data obtained through interviews with policymakers and higher education administrators in this study were subjected to a similar review methodology.

The first step in analysing the data involved transcribing and translating the interviews. The audio recordings of the interviews were

listened to multiple times to ensure accurate translation and transcription of the interviews conducted with three participants. The researcher personally translated each interview from Bahasa Melayu to English. The translation was done simultaneously with the transcription process, prioritizing understanding the message conveyed rather than focusing solely on language or linguistic components initially.

Moreover, the availability of pre-translated transcriptions facilitated communication and guidance between the researcher and supervisors regarding the development of transcripts and themes. Most of the translations were completed within 24 hours of the interviews to ensure prompt clarification, if needed. Microsoft Word Office was utilized to carry out this process.

#### 3.12 Observation

Observation is a foundational and longstanding strategy in qualitative research. According to McKechnie (2008), this approach involves actively using one's senses, particularly through systematic and purposeful acts of seeing and hearing, to gather information. Adler and Adler (1994) similarly emphasize the significance of observation as the fundamental basis for research in the social and behavioural sciences. In this study, data were collected through meticulous observation of individuals, employing a method supported by existing literature. Furthermore, Dewalt and Dewalt (2002) provide comprehensive insights into various aspects of observation, including different types, when and how to employ them, their advantages and disadvantages, and the development of observation guides. Their book delves into the utilization of observation as a strategy for data collection.

# 3.13 Summary

To summarize, this chapter provided a concise outline of the research methodology employed in this study. The selection of an appropriate research approach was crucial for obtaining reliable and accurate findings. The chosen research method for this study was descriptive research. Specifically, a qualitative approach was utilized, and interviews were conducted as a means of data collection. The sampling method is using purposive. The researcher gathered primary data through interviews with experts and supplemented the findings with secondary data obtained from web sources, newspapers, and journals to enhance and validate the original data.



#### **CHAPTER 4**

#### 4.1 Introduction

In this chapter for data analysis and findings, the result of the study Examining the Sustainability of Socially Driven Specialty Coffee Businesses in Eradicating Poverty among Micro-Coffee Planters is analysed. Interview sessions were conducted with three respondents which is Respondent A., Pak Esham from Batu Pahat, Johor Respondent B, Jason Liew from Kulai, Johor, and Respondent C, Viviantie Sarjuni from Sabah but currently in United States, America.

The objective of this study is to identify the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters. This research also will perceive the obstacles that social entrepreneur faces while running coffee business also sustain in helping communities and coffee farmers. Researchers also gains the effects of socially driven specialty coffee businesses have on sustainable development and the reduction of poverty among micro coffee planters. The result for this research will be presented based on the challenges that their social entrepreneurship company encounter in their efforts to reduce poverty and promotes sustainable development.

In this research, the data have been collected by interviewing specialty coffee businesses owner that runs social entrepreneurship because the researcher want to understand this topic in more detailed and success to gain information about the research objective. The researcher can gain a thorough grasp of the chosen specialty coffee businesses owner which is social entrepreneur by using the qualitative research method. The first part focuses on the ways to help and strengthen local com munities and coffee farmers from the point of view as social entrepreneur. The second part focuses on effect of socially driven specialty coffee businesses have on sustainable

development and reduction of poverty among local communities and coffee farmers.

The last part is perceiving of what kind of challenges faced by the social enterprises in their efforts to reduce poverty also promotes sustainable development.

### 4.2 Respondent Background

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The cases study was conducted by using the qualitative research method to conduct a semi-structured interview with a social entrepreneur that owns specialty coffee restaurants across the Malaysia in their efforts to reduce poverty and promote sustainable development.

### Respondent A, Pak Esham from House of Kendal

The first respondent that the researcher had interviewed is Respondent A or can called as Pak Esham. The interview session was held on 28th October 2023 at Parit Besar, Bagan, Batu Pahat. The researcher took 3 hours to reach the destination. He is 67 years old. His occupation is as an Oil&Gas Engineer in America as the same time he is also a social entrepreneur that runs social enterprise called House of Kendal that located at Petaling Jaya. He started his journey as social entrepreneur in 2016 until now. He started his journey in coffee industry with his son, Adam Esham. He started his mission in helping communities and micro-coffee planters to run his business while helps others gain income and rise their income level. House of Kendal itself is a growing, profitable, and sustainable enterprise that thrives on the finest coffee and the essence of life, through nurturing and continual improvements of its supply chain. In sustaining their business in coffee industry, they hold a principes in helping those in needs and it made them as an absolute social entrepreneur. House of Kendal focused on giving the benefits to micro-coffee planters in Batu Pahat in their socially driven business.

### Respondent B, Jason Liew from My Liberica Coffee

The second respondent that the researcher had interviewed is Respondent B, Jason Liew. The interview session was held on 12<sup>th</sup> November 2023 at My Liberica Roastery, Taman Ekoperniagaan, Johor Bahru. The researcher travelled almost 4 hours to reach the destination. Jason Liew is the founder of My Liberica Coffee as he started the journey after he graduated from National Taiwan University under bachelor's degree of Agronomy. He saw an opportunity to harvest coffee beans locally and breathe new life into traditional farming methods in his youth. He grows the Liberica variety of coffee beans in coffee farm. My Liberica coffee beans had won 2<sup>nd</sup> Runner-Up in 2021 World Barista Championship and Liberica variety finally got a chance to be reborn and gained global appreciation, turned into a dazzling gem. He started his social enterprise journey from the start of My Liberica Coffee been founded. He intended to help those that need helps especially micro-coffee planters in Malaysia. He owns 20-yard of coffee beans farm in Batu Pahat that been runs by elderly that age 55 years-old until 65 years old. He helps them in growing local coffee beans while helps them to increase their income level as all of them came from B40 groups also Asnaf. Deep down in his heart, he wants to help communities especially micro-coffee planters to elevate their income range. MyLiberica Coffee beneficiaries were elderly micro-coffee planters in Kulai and B40 teenagers in Johor AL MALAYSIA MELAKA

## Respondent C, Viviantie Sarjuni from BosCo Coffee

The third respondent that the researcher had interviewed is Respondent C, Viviantie Sarjuni. The interview session was held on 3<sup>rd</sup> November 2023 in Google Meet at 6 am (States clock). At that day, Viviantie were in America for her studies. She is a Malaysian social entrepreneur with 15 years of experience running an award-winning government agency focused on social innovation. Viviantie has played a pioneering role in the social enterprise ecosystem in Sabah which is the poorest state in Malaysia. Through the Sabah Creative Economy and Innovation Centre (SCENIC) Viviantie explores alternative economic models to challenge capitalism. In just three years, she has helped

nearly 100 social enterprises, mainly in rural areas, secure funding. Viviantie was awarded the prestigious Chevening Scholarship by the UK government in 2022 and is currently pursuing a master's degree in social innovation and entrepreneurship. All of these started when she and her husband started a specialty coffee business called BosCo Coffee. Genuinely, she felt overwhelmed with the conditions of women in Sabah that runs a coffee farm without any guidelines and reference to grow further. She wants to develop her coffee business by helping those women who need help especially Sabahan.

# 4.3 Adoption of Social Enterprise for Specialty Coffee Enterprises to Support the Welfare of Micro-coffee Planters and Communities.

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The specialty coffee industry presents a unique opportunity to use social enterprise models to improve the lives of micro-coffee planters and their communities. This approach goes beyond fair trade by embedding social impact directly into the business model, focusing on long-term, sustainable solutions. Social enterprise nowadays had been risen by the helps of the NGOs, government, and private entities in their efforts to support 17 SDGs especially SDG 1 which is No Poverty in the world.

Table 1 Adoption of Social Enterprise for Specialty Coffee Enterprises to Support the Welfare of Micro-coffee Planters and Communities.

| Adoption Participant         | A | В | C |
|------------------------------|---|---|---|
| Fair Pricing to Micro-coffee | / | / | / |
| planter                      |   |   |   |
| Industrial Training and      | / | / | / |
| Coaching with Experts        |   |   |   |
| Financial Supports           | / |   | / |

# 4.3.1 Fair Pricing to Micro-coffee Planters

Determining fair pricing for micro-coffee planters is a complex issue with no one-size-fits-all answer. Prices may be varied from one person to another person. Economy nowadays was based on the how people control it. As a social entrepreneur, all the respondents said that they should be more careful about the pricing of the coffee beans that were bought from the micro-coffee planters so that it will not slip away from the grip of the price especially living in the uncertain economy's nation.

The rising cost of coffee presents a challenge for both consumers and businesses in Malaysia. While consumers may need to adjust their budgets or explore alternative options, the coffee industry faces the challenge of maintaining quality and affordability in the face of increasing costs. Finding sustainable solutions for coffee production, exploring local sourcing options, and promoting price transparency could be key to ensuring a thriving coffee scene in Malaysia for years

to come. Respondent A, Pak Esham shared his experience in purchased coffee beans from micro-coffee planters. He said "Most of the microcoffee planters puts a higher price to the low-quality beans. They don't know the prices, the just thought all coffee beans were at the same price even though the quality were bad". Due to these problems, they need to argue about the prices because there is no fixed price that been listed down by government. Respondent B, Jason Liew also said the same thing and he recognize that micro-coffee planter needs to put a fixed price of coffee beans based on the quality especially the highest quality coffee beans. He said "Micro-coffee planters should know the exact prices, not put the prices as their please". Respondent C, Viviantie Sarjuni had experiences in handling micro-coffee planters in Sabah. In Sabah, the prices were very low than peninsular. They do not have an advanced knowledge about the price of coffee beans, so they put a low price. Viviantie said "The price I get from them were genuinely affordable for entrepreneur to keep the business operates. For 20kg, I get only RM55 before processed".

The SDGs support fair trade for coffee growers by focusing on its importance of fair and equitable transactions. SDG 8: Decent Work and Economic Growth is a specific target that seeks to advance employment, decent work for all, and inclusive and sustainable economic growth. Fair trade methods, such as guaranteeing fair prices, fair pay, and fair working conditions for coffee growers, are advocated within the context of this purpose. The SDGs want to establish a more just and sustainable coffee business that improves growers' livelihoods, lowers poverty, and advances social and environmental sustainability by endorsing fair trade.

All the respondents almost said the same experience and facing the same problems which is fair pricing is the most important common things to be consider in coffee industry.

# 4.3.2 Industrial Training and Coaching with Experts

Investing in industrial training and coaching with coffee experts is a potentially powerful strategy to empower and boost the success of micro-coffee planters. Receiving guidance from coffee specialists can provide growers with vital insights into cultivation methods, effective pest and disease control, post-harvest processing, sustainable farming approaches, and business administration. Such training has the potential to enhance crop productivity, quality, and financial returns.

"As a boomer, I initially could not understand the craze, enthusiasm and passions of the millennials in coffee. What will their future be like? How will they upgrade themselves? I come from the oil and gas background, I know how massive and well developed the ecosystems; the science, technology, industry are, but not coffee, the second largest commodity being traded. Coffee has always been associated with exploitation, slavery, and life of misery. When my son Adam got hooked on coffee, I knew I have to contribute something." Respondent A, Pak Esham said, his son, Adam Esham got his training in Ho Chi Minh City before started his journey as social entrepreneur by train the micro-coffee planters to became more professional in their job. While there is always a huge market for coffee, smaller producers can't compete with the scale of the bigger players. Respondent A explains, "The community has a misconception of Liberica as bad coffee as there isn't much high quality Liberica out in the market. How we have approached it so far is with competitive prices and meeting with the people in the specialty coffee market. We attend coffee fests and improve the quality of our coffee by creating new processes such as Nitrogen Maceration." By attending these courses and training, as a founder and social entrepreneur, they turn the knowledge into practical lessons to micro-coffee planters. They will be trained to pluck, process, roasted, and any practical that involved coffee beans which is Liberica itself. "Hands-on training was hard but eventually, I managed to end all of courses of how to take a good care of specialty coffee beans and

as a social entrepreneur, I implemented my knowledge into training to micro-coffee planters. Within a month, most of them had become an expert!" Respondent B said in exciting tone.

## 4.3.3 Supports in Financial

Financial support for micro-coffee planters is crucial for their success and the sustainability of the coffee industry. There are various forms of this support, each catering to different needs and stages of a planter's journey. Specialty coffee businesses have the potential to be powerful allies in the fight against poverty among micro coffee planters. By embracing fair trade practices, offering financial support through microloans and advance payments, investing in infrastructure and farmer education, and promoting transparency in their supply chains, businesses can help break the cycle of poverty and empower planters to become thriving participants in the global coffee market." I gave microcoffee planters a support from financial to increase their level of entrustment also productivity of coffee beans. They need it to make sure UNIV everything went smooth" said Respondent A. This requires a long-term vision, embracing sustainable practices, and building strong partnerships, but the rewards of creating a more equitable and resilient coffee industry are worth the effort. "Nowadays, everything needs money. Without money, the works cannot be done" said Respondent C. Micro-coffee planters need to use it not for their own good but in the form to give it back to the communities through production of coffee beans.

# 4.4 Difficulties and Obstacles that Social Entrepreneurs Encounter while Attempting to Participate in Specialty Coffee Supply Chains and Gain from Efforts to Eradicate Poverty.

Social entrepreneurs encounter formidable obstacles as they strive to engage in specialty coffee supply chains and harness their potential for poverty eradication. The intricate nature of the coffee industry, characterized by intricate networks and market dynamics, poses a multifaceted set of challenges for those aiming to make a positive social impact.

Table 2 Difficulties and Obstacles that Social Entrepreneurs Encounter while Attempting to Participate in Specialty Coffee Supply Chains and Gain from Efforts to Eradicate Poverty.

LITAM

| Challenges Participant               |          | B      | С |
|--------------------------------------|----------|--------|---|
| Acceptance of Micro-coffee           | 1/ 5.    | V7     | / |
| Planters towards Social Entrepreneur | IALAYSIA | MELAKA |   |
| Vulnerability to Market              | /        | /      | / |
| Fluctuations                         |          |        |   |
| Environmental Degradation            | /        | /      |   |

# 4.4.1 Acceptance of Micro-Coffee Planters towards Social Entrepreneur

The willingness of small coffee farmers, known as micro-coffee planters, to embrace social entrepreneurship depends on a few key factors. First off, it's crucial to ensure that these farmers fully grasp what social entrepreneurship entails things like sustainable practices, fair trade, and community development. To win them over, it's essential to show real-life examples of how such initiatives have positive impacts on both society and their wallets. Respondent A, Pak Esham said, "At first, it's very hard to convince micro-coffee planters to sell their coffee beans to us, but after we show them generosity and helps them in many ways, they eventually felt comfortable and started to believe us" Equally important is making sure that social entrepreneurship aligns with the values of micro-coffee planters. If these initiatives resonate with their beliefs in sustainability, ethical practices, and community well-being, they are more likely to get on board. This means not just explaining the mechanics of social entrepreneurship but also demonstrating how it fits into and enhances their existing values. Respondent C, Viviantie said, "Most of the planters were women, they were prevented by their husband to start doing business. They felt frustrated, but after BosCo Coffee started offer them a nice price towards their coffee beans, they accept it with open heart. I felt overwhelmed when they managed to send their children off to school and can buys jewellery by their own after accepts our offer. "Economic viability is a deal-breaker for these farmers. They want to know that social entrepreneurship initiatives not only benefit communities but also make financial sense for their farms. Highlighting potential revenue streams, cost-effectiveness, and how these initiatives can open new markets and fetch better prices for their coffee can go a long way in convincing them.

"Eventually, we give them a bonus also a special trip at the end of the year", said by Respondent B. "I'm glad that they can buy their own jewellery also can send their children to school by using the money they get by plant coffee beans", Respondent C, Viviantie said from her experience. Moreover, emphasizing the positive changes that social entrepreneurship can bring to local communities is key. If micro-coffee planters see tangible improvements, like better infrastructure, education, or healthcare, they're more likely to view social entrepreneurship as a force for good. "Micro-coffee planters need to see the successful stories and proof of our stories to started believe and accept our offers" said all the respondent.

# 4.4.2 Vulnerability to Market Fluctuations

The coffee industry faces a multitude of vulnerabilities that can significantly impact market fluctuations. One critical factor is the dependence on weather conditions for successful coffee cultivation. Adverse weather events, such as prolonged droughts, excessive rainfall, or temperature extremes, can compromise the quality and yield of coffee crops, leading to variations in supply and subsequent price fluctuations.

to make research about the global economy market" said Respondent C. She mentioned about the demand from her customers regularly also for her convention for her social mission. "House of Kendal had our own regular customers abroad; we also supply them, but we scared about the fluctuations might happen anytime" Respondent A's words in sighing tone. Global demand and supply dynamics play a pivotal role in determining coffee prices. Changes in consumer preferences, emerging markets, and production levels in major coffee-producing countries contribute to the delicate balance between supply and demand. Respondent B said, "Market in abroad is such a massive thing, it creates a big change into micro-coffee planters and us! but it also would bring us down in any time" An international nature of the coffee

trade introduces an additional layer of vulnerability, as prices are often denominated in U.S. dollars, making the industry sensitive to currency exchange rate fluctuations. Market speculation in futures markets introduces short-term price fluctuations that may not necessarily align with the fundamental forces of supply and demand. The speculative activities of traders and investors can exacerbate volatility and contribute to unpredictable price movements.

# 4.4.3 Environmental Degradation

Environmental concerns and the growing emphasis on sustainability practices are reshaping the industry. Consumers are increasingly favouring ethically sourced and environmentally friendly coffee, prompting companies to adopt more sustainable practices. This shift in consumer preferences can impact the market, particularly for businesses that fail to adapt to evolving trends. "Even though most of the micro-coffee planters were agedly, I will constantly remind them to take a good care of the environment without using any chemical substances into the coffee plants", said Respondent B. He said that because most of the elderly had problem in compliant to the others, but Respondent B know his way to encourage the micro-coffee planters to be obedient.

"At least, once a week, I will visit the farm to check on it. Many diseases and bugs were roaming around the coffee plants", said Respondent A. Disease and pests pose a continuous threat to coffee plants. Outbreaks can decimate crops, leading to reduced yields and potential shortages in the market. Moreover, the prevalence of certain diseases can prompt increased demand for disease-resistant or genetically modified coffee varieties.

# 4.5 Suggestions for Improving the Sustainability of Socially Driven Specialty Coffee Businesses in their Efforts to Eradicate Poverty, including Implications for Legislation and Support Systems.

Eradicating poverty through specialty coffee businesses is a noble goal, but it requires tackling challenges related to sustainability. Coffee lovers, changemakers, unite! For those passionate about both a perfect cup and a just world, socially driven specialty coffee businesses offer a beacon of hope. These ventures harness the power of bean-to-cup to tackle poverty, empower communities, and create positive ripples. But the road to lasting impact requires robust sustainability, demanding innovative solutions in both business practices and the surrounding ecosystem.

Table 3 Suggestions for Improving the Sustainability of Socially Driven Specialty Coffee Businesses in their Efforts to Eradicate Poverty, including Implications for Legislation and Support Systems.

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| 5 1                                  | 47 44               |         |   |
|--------------------------------------|---------------------|---------|---|
| Suggestions  JNIVERS Participant L N | ىيى ئىس<br>IALAYSIA | MELBAKA | C |
| Community Engagement and             | /                   | /       | / |
| Empowerment                          |                     |         |   |
| Collaboration with NGOs and          | /                   | /       | / |
| Government Agencies                  |                     |         |   |
| Job Opportunities to                 | /                   | /       | / |
| Communities                          |                     |         |   |

### 4.5.1 Community Engagement and Empowerment

Community engagement and the empowerment of specialty coffee businesses play a pivotal role in eradicating poverty among micro-coffee planters. Initiatives should focus on providing comprehensive education and training programs to enhance the knowledge and skills of local farmers in sustainable and high-quality coffee production. A potent collaboration is essential which is a combination community involvement and empowerment driven by specialty coffee enterprises. "Involvement of communities in our programme and our courses were important. They need to take part and see the potential ahead to unlock achievement in their life", all the respondents said the same thing. Initially, establish trust by forming alliances with local NGOs, cooperatives, and smallscale growers, comprehending their needs and obstacles. Educate about the profitable realm specialty coffee, emphasizing its commitment to quality and fair pricing. Foster collective action through producer groups, empowering women, and youth to engage resource management and negotiate UNIVERS improved prices. This includes imparting best practices in farming, harvesting, and processing to elevate the overall quality of coffee beans, thereby enabling farmers to command better market prices. Additionally, facilitating access to essential resources such as seeds, fertilizers, and equipment at affordable rates is crucial. Direct market linkages with specialty coffee buyers and roasters can be established to ensure fair and profitable transactions for the farmers, while participation in local and international coffee trade events can provide opportunities for visibility and networking.

#### 4.5.2 Collaboration with NGOs and Government Agencies

Collaboration is another aspect that can sway their opinion. Social entrepreneurship often involves working with others, like non-profit organizations and businesses. Showing how these partnerships can amplify the impact of their initiatives and contribute to shared success may encourage their participation. "Kementerian Sains, Teknologi & Inovasi (MOSTI) plays a vital role in Borneo Specialty Coffee's efforts in eradicate poverty among micro-coffee planters. They help us builds a connection between us and coffee planters in Sabah so that we can continue our social mission", said Respondent C. "Actively moves in NGOs organisation, Sabah Creative Economy & Innovation Centre (SCENIC) had our own way to captive attention from micro-coffee planters to help them increase their economy level. Indeed, it is a good start for their life." Respondent C said. Respondent A said, "Collaboration between House of Kendal and Jabatan Pertanian Johor had increased the possibilities for us to help micro-coffee planters to eradicate their poverty life. Government helps us increased our productivity and our manpower systems. It is a great way to help communities." While Respondent B works with organisation called Specialty Coffee Association (SCA), he said "They helped us in creating an education hub for micro-coffee planters to learn more about coffee plants, how to harvest, what is the best time to pluck, how to keep the quality of coffee beans. They taught them to be better and more responsible! It's great for businesses."

### 4.5.2 Job Opportunities to Communities

A dedicated social entrepreneur is spearheading an innovative project aimed at eradicating poverty among micro coffee planters within our community. This venture not only seeks to transform the lives of small-scale coffee farmers but also creates job opportunities that resonate with a profound sense of purpose and social impact. This initiative blends entrepreneurship with a commitment to social responsibility, opening doors to a range of job prospects that empower individuals and uplift communities. "I employed 10 staff from B40 level to works at Borneo Specialty Coffee in Cyberjaya" said Respondent C. "Most of micro-coffee planters was unemployed. I took them in to give them new shine of life" said Respondent B. As social entrepreneur, Respondent A "Even though they were all aged, but they also need money. Most of communities in Badan. Batu Pahat was in B40 level. With help of House of Kendal, they can improve their life". Indeed, social entrepreneurs can be a part of this inspiring journey towards sustainable economic development and poverty eradication in the realm of specialty coffee. SIA MELAKA

# 4.6 Summary

This chapter discussed the study's findings and analysis based on data gathered through the interview method. In Malaysia, the interviews were conducted with three selected respondents in three states which is Johor, Petaling Jaya, and Cyberjaya. Each respondent shared their experience and knowledge about their journey as social entrepreneur which is specialty coffee businesses in helping micro-coffee planters to upgrading their economy level. Furthermore, recommendations and conclusions will be discussed further in Chapter 5.

# **CHAPTER 5**

#### CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

The discussion in this chapter is based on the results of the data analysis on the topics covered in Chapter 4. This research's goals and research questions have both been answered well by the respondents. The first objectives are to investigate the social entrepreneurship adopted by socially conscious specialty coffee enterprises to support the welfare of micro-coffee planters and their communities. The second research objective is to analyse the difficulties and obstacles that entrepreneurs encounter while attempting to participate in socially driven specialty coffee supply chains and gain from efforts to eradicate poverty. The third research objective is to propose suggestions for improving the sustainability of socially driven specialty coffee businesses in their efforts to eradicate poverty, including implications for legislation and support systems.

# 5.2 Summary of Findings

Every person has values entrenched in them, and this study offers some associated parties some insights into the study of the examining the sustainability of the socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters. The objectives of this study were to define the study the ability of specialty coffee businesses in eradicating poverty among micro-coffee planters through the three research questions in this study.

The Sustainable Development Goals (SDGs) play a crucial role in addressing and eradicating poverty among micro-coffee planters. Specifically, SDG 1: No Poverty aims to end poverty in all its forms, including among micro-coffee planters. By promoting sustainable practices, fair trade, and empowering these farmers with access to markets and resources, the SDGs contribute to improving their livelihoods and reducing poverty levels. The focus of this study on social-driven specialty coffee businesses aligns with this goal, as it aims to support micro-coffee planters and combat poverty through sustainable and socially responsible approaches.

# **5.2.1** Adoption of Social Enterprise for Specialty Coffee Enterprises to Support the Welfare of Micro-coffee Planters and Communities.

In a nutshell, winning the support of micro-coffee planters for social entrepreneurship involves making the concept clear, aligning with their values, proving economic viability, emphasizing community benefits, exploring market opportunities, promoting collaboration, considering regulatory aspects, and highlighting success stories to make it all feel real and attainable for them.

employ various risk management strategies. This includes investing in sustainable and resilient agricultural practices, diversifying sourcing channels to spread risk, staying abreast of global market trends, and closely monitoring geopolitical developments that may impact the supply chain. Successful adaptation to these challenges is crucial for the long-term stability and sustainability of the coffee industry.

# 5.2.2 Difficulties and Obstacles that Social Entrepreneurs Encounter while Attempting to Participate in Specialty Coffee Supply Chains and Gain from Efforts to Eradicate Poverty.

Market access is a practical concern. If social entrepreneurship can tap into a market of socially conscious consumers, offering premium prices for ethically produced coffee, micro-coffee planters may see the business potential. Supportive policies and incentives from the government can make a significant difference. If the regulatory environment encourages and rewards social entrepreneurship in the coffee industry, it can motivate micro-coffee planters to give it a shot. Success stories from within their industry can serve as powerful examples. Sharing stories of other micro-coffee planters who have successfully integrated social entrepreneurship into their practices can inspire and assure them that it's not just a theoretical idea but a feasible and beneficial path.

# 5.2.3 Suggestions for Improving the Sustainability of Socially Driven Specialty Coffee Businesses in their Efforts to Eradicate Poverty, including Implications for Legislation and Support Systems.

To enhance the sustainability of socially driven specialty coffee businesses in their mission to eradicate poverty, a comprehensive strategy is needed. Firstly, a commitment to fair trade certification and transparent supply chains is crucial, ensuring that coffee farmers receive fair compensation and consumers are informed about ethical practices. Direct trade relationships should be encouraged, fostering direct partnerships between businesses and producers to eliminate middlemen and establish stable, long-term collaborations. Capacity building programs, encompassing agricultural training and financial literacy initiatives, empower coffee farmers to negotiate better deals and manage their businesses effectively. By brewing this potent blend of business

commitment, legislative support, and systemic change, we can create a coffee ecosystem that truly lifts communities out of poverty. Imagine a world where every cup empowers farmers, nourishes the environment, and fuels social progress. Let's raise a toast to that vision, and work together to make it a reality.

#### 5.3 Contribution of Research

The contribution of this study is a piece of supporting information to existing knowledge. This study can be provided as a guideline to social entrepreneurs who had a dream to involve in coffee industry also in the efforts to help communities especially micro-coffee planters. Social entrepreneurs will clearly understand that adoption of social enterprises was mostly hard to be penetrate. They should know that every move into social enterprises will made it hard for micro-coffee planters to adapt and accept them into their life. Social entrepreneurs will acknowledge the obstacles and hurdles that they will probably encounter while attempting to participate in specialty coffee supply chains. They will also find the difficulties in their efforts to eradicate poverty. Social entrepreneur would get the suggestions for improves the sustainability of socially driven specialty coffee businesses in their efforts to eradicate poverty, including implications for legislation and support systems.

In the future, social entrepreneurs need to seize the opportunity to become a dedicated person by overcome the hurdles that had been block the way in their efforts to eradicate poverty among micro-coffee planters in Malaysia. Social entrepreneurs should overcome the obstacles if they want to improve their self-esteem in the field of social entrepreneurship and be able to helps communities especially improving the community's economic rate. This study can also make the future social entrepreneurs more aware and able to face the challenges in eradicating poverty among micro-coffee planters.

#### 5.4 Limitations

This research is examining the sustainability of the socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters. The social entrepreneurs that run specialty-coffee café in Malaysia. The social entrepreneur in Malaysia were the main subject of this study.

The limitations of this study are as follows: -

- This research focus was on social entrepreneur that run specialty coffee café in Johor, and Cyberjaya. Thus, the information that gathered is limited to social entrepreneur that run specialty coffee café and cannot be generalized to all social entrepreneur in Malysia.
- 2. This research is only conducted among social entrepreneurs that run specialty coffee café in Malaysia. Therefore, the results of this research are unlikely to be able to describe the activities and problems faced by social entrepreneur in eradicating poverty among microcoffee planters across Malaysia.
- 3. This research focused on background of the social entrepreneur, adoption of social enterprise, challenges faced by them, and recommendations to improves the sustainability of socially driven

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#### 5.5 Recommendations for Future Research

The researcher hopes that this study can benefit all readers and decision- makers for social entrepreneurs that were on coffee industry line. This study can be continued in- depth study by other interested researchers. The researcher would like to give some recommendations to them to continue this research by making a study of the specialty coffee beans and how to keep the quality of it.

Furthermore, this interview has accompanied by a small number of interviewees which is social entrepreneurs that run specialty coffee businesses

that gives an effort to eradicate poverty among micro coffee planters. Plus, future researchers might use qualitative methods to increase the number of existing interviewees to describe the study more in-depth, especially in the scope of social entrepreneurs in coffee industry.

Moreover, by creating a quantitative research methodology to obtain statistical data, additional research can be done. Future research that can be done numerically will yield different results from this study because it was conducted using a qualitative methodology. The findings are based on larger, more representative samples of the population, and extensive data collection was required to produce them. In consumer insight, a large sample size is required for statistically reliable results.

Additionally, interviewees from Malaysia, participated in this study. Perhaps this study should narrow its attention to a single location, providing a wealth of data for future research that will aid in defining the best ways for social entrepreneur in their efforts to eradicate poverty among micro coffee planters.



# 5.6 Summary

This research is about to examining the sustainability of socially driven specialty coffee businesses in eradicating poverty among micro-coffee planters. In the nutshell, it can be concluded that specialty coffee businesses have a sustainability to eradicate poverty among micro-coffee planters.

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#### **APPENDIX**

APPENDIX 1 – GANTT CHART FINAL YEAR PROJECT 1

| NO | ACTIVITY                     | WEEK |    |   |   |   |   |   |   |   |    |    |    |    |    |    |
|----|------------------------------|------|----|---|---|---|---|---|---|---|----|----|----|----|----|----|
|    |                              | 1    | 2  | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 1  | Information<br>for FYP 1     |      |    |   |   |   |   |   |   |   |    |    |    |    |    |    |
| 2  | Briefing FYP<br>1            |      |    |   |   |   |   |   |   |   |    |    |    |    |    |    |
| 3  | Title<br>Discussion          |      |    |   |   |   |   |   |   |   |    |    |    |    |    |    |
| 4  | Confirmation<br>and submit   |      |    |   |   |   |   |   |   |   |    |    |    |    |    |    |
| 5  | Related Article<br>Reviewing |      |    |   |   |   |   |   |   |   |    |    |    |    |    |    |
| 6  | Chapter 1:<br>Introduction   |      |    |   |   |   |   |   |   |   |    |    |    |    |    |    |
| 7  | Chapter 2: Lit.<br>Review    |      |    |   |   |   |   |   |   |   |    |    |    |    |    |    |
| 8  | Chapter 3: Methodology       | AYS. | 14 |   |   |   |   |   |   |   |    |    |    |    |    |    |
| 9  | First Draft<br>Submission    |      |    |   |   |   |   |   |   |   |    |    |    |    |    |    |
| 10 | Finalize FYP 1               |      |    | S |   |   |   |   | 7 |   |    |    |    |    |    |    |
| 11 | Presentation<br>FYP 1        |      |    |   |   |   |   |   | L |   |    | V  |    |    |    |    |

APPENDIX 2 – GANTT CHART FINAL YEAR PROJECT 2

| NO | ACTIVITY                                       | WEEK* |    |    |         |       |      |        |     |         |     |    |     |    |    |    |
|----|--|-------|----|----|---------|-------|------|--------|-----|---------|-----|----|-----|----|----|----|
|    |  | *1    | -2 | 3  | 4       | 5     | 6    | 7 **   | 8   | ==9     | 10  | 11 | 12  | 13 | 14 | 15 |
| 1  | FYP 2<br>Briefing                              | 281   |    | EN | MIII    | Z A I | - N  | IA L A | ve. | Δ. Β    | AEI | ΛL | c A |    |    |    |
| 2  | Interview<br>question<br>development           | 1,01  |    |    | 2170111 | 1     | _ 17 |        |     | D-1. II |     |    |     |    |    |    |
| 3  | Interview<br>Session                           |       |    |    |         |       |      |        |     |         |     |    |     |    |    |    |
| 4  | Transcription                                  |       |    |    |         |       |      |        |     |         |     |    |     |    |    |    |
| 5  | Data Analysis                                  |       |    |    |         |       |      |        |     |         |     |    |     |    |    |    |
| 6  | Writing<br>Chapter 4                           |       |    |    |         |       |      |        |     |         |     |    |     |    |    |    |
| 7  | Writing<br>Chapter 5                           |       |    |    |         |       |      |        |     |         |     |    |     |    |    |    |
| 8  | Submission of<br>Chapter 4 & 5<br>for checking |       |    |    |         |       |      |        |     |         |     |    |     |    |    |    |
| 9  | Presentation<br>FYP 2                          |       |    |    |         |       |      |        |     |         |     |    |     |    |    |    |
| 10 | Finalize FYP 2                                 |       |    |    |         |       |      |        |     |         |     |    |     |    |    |    |
| 11 | Submission for<br>FYP 2                        |       |    |    |         |       |      |        |     |         |     |    |     |    |    |    |



# BACHELOR'S DEGREE OF TECHNOPRENEURSHIP FACULTY OF TECHNOLOGY MANAGEMENT AND TECHNOPRENEURSHIP UNIVERSITI TEKNIKAL MALAYSIA MELAKA (UTeM) 2023/2024

Research Project Interview Question:

## EXAMINING THE SUSTAINABILITY OF SOCIALLY DRIVEN SPECIALTY COFFEE BUSINESSES IN ERADICATING POVERTY AMONG MICRO COFFEE PLANTERS

#### Research Objectives:

- 1. To investigate the social entrepreneurship adopted by socially conscious specialty coffee enterprises to support the welfare of small-scale coffee growers and their communities.
- 2. To analyse the difficulties and obstacles that entrepreneurs encounter while attempting to participate in socially conscious specialty coffee supply chains and gain from efforts to eradicate poverty.
- To propose suggestions for improving the sustainability of socially responsible specialty coffee businesses in their efforts to eradicate poverty, including implications for legislation and support systems.

#### **Statement of Confidentiality:**

All the information is confidential and only be used for research purposes.

I am Nur Syafiqah, a bachelor's degree of Technopreneurship (BTeC) student from Universiti Teknikal Malaysia Melaka (UTeM). I need to conduct an interview for my Final Year Project which is "Examining the Sustainability of Socially Driven Specialty Coffee Businesses in Eradicating Poverty among Micro-coffee Planters".

#### Section A

- 1. Can you please introduce yourself?
- 2. The background of your company.
- 3. What triggered you the most to open a café?
- 4. Your social mission in your business.
- 5. The experience while running the company?

#### **Section B**

- How do socially driven specialty coffee enterprises help and strengthen local communities and coffee farmers? KAL MALAYSIA MELAKA
  - 1. How you ensure the quality and consistency of your coffee bean supply? Do you always making time to visit micro-coffee planters farm? How often?
  - 2. How do you ensure fair compensation for micro coffee farmers and workers in their supply chains?
- What kind of obstacles that social entrepreneurs face while running businesses?
  - 1. What challenges or obstacles do you face in the efforts to support local communities and micro coffee farmers?

- 2. How do you overcome the problems as social entrepreneur?
- What effect do socially driven specialty coffee businesses have on sustainable development and the reduction of poverty?
  - 1. In what ways do you promote environmental sustainability in micro coffee farming and processing?
  - 2. Do your company provide opportunities for local employment and skill development in coffee-producing regions?



#### **RESPONDENT A**

| NAME              | Esham Salam                                      |
|-------------------|--|
| AGE               | 67 years old                                     |
| OCCUPATION        | Engineer, Social Entrepreneur                    |
| RESTAURANT'S      | Gallery Liberica, D-08-02, Level 2, Plaza Kelana |
| ADDRESS           | Jaya, Petaling Jaya, Malaysia                    |
| DATE OF INTERVIEW | 28 <sup>th</sup> October 2023                    |
| LOCATION OF       | Rumah Besar Mariam Baco (1890), Parit Besar,     |
| INTERVIEW         | Bagan, Batu Pahat                                |

Interviewer: Assalamualaikum and good morning, Pak Esham. I am Nur Syafiqah, a bachelor's degree of Technopreneurship (BTeC) student from Universiti Teknikal Malaysia Melaka (UTeM). I need to conduct an interview for my Final Year Project which is "Examining the Sustainability of Socially Driven Specialty Coffee Businesses in Eradicating Poverty among Micro-coffee Planters".

Respondent: Waalaikumsalam, Hi Syafiqah. Its nice to meet you.

Interviewer: Can you please introduce yourself briefly? Also, kindly introduce your company as well.

Respondent: Yes, sure. My name is Esham Salam, you can call me Pak Esham to avoid formality. I just want this interview session to be more casual and enjoyable for us. As you can see, I already old, now my age is 67 years old. Currently I'm enjoying my life as entrepreneur also social entrepreneur while running specialty coffee business called "House of Kendal" located in Petaling Jaya. I also work as an Engineer in Oil and Gas section for develop brand devoted to our nation. I started my journey in coffee industry about 7 years ago. Now, "House of Kendal" had managed to provide the best coffee and had become prominent name in the worldwide nation.

Interviewer: Oh, you're 67 years old? Same age as my father. For me, working as an engineer were good enough to support our life also our family's life.

What triggered you the most to open café that holds specialty coffee concept and why you choose to pair up with micro-coffee planters for your business, and can you state your social mission in business?

Respondent: Good question, indeed. It started with passion. For your information, in 1960s my family runs a coffee farm in here Parit Besar, Bagan, Batu Pahat when I'm still young until one day, our farms were burned down due to heatwaves. Since then, the coffee crops were abandoned and replaced with rubber and oil palm. After a couple years, I and my son decided to revive their family businesses by replanting the Liberica and nurturing these micro farms in Bagan, Patu Pahat to produce coffee of international calibre. I am a coffee-lover, can be called coffeeholic but not too addicted. I can say that almost every day I'm consuming caffeine, but I noticed one thing during my consumption. I always wondered, "Why there is no local coffee in Malaysia?", "Are Malaysia's coffee bean is not good enough to be in market?". These questions always running in my mind. My son, Adam Esham has competed in the Asean Open Roasting Championship held in Ho Chi Minh City as well as the Malaysian Brewers Cup 2020 made him someone with knowledge and experience to be implemented in House of Kendal. As the entrepreneur, we want to grow bigger, as we saw opportunity to become a social enterprise, we decided to bring back the glory of Liberica beans that we hold a social mission in managing a cluster of kebun or smallholdings in Malaysia, and help the micro-coffee planters to get a better returns as well as increase their income. House of Kendal's mission is to build a profitable and sustainable social enterprise. This means by develops a closer relationship with micro-coffee planters and everyone in the supply chain we work with.

Interviewer: Quite a good explanation and detailed, as I demanded (laugh together).

Operates a business is not a simple thing right, Pak Esham? It requires plenty of energy and knowledge to make it successful and sustain. 7 years in coffee industry is not a short time. It gives many teachings and experience, right? Pak Esham, do you mind sharing some of your experience while operates House of Kendal?

Respondent: House of Kendal giving a very good vibes into my life. As you know, Liberica is not as popular as other coffee beans in the world. Liberica had never reached international level before this. I gain a lot of experience to increase the quality of Liberica beans. I also experience a sweet moment in helping micro-coffee planters in Batu Pahat.

Interviewer: Plenty of experience would grant us a success story, right Pak Esham?

Increasing the quality of coffee beans is such a tough story and making it impossible, I think? Can I know, how you ensure the quality and consistency of your coffee bean supply? Do you always making time to visit micro-coffee farms? How often?

Respondent: Indeed, quality is the utmost things in Foods and Beverages industries.

Increasing quality of the coffee beans which is Liberica need a very details care. Ensure that the coffee plants are grown in optimal conditions. Liberica coffee beans tends to thrive in low-altitude regions with warm temperatures and ample rainfall. We had provided the necessary shade and protection from extreme weather conditions.

Liberica coffee is often processed using the dry or natural method, where the cherries are dried in the sun. We carefully ensure that the drying process is consistent, and the beans are properly fermented. We, as a founder of House of Kendal monitor the drying process carefully to prevent over-drying or under-drying. For your information, uniform drying helps maintain the quality of the beans.

Interviewer: How do you ensure fair compensation for micro coffee farmers and workers in their supply chains?

Respondent: You know how sometimes the farmer who grows your coffee barely makes enough to live on? Not cool, right? I focus on two things which is transparency and empowerment. First, I help farmers track their beans from farm to cup. They see where their hard work goes and how much it's worth. This gives them leverage to negotiate fair prices with buyers. No more being taken advantage of! I support farmer cooperatives and worker unions. Together, they have a stronger voice and can bargain for better wages and working conditions. I encourage roasters and retailers

to be transparent about their supply chains and pay a fair price for every bean.

Interviewer: Great, you're such an intelligent social entrepreneur. You saw that opportunity and you grab it. But it cannot be done without any hurdles, right? What challenges or obstacles do you face in the efforts to support local communities and micro coffee farmers?

Respondent: Mmmmmm, its started when these local farmers takboleh terima kedatangan kami sebagai pendatang dan cuba untuk membantu mereka. They fetlt insecure. Mereka perlukan banyak lagi masa untuk terima kami dan cuba memberi kami peluang untuk bantu mereka. Pada awalnya, penerimaan itu susah but hari demi hari, mereke started believing us. We shows them determination, we show them successful story from the behalf of our social enterprise. Banyak lagi masalah seperti, vulnerability to market demand yang semakin lama semakin tidak menentu. Banyak yang turun daripada menaik. Ekonomi sekarang sangatlah tidak stabil, tapi kami cuba all our best to maintain our social goal to helps these people in eradicating poverty among them. Dari segi penanaman pula, semakin lama, tanah boleh jatuh gred. Jadi kami gunakan materials dan substance yang tidak merosakkan tumbuhan dan tanah pemberian Allah SWT.

Interviewer: Betul juga apa yang Pak Esham katakana. I think that challenges are the prior among others. Macam yang Pak Esham mention berkenaan tanah di kawasan penanaman, saya tertanya tanya, dalam bentuk macam mana Pak Esham promote environmental sustainability in micro coffee farming and processing?

VERSITI TEKNIKAL MALAYSIA MELAKA

Respondent: Kalau macam saya, saya lebih suka gunakan cara traditional. Biasalah, saya pun orang lama kan? Jadi, most of our equipments sebenarnya banyak yang gunakan tangan Sahaja. Gunakan manpower yang ada, kami keringkan dan process coffee beans secara natural. Takgunakan mesin yang besar besar tu. Petik green beans pun kami guna tangan je, takguna mesin sebab nak jaga kualiti.

Interviewer: Ohhhhh, betul tu. Dalam masa yang sama, dapat jaga kawasan tanaan dan juga quality of the coffee beans right?

Respondent: Betul tu. Saya buat semua ini because I also wants to save earth dari any pollutions ahead.

Interviewer: Nice move, Pak Esham! Macam yang Pak Esham cakap berkenaan manpower di kebun dan juga café House of Kendal, Pk Esham ada ke open job opportunities untuk komuniti setempat?

Respondent: Oh semestinya ada Syafiqah. We cannot operate smoothly without helps from communities. We give them job dari dua sisi, satu dalam perancangan Syarikat seperti Human Resources, Marketing and Video Editor manakala satu lagi dari sisi menjadi planters. Kami beri mereka ilmu untuk menanam biji kopi dan meneruskan legasi sebagai pencinta kopi di bumi bertuah ini.

Interviewer: Alhamdulillah, bagi saya, Pak Esham memang dilahirkan untuk menjadi usahawan sosial. InshaAllah. I hope that you can continues your social mission dari turun temurun so that it will be a great help in the future. I thinks that's its from me. Thankyou so much Pak Esham for your time and I hope that House Of Kendal would be a prominent name in the world one day.

Respondent: InshaAllah. Thankyou Syafiqah for interviewing me. Jom, saya belanja makan asam pedas di Parit Haji Hassan.

Interviewer: Hahahaha, ya sure. Thankyou Pak Esham. (Salam, 2021)

### RESPONDENT B

| NAME                 | Jason Liew  |
|----------------------|---|
| AGE                  | 58 years old  |
| OCCUPATION           | Social Entrepreneur, Founder of MyLiberica<br>Coffee                                |
| RESTAURANT'S ADDRESS | MyLiberica Coffee Taman Molek, MyLiberica Coffee Farm, Mill&Tour (Simpang Renggam), |
| UNIVERSITI TEKN      | MyLiberica Bukit Indah, MyLiberica Kulai and MyLiberica Senibong                    |
| DATE OF INTERVIEW    | 12 November 2023  |
| LOCATION OF          | MyLiberica Taman Molek  |
| INTERVIEW            |   |

Interviewer: Good morning, Jason. I am Nur Syafiqah, a bachelor's degree of Technopreneurship (BTeC) student from Universiti Teknikal Malaysia Melaka (UTeM). I need to conduct an interview for my Final Year Project which is "Examining the Sustainability of Socially Driven Specialty Coffee Businesses in Eradicating Poverty among Micro-coffee Planters".

Respondent: Hello Hello Syafiqah. Nice to meet you in person. Before this, we just talked through Whatsapp right? How your journey to here? Quite far from your hometown, right?

Interviewer: Yes, I don't familiar with the road here especially highway but I managed to came all the way from Segamat to MyLiberica Taman Molek with little help from Waze ahahahha

Respondent: Hahahahah, I don't know where you are coming from, if I know, we can set up the interview at Kulai where my coffee farm located. I also had café there at Kulai. I buat kat sana as sharing centre for researchers.

Interviewer: Is here your main cafe?

Respondent: Sini untuk roasting. Biasa kita ambil dari kebun, process bean, roasting. Sini, kita buat campur, dekat sini belakang untuk roasting, dekat depan buat café. We have 4 outlet in total. Yang sini adalah outlet ke 5. Ini outlet kami buka sebelum covid. Tapi covid, kita tutup sampai September baru kita buka.

Interviewer: Oh, interesting. Your café memang specialty-coffee based right?

Respondent: Ya. My café was specialty coffee base. All the coffee beans that been used were collected and purchased from micro-coffee planters in Johor. In our café, just snacks were served. We now focused on serving halal food to customer and on our way to get halal certificate.

Interviewer: Good to hear cause nowadays many café in Malaysia doesn't bother to get a halal certificate from KKM. So before I started my interview session, I wanted to ask permission to record all the recording for educational purposes.

Respondent: Ya ya, sure, can. So I need to speak carefully right? Hahahhahahahah

Interviewer: Hhahahhaha, ya right cause everything;s recorded. My purposes were genuinely to get an answer on how social entreprise helps micro-coffee planters in eradicating poverty.

Respondent: I started my journey a long time ago with pure intention which is to help communities to have a better life. They deserved it but they don't know

how to evolve in their own ways. As a social entrepreneur, MyLiberica Coffee helps them the most.

Interviewer: Despite all the social things, how do you ensure a fair compensation were given to micro-coffee planters?

Respondent: Good question. Ensuring fair compensation for micro coffee farmers and workers in their supply chains is a multi-faceted challenge that calls for a combination of approaches. Market mechanisms like Fair Trade certification, direct trade, and the specialty coffee market can create opportunities for higher earnings, but they also have limitations. Organizational initiatives, such as producer cooperatives, non-profit organizations, and government policies, play a crucial role in supporting farmers and promoting fair practices. Technological solutions like blockchain and mobile platforms can enhance transparency and traceability within supply chains, empowering farmers to negotiate better prices. Ultimately, consumer choices play a vital role in driving demand for ethically sourced coffee and supporting businesses committed to fair compensation. Despite these efforts, challenges remain, including imbalances of power in the market, lack of transparency in supply chains, and limited access to resources for micro-farmers. Addressing these challenges requires continued collaboration among stakeholders, including consumers, businesses, governments, and non-profit organizations. By working together, we can create a more equitable and sustainable coffee industry that ensures fair compensation for farmers and workers throughout the supply chain. Each cup of coffee we drink has the potential to contribute to a fairer future for those who cultivate and produce this beloved beverage.

Interviewer: What kind of challenges you faced while trying to run your social mission in your business?

Respondent: Supporting local communities and micro coffee farmers is no easy feat.

Volatile prices, market dominance, and remote locations make these farmers vulnerable to exploitation. Acceptance from micro-coffee planters, economy changes, and knowledge further add to the struggle.

Climate change, social inequality, and land issues complicate things further. To overcome these hurdles, a united effort is needed. Fair trade, direct connections, farmer cooperatives, infrastructure improvements, knowledge sharing, sustainable practices, and consumer awareness are essential ingredients for a more just and sustainable coffee industry, one that truly benefits both community and cultivator. Remember, every cup can bring positive change.

Interviewer: How do you overcome the problems as social entrepreneur?

Respondent: As a social entrepreneur, eradicating poverty among micro-coffee planters demands a multi-pronged attack. Empowering the farmers themselves is crucial which is farmer cooperatives and financial tools can provide them with a fighting chance. Training in better farming methods, financial literacy, and climate-smart practices equips them with the knowledge to thrive. Building sustainable and resilient practices is key. Agroforestry, which intermixes coffee plants with other crops, protects the environment and boosts income. Organic farming ditches harmful chemicals for a healthier approach, often fetching premium prices. I used to think as entrepreneur, but my social mission had turned me into social entrepreneur in a blink of eyes.

Interviewer: In what ways do you promote environmental sustainability in micro coffee farming and processing?

Respondent: Imagine a farm covered in shade trees, like a leafy umbrella. Those trees protect coffee from harsh sun, so we need less water and harmful chemicals. Plus, they're homes for happy bugs that eat bad guys who want to munch on your beans. instead of big machines, I encourage hand-picking ripe cherries, one by one. It protects the soil and keeps quality high.

Interviewer: So, less water, less chemicals, and careful picking. What about processing the beans?

Respondent: Ah, good question! I suggest drying them naturally under the sun or on raised beds. It uses way less energy than those big drying machines, and sometimes, the taste is even better!

Interviewer: That's amazing! It all sounds like common sense, but I bet making it happen takes work.

Respondent: You're right! Helping farmers get training and tools for these practices is key. Plus, connecting them with buyers who value sustainable coffee means they get a fair price for their hard work.

Interviewer: So, it's a win-win for the planet and the farmers, right? Do your company provide opportunities for local employment and skill development in coffee-producing regions?

Respondent: Job opportunities had always open for communities. I provided them with various types of choices to work. As barista, micro-coffee planters and part timer at MyLiberica Coffee. I'm not a choosy type in picks staff, so I encourage all types of races, religions to apply here.

Interviewer: Its sound so good for me. Such a noble goal in your business. I envy your determination and all your mission that had been accomplished. I hope in the future, many entrepreneurs would see the golden opportunity to become social entrepreneur as you are. Thank you so much for spending your time with me and willingly share your knowledge and experience.

Respondent: You're welcome Syafiqah. I hope you would strive in your Final Year Project. Goodluck! I would love to belanja you one hot latte from MyLiberica Coffee. Hahahhaha

Interviewer: Wahhh, Thankyou thankyou.

#### RESPONDENT C

| NAME              | Viviantie Sarjuni                              |
|-------------------|--|
| AGE               | n/a  |
| OCCUPATION        | Social Entrepreneur, Manager of Sabah Creative |
|                   | Economy & Innovation Centre (SCENIC), Co       |
|                   | Founder of Borneo Specialty Coffee (BosCo)     |
| RESTAURANT'S      | Rekascape                                      |
| ADDRESS           |  |
| DATE OF INTERVIEW | 3 November 2023                                |
| LOCATION OF       | Google Meet (6 am in United Kingdom)           |
| INTERVIEW         |  |

Interviewer: Hye madam Viviantie. My name is Nur Syafiqah and my friend here Ikmal. All of us from UTeM Universiti Teknikal Malaysia Melaka taking course of Bachelor's of Technopreneurship (BTeC). I approach a month ago earlier about my final year project which is "Examining the Sustainability of Socially Driven Specialty Coffee Businesses in Eradicating Poverty among Micro-coffee Planters". As I know you had a café called Bosco Coffee in Cyberjaya. It is a social enterprise that work with small Sabahan coffee beans farmer from market and sell their product. As I know you are social enterprise that help people in Sabah. First, I want to ask you can you please introduce yourself madam?

Respondent: Hye Syafiqah and everyone over there. My name is Viviantie Sarjuni you can just call me Vivi without Madam. I am currently leading a Sabah state agency which is Sabah Critical Economy and Innovation Centre (SCENIC). Mandated to activate the industry in Sabah through technology, innovation, and creativity. Social entrepreneurship or social innovation are part of our core activity under the pillar of innovation driven entrepreneurship (IDE). We have three pillars, first here is from IDE Pillar our SI and SE is under this pillar. The second pillar is Technology Pillar that focus more on tech and the third one is Creative Pillar. Anything to do with animation or advertise stuff like that is under

this pillar. And at the same time, saya juga membantu Social Entrepreneur as you know I am the co-founder of Borneo Specialty Coffee together with my husband who is the founder. This social enterprise, together kita buat for my husband it his business platform it but for me it is more like a case study to see betul ke Social Enterprise ni boleh membasmi kemiskinan? So masa tu I was working with MAGIC, Malaysian and Global Innovation and Creativity Centre sekarang ni dah tukar nama jadi MERANTI. Agensi ini juga memegang mandat sosial entreprise dan diletakkan dibawah Kementerian Kewangan pada masa tu. Dan saya masa tu masih scaptical when it came to SE. Betul ke SE ni boleh bantu property. Kebetulan we when to Kundasang. Maybe nanti baru I explain. But basically now I habis dah study and next week saya graduate saya mengambil jurusan Master of Social Innovation and Entrepreneurship dan saya juga penerima scholarship daripada Kerajaan Britain so that's why saya berada dekat sini selama setahun setengah saya akan kembali ke tanah air pada 10 Januari 2024. So itu sahaja sedikit sebanyak tentang saya. I am agency leader of a social entrepreneur and also a student here in Britain.

Interviewer: Thank you very much for your explanation. Thank you very much for your explanation. So next, can you share the background of your company, which is Bosco coffee?

Respondent: Okay. Borno specialty coffee is actually a very small, very micro enterprise. Yang kita tubuhkan pada 2018 di mana start di Cyberjaya because I was also staying with in Cyberjaya. So Borno specialty coffee, mendapat pengiktirafan daripada MAGIC at that time. Dan kita adalah satu perusahaan social dimana social mission kita adalah bagaimana kita nak membasmi kemiskinan melalui Social Enterprise. Dan memberikan pendapatan yang sustainable income to our coffee farmers. Dan kita punya co-businesss basically kita jual coffee something like macam Starbuck tapi kita punya micro. Kita ada tiga kiosk pada permulaannnya TTDI, UNTP Cyberjaya dan di Rekascape Cyberjaya tetapi disebabkan pandemic ramai tak boleh keluar dan kita dah tutup dua kiosk dan kita Cuma ada satu di Cyberjaya tapi tetap sustainable dan tak memberi

sebarang impak yang buruk kepada kita punya coffee farmers. So what we do is kita bawak coffee beans daripada kundasang bawa ke semenanjung dan jual sebagai americano, latte dan coffee ini adalah coffee yagn bertaraf tinggi. Arabica, Robusta dan beberapa jenis lagi. So kita nak bagitahu kepada seluruh dunia bahawa especially Malaysia kalau kita cakap pasal kopi kat Sabah orang cakap coffee tenom je. Padahal we also have a very good quality of coffee beans dekat Kundasang Highland.

Interviewer: Nice story. Madam, I also ada coffee shop dekat sini. Ill be running for one year. And then now on my way to build my coffee shop as SE.

Respondent: That's good well done. So, you have own barista.

Interviewer: Actually, I think I layak jadi SE sebab I have ibu tunggal untuk pasarkan business dari situ. So that's why I am looking forward to work on this topic. Actually what triggered you the most to open SE coffee and café actually?

Respondent: Ada beberapa sebab, bila saya pakai topi sebagai seorang agensi leader jika saya ingin memartabatkan SE dekat Sabah saya kena faham apa itu SE. Bagaimana technicality SE business model SE ini boleh membantu alam sekitar ataupun orang-orang miskin. Sebab SE kita ada ingat dia ada tiga pillar people, planet and profit. Dan kena ada social mission. Saya ambil keputusan untuk ambil SE sebab saya nak buat eksperimen. Kebetulan husband saya pun business. Jika saya pakai topi sebagai seorang anak Sabah. Dan memakai topi sebagai seorang social entrepreneur or businesswoman saya melihat Sabah masih termiskin di Sememanjung. Sehingga tahun ini we are seen the poorest and we have to remember that I was thinking that bila saya pergi ke kampungkampung mereka ini sebenarnya ada potensi untuk keluar dan potensi mereka sama dengan orang dekat international cuma mereka takde opportunity dan market access. Contohnya, bila saya pergi melawat kebun kopi mereka semasa husband saya tengah cari kopi. Jadi kami pergi Kundasang. And we note this group of women baju koyak rabak and then mereka basically bila kita tengok keadaan mereka kita dirumah

diorang dia jamu kita dengan kopi dan makanan kita dapat lihat mereka ingin its very orang kata ikhlas mereka betul-betul nak cari rezeki. Masa tu pendapatan merekaa Cuma 500-ringgit sebulan dengan lima anak. Bila tengok keadaan macam tu saya thinking you have ladang kopi kenapa tak boleh jual. Bila kita tanya rupanya mereka ni pergi KK pun tak pernah. Jadi mereka tak faham macam mana people outside Kundasang assume coffee. How they process coffee dengan kopi kisar begitu sahaja. Kopi kisar dengan mentega and gula. Have you seen that? Basically kopi kampung dengn ayang serbuk tu. That's mean the capaian pasaran itu hanya terhad kepada orang-orang kampung tapi orang kat bandar dna KL tak minum kopi macam tu. Macam kat KL like starbuck kita tengok macma mana diorang roast the coffe right. Bila kita tenogk keadaan mereka kita tanya apa yang terjadi sekarang. Mereka kata kita nak tebang pokok sebab tak boleh jual dan orang tak beli kopi kita. Sikit je orang beli, hanya Ranau dan Kundasang sahaja yang beli. So saya cakap kalau nak ganti dengan pokok kalau benda sama juga benda yang terjadi takde maknanya. Dan saya cakap kat mereka the problem is the way you roast the coffee. Jadi saya cadangkan kepada mereka ada peluan untuk bawa coffee ni ke Cyberjaya dan kita jual sebab kualiti dia pun sangat bagus sebab husband saya pun tahu tentang kopi sedikit. Dan itu yang memotivasikan saya dengan keadaan hidup mereka yang sangat daif dengan keadaan baju begitu dengan ekonomi mereka. Jadi itu yang memotivasikan saya sebagai seorang SE dan anak Sabah untuk bantu menjana pendapatan dan membantu orang melalui perniagaan saya. So itulah yang memotivasikan diri saya apabila saya wearing multiple hats and SE.

Interviewer: it's a long story on how you start the business right. So, as you said earlier you tengok diorang punya persekitaran and so on and how you maca dioarang kan ada ladang kopi kan. How you ensure the quality and consistency of your coffee bean supply? Do you always making time to visit micro-coffee planters farm? How often?

Respondent: Bila you tanya soalan macam ni saya sendiri macam tanya diri saya semula. Betul ke kita nak buat bend ani Nampak macam mustahil

daripada Kundasang ke Cyberjaya. Tapi dapat juga buat. Because kita gigih sangat sebab nak diorang punya Coffee Bean. Kalau saya nak kerja senang saya ambil je mana kopi kat KL tak payah pakai alatan yagn susah dan boleh beli. Tapi sebab kita memang berpegang teguh dengan social mission. So pada first 6-month memang banyak problem coffee tu hangus lah, bag plastic pecah so daripada experience ini my husband sebulan sekali sebab saya pun sebagai seorang yang lebih berkemampuan daripada yang lain saya ambil inisiatif untuk balik ke Sabah sebulan sekali sebab saya memang ada saving dengan NGO dna ada buat kerja percuma di Sabah. Bila balik saya buat program SE dan ambil peluang ke Kundasang untuk lihat macam mana diorang punya -prestasi. Kita bawa coffee machine masuk ke kampung dan kita buat demo okay this is how people in the city consume your coffee so kita buat latte art diorang first time tengok so daripada proses-proses itu it was quite hard. So daripada proses experiment. So okay next month akan hantar berapa kilo. Start 200 gram sehingga ke harini tak pernah lari daripada 40 kg sebulan kita minta daripada mereka dan ada more than that. Kita melalui proses yang agak sukar dimana kita terpaksa turun Sabah, tunggu diorang punya packaging tetapi I am very lucky sebab orang kampung ni macam I cakap tadi mereka ikhlas nak belajar dan nak keluar dairpada kemiskinan so mereka sangat tahu walau baru tahu cara buat kopi. Sampai mereka bagitahu saya mereka pergi buah kopi dan dalam kepala mereka macam mana sebiji kopi ni akan sampai ke cangkir cawan orang dekat bandar. Itu yang memotivasikan dia utnuk pergi memetic kopi. Dan saya juga Nampak apabila impact tu dah keluar lepasa setahun daripada pandemic mereka dapat hantar anak pergi sekolah disana yang saya sangat terharu. Saya berfikir dahlah tutup dua branch. Tapi Allah tu nak gerakkan hati kita kan so petani tu kata terima kasih saya dah boleh buku anak dan hantar anak pergi sekolah. Itu yang membuatkan saya rasa kalau kita berhenti kan business ni macam mana mereka nak survive sebab bagi Bosco sendiri sama ada kami boleh jual atau tidak itu belakang cerita yang penting mesti order secara konsisten daripada petani-petani kita. That's why kita dapat penarafan SE Basic sebab kita make sure kita punya penerima manfaat memang terima sustainable income. So daripada 500 ringgit mereka telah mendapat 16 kali ganda. Sekarang daripada saya pergi jumpa mereka dah pakai emas dan baju dah tak tampal-tampal lagi dah wangi. So bila serve makanan dah takde biskut kering dan mereka boleh bagi kek. So disitu saya melihat saya terimbas Kembali masa silam dan sekarang 2022 last year sebelum ke Gasco ohh I can tell you 70% kehidupan mereka telah berubah melalui SE inilah. So kalau kita boleh buat satu project macam ni dan kalau kita ada 10 project image di Sabah boleh keluar daripada kemiskinan.

Interviewer: Okay earlier you ada cakap diorang dulu tak tahu market and so on so diorang tahu ke macam mana diorang kutip biji kopi? Do you also provide the learning courses terhadap mereka?

Respondent: Actually, I am very lucky sebab bukan kita shaaja entitii yang membantu mereka. Dan yang lebih tahu adalah Jabatan Pertanian Ranau cuma mereka tak dapat bantu banya. Mereka boleh ajar mereka cara nak tanam dan bagi baja semua. Tapi siapa yang nak follow-up mereka dan bantu dari segi keusahawanan dan bantu mereka social media dan digital. So that's why Bosco masuk dan kebetulan saya pun memakai topi sebagai ketua agensi dan melihat peluang membantu mereka dari segi itu. Dan ia sangat penting untuk melihat dan membangunkan keusahawanan kita mesti ada beberapa entity daripada kita panggil sebagai quantraplehelix. Mesti daeripada corporate, government, highly learning instituition dan pihak NGO. Bila ada support daripada empat pihak ini saya sure the pacuan kepada kejayaan SE akan lebih cepat lagi. To answer your question specifically, Jabatan Pertanian Ranau ajar teknikal cara nak tanam dan harvest selepas kita masuk kita contact dengan Jabatan Pertanian Ranau untuk ucapakan terima kasih dan build relationship. Dan because of that they give more support after that dan bantu usahawan kopi untuk besarkan diorang punya kilang. Kilang tempat pemprosesan. Mereka bantulah dari segi membesarkan lagi business diorang. Sekarang ni mereka dah diversify kopi mereka.

Interviewer: Jadi kopi ni Robusta ke?

Respondent: Arabica, Robusta, Exelsa ada dan Liberica. Dan dia adalah kopi serbuk dan dia macam tahi kopi tu.

Interviewer: How much that one?

Respondent: This one is about 59 to 11 ringgit.

Interviewer: How do you ensure fair compensation for micro coffee farmers and workers in their supply chains?

Respondent: Sebenarnya kalau beli dari KL lagi murah. Kalau sekilo 55 ringgit tapi sekarang ni sebab husband saya kat sini buat sementara waktu dijaga oleh our partner. Sebelum ni grin beans 55 ringgit dan agak mahal . Tapi kita ikut harga pasaran. Tapi ada yagn beli dengan harga yang lebih rendah. So saya cakpa harga pasaran memang 55 ringgit sekilo dan kena stick to this. Sebab kalau di semenanjung kit akena ambil harga dna kita kena maintain sustainable income dan kita sendiri pun untung dalam maybe katalah kalau kiosk tu sebulan walau kecik jualan kasar sebulan 12 hingga 13 ribu ringgit. Kos kita dalam 30% to 40% lah macam tu. That's why I cakap possible untuk kita menjana pendapatan dan bantu orang lain dan sangat possible.

Interviewer: Can you provide examples of successful SE projects or partnerships between specialty coffee businesses and local communities at Kundasang?

Respondent: Okay ada banyak success story yang saya sangat happy contohnya kita telah bagi saya, bila kita punya usahawan di feature dekat post, radio dan television kat mana-mana that is an achievement maksudnya mereka dah tahulah about our journey and another achievement is bila kita diberikan penarafan as SE Basic bagi saya ini sangat bermakna sebab nak jadi SE bukan mudah sebab kena come up dengan own capital dan nak bantu orang lagi. Sebab kalau you takde profit macamana you nak bantu dan memberi manfaat kepada orang kalau you sendiri tak earn profit. So bila dapat penarafan kita punya kredibiliti semakin tinggi dan ramai yang nak bekerjasama sebab mereka tahu beli kopi akan menyumbang kepada kelestarian atau continuation of income for rural entrepreneurs. Dan kita

juga dekat Rekascape tu kadang-kadang ada politician datang dan we were very happy because posted Tun Mahathir and I were very happy to have them dominant people. Kejayaan yang lain kita very active in terms of participating in events. For example, Buy for Impact is actually an SE which is National Social Entrepreuneurship Programme daripada KUSKOM yang diarusperdanakan di Malaysia tahun depan. So previously ia dianjurkan oleh MAGIC dan Bosco berpeluang menyertai program macamni. So kita nak bagitahu bahawa the future of doing business is the very good business. Maksudnya the social impact, social entrepreneurship, social business dan capitalism not to say I am on capitalism. Tapi kalau kita nak membasmi kemiskinan dan menyelesaikan masalah sosial I think SE is the way to cope.

Interviewer: Can you share a challenges or obstacle you face in efforts to support local communities and micro-coffee farmers?

Respondent: Okay ada tiga masalah. Pertama, walaupun saya orang Sabah sendiri tetapi bila komunikasi dengan orang kampung dekat Sabah ni kita ada lebih kurang 200 etnik dia punya Bahasa lain. Dan orang kampung ni tak begitu fasih cakap Melayu mereka boleh cakap Bahasa native sahaja dan perlu translate Bahasa. So communication is our obstacle. Second is of course logistic. Kita beroperasi kat KL tetapi I think nak seribu daya taknak seribu dalih so kita ambik usaha untuk pergi ke sana dan saya tahu mereka takde kemampuan untuk keluar daripada Sabah. So saya pergi sana dan expose mereka tentang coffee, packaging dan coffee supaya mereka tahu. Suruh bukak social media seperti facebook dan Instagram dan bagi Latihan. That was our challenge dari segi logistic tapi dapat dengan technology manage to overcome. The third issue is masalah dari segi tanah dia. Tapi taklah besar sangat sebab tanah kita adalah guna tanah sendiri dan tak apply for grant. And it is possible untuk bukak business tanpa sebarang pinjaman kalau you nak kecil sahaja. If nak improve business kena ada geran dan loan. Cuma sekarang lebih selesa beroperasi secara kecil sebab bagi kita yang lebih utama adalah kita punya penerima manfaat dapat manfaat atau tidak. Kalau tidak macam mana kita nak skill ke next level kalau kita tak boleh jaga. So dana is our

problem tapi takpe lepas kembali ke Malaysia saya ada pelan untuk besarkan lah.

Interviewer: Ok. So how do you balance your social impact objective with the need of sustainable and profitable business model and what difficulties in balancing this details?

Respondent: Memang benda ni bukan sesuatu yang mudah. memang ada beberapa bulan yang kita terpaksa rugi especially during pandemic macam mana saya handle is I have an impact measurement. Impact measurement ni macam KPI sebab kita SE jadi kita kena tahu apakah impact. Tapi bila ada impact kita kena ukur supaya kita boleh balance dengan aktiviti kita sebab impact bergantung kepada aktiviti yang kita buat. Saya akan makesure masa saya tubuhkan this coffee business with my husband I must have an impact. Jadi impact ni ada banyak jenis terpulang kepada kita nak pilih mana yang primer. Yang primer pada saya ialah nak tengok sales every month. Sebab like I said if we can earn profit macam mana kita nak bantu kita punya beneficiary. Yang kedua adalah pendapatan kita punya coffee farmers berpaa nak bayar mereka. Impact lain juga adalah seperti ini tak penting tapi good for us to know which is taraf hidup. Adakah ia something yang kita tak boleh ukur. Bila saya belajar kat sini dan faham ia bukan sekadar data dan number tapi measure juga apa impact secara tak langsung. Contoh anak nak pergi sekolah so kita tak boleh measure tapi kita boleh lihat ia sebagai measurement bahawa tidak boleh diukur tapi impact dia adalah anak-anak farmer dapat pergi sekolah, baju stokin dan sebagainya. So to me this is also important for you untuk jadi business people ni penat. So bila ada impact macam ni secara tidak langsung dapat beri motivasi untuk okay. Kalau aku buat lebih bulan ni my penerima manfaat akan dapat more as well. If you have that mindset, you will be able to balance your business continues or to sustain your business at the same time macam making sure social mission itu tercapai.

Interviewer: I believe you provide an opportunity for local and skill development can I know dah berapa ekar you have and how many people you employ?

Respondent: Tanah kopi tu bukan dimiliki oleh kita. Tanah itu dipunyai oleh kita punya coffee farmers so that's why kita beli dari mereka. Saya lupa berapa ekar tapi 1.5 to 2 ekar like that nanti I will ask for more accurate data. And it is getting bigger as well sebab nak higher farmers dari kebun lain sebab Kundasang banyak kebun kopi sampai kebun kopi yang ditinggalkan nenek moyang sesuai untuk penanaman kopi dan a lot of them has started to bukak dan tanam the kopi. Kita juga ada kopi yang tertua di dunia daripada dekat Kundasang but I cant remember what is the name tapi tertua di dunia. Maksudnya, benih ni dah lama dekat kundasang. Kemudian jumlah staf satu kiosk biasanya dalam tiga orang tapi itulah kita sekarang dah tutup dua kiosk tetapi kita ada satu kiosk yang sekarang beroperasi secara minimum sebab husband kat Britain tapi mereka sejak 2018 kami manage to give employment about 8-9 before dan mereka semua ada yang dah beli motor, dah kahwin, melanjutkan Pelajaran ke Sydney dan UK dan semua mereka datang dari golongan B40 dan saya sangat proud. So itu yang ditumpukan dan kalau boleh nak hired barista yang datang keluarga ini. Saya lupa nak beritahu bahawa kami pernah buat satu bengkel untuk remaja yang terbiar dan bermasalah utnuk ajar mereka cara nak buat coffee. Kita ada buat satu usaha sama dengan some NGO.

Interviewer: Jadi NGO tu yang ajar pasal coffee dan barista?

Respondent: Tak. Sebab NGO yang invite kita untuk buat coffee art. Kita bawa machine, susu, kopi dan perlaatan ketempat tu dan ajar mereka.

Interviewer: Saya pun macam nak buat bengkel tapi more tu SE project untuk bantu Juvana. Mungkin kalau saya boleh minta tolong untuk buat bengkel.

Respondent: Boleh

Interviewer: I think that's all from me. All question answers well. Thank you very much madam for let me to opportunity to ask you.

Respondent: I am so proud of you. Our big goal is definitely social innovation tapi takpe kita memang kena start dengan SE. bila dah ready baru pergi SI. Saya jemput awak bertiga untuk datang ke Sabah dan visit SCENIC.

Jemput datang ke Sabah saya akan host you for dinner or lunch dan kita boleh melawat SE yang berkaitan dan dekat Sabah ni saya dah lama kat Semenanjung dekat 25 tahun dan taknak balik Sabah tapi bila fikir kalau bukan saya siapa yang nak bantu Sabah. Kerana Sabah paling tercorot dalam ekonomi negara. Jadi SCENIC mungkin boleh bantu. Dan alhamdulillah bahawa Institute of Development of Study telah mengambil Keputusan untuk memasukkan SE dalam pembuatan polisi yang akan dibentangkan di cabinet pada tahun ini. Ini adalah salah satu pencapaian yang besar sebab SCENIC telah mengarusperdanakan SE sejak 2020 dan to get this kind by in daripada policy maker saya rasa sangat bangga sebab sukar nak yakinkan semua orang dan saya harap sama juga dekat Melaka. Saya yakin maybe Hakim can promote SE dekat Pahang, Syafiqah pula di Johor macam mana nak bantu ibu tunggal dekat Felda. Nak bagi satu berita baik bahawa baru ni SE forum berlaku di Amsterdam dan SCENIC dapat jadi speaker dan dapat bidding untuk SE 2025 untuk diajukan di Kota Kinabalu Sabah. Pada 2025 please remember me jemput datang by that time kita akan lihat kita punya SE dekat Malaysia dah tiga kali ganda lebih baik daripada sekarang dan I hope jangan putus asa semoga dapat Keputusan yang cemerlang dan kalau perlu anything from me. You know how to contact me.

Interviewer: thankyou very much madam for your time and sorry for taking your time.

So after this if saya nak jadi SE saya akan tanya you.

Respondent: jangan lupa dapatkan penrafan SE sebab sangat penting. Penarafan SE ni penting untuk dapat geran. Setakat ini SE kat Sabah dah dapat dua juta geran daripada federal untuk bangun kan SE di sana.

Interviewer: Thank you so much and nice to meet you.

Respondent: Nice to meet you. We might be a relative to ye.

#### RESPONDENT A





UNIVERSITI TEKNIKAL MALAYSIA MELAKA

#### RESPONDENT B





#### RESPONDENT C



