

An oral history of the coffee paradox: Remembering the aftermath of the deregulation of the coffee trade

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Abstract

Since the deregulation of green coffee prices in 1989, the global coffee trade has faced a widespread crisis in countries of origin and an ongoing boom in importing countries. This phenomenon is known as the Coffee Paradox. Much of the existing research on the coffee trade focuses mainly on the agricultural nodes of the Global Value Chain (GVC) which are experiencing a crisis and ignores the nodes where coffee acquires exponentially more value, such as processing, cupping, export/import, roasting and in-person consumption. Rather than focus on the coffee crisis, the proposed research will examine the policy apparatus that made the coffee boom in importing countries possible. Considered in tandem, it is clear that the coffee crisis and the differentiated coffee boom stem from an imbalance in the distribution of value along the GVC, in which the creation, distribution, and extraction of value appears to almost entirely elude the agricultural nodes. Abundant green coffee, often at prices below the price of production, has been the norm rather than the exception since the deregulation of coffee prices in 1989. The proposed research will create and analyze a compilation of oral history interviews about the emergence of the coffee paradox. Interviews will be conducted with actors representing many of the organizations that were the architects of deregulation and changed the rules of the game that eventually resulted in the current imbalance in the distribution of value along the coffee GVC. By doing so, the focus will shift from the actors experiencing a crisis, to the actors responsible for promoting the specific policies that, intentionally or not, supported the creation of the boom.