

**CHAPTER**

**5**

**GREEN BUYER-SUPPLIER  
RELATIONSHIPS AND SUPPLY  
CHAIN SUSTAINABILITY IN THE  
COCOA INDUSTRY**

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**5.1 INTRODUCTION**

The increase in population and economic growth has called for increased consumption of what the environment supplies since nature has naturally allowed the growth of certain commodities in certain places of the globe, which is essential to ensure sustainability. The world and the people within, such as buyers, suppliers, and governments, have begun to appreciate and show concern for supply chain sustainability (SCS). It is, therefore, essential for the supply chain to be more critical of sustainability because their activities may impact the sustainability of the supply chain positively or negatively. For instance, in agriculture, an industry like cocoa has a unique supply chain in that its sustainability largely depends on the buyer-supplier relationship and, more significantly, the supplier (World Cocoa Foundation).

Currently, many industries worldwide are adopting environmentally friendly practises. However, most commercial relationships between buyers and suppliers have not yet embraced the concept of sustainability in their supply chains, particularly in the cocoa industry (Nelson & Phillips, 2018). The increasing demand for cocoa in the world market (Beg et al., 2017) has caused increased attention to an improved and sustainable cocoa supply. Therefore, the green buyer-supplier relationship (GBSR) concept is a novel and essential factor in ensuring supply chain sustainability in today's cocoa industry.

Wu et al. (2018) measured green or sustainable the same as sustainability. Thus, a green buyer-supplier relationship reveals that buyers and suppliers ensure that they engage in activities that will not destroy or harm the future relationship and their activities reducing waste and negative influence on the environment. GBSR is another SCS concept that is coming up to improve sustainability in the supply chain (Wieteska, 2016), especially in the cocoa industry. It can also help improve the supply chain's performance in complying with sustainability regulations. This shows that GBSR cannot be left out in ensuring SCS in the cocoa industry.

There is a strong connection between supply chain sustainability and GBSR regarding sustainability in the cocoa industry. However, there is very little evidence empirically, to support that GBSR can improve SCS. Hence this paper discusses activities that entail in GBSR, and the paper also discusses the relationship between GBSR and supply chain sustainability and finally proposed the framework of the connection between GBSR and SCS.

## **5.2 GREEN BUYER-SUPPLIER RELATIONSHIP**

It is vital to inculcate the green practises into buyer-supplier relationships to obtain a green buyer-supplier relationship (Wieteska, 2016). Business sustainability today, requires that the buyer-supplier relationship continues to improve without creating waste and causes no harm or damage. Moreover, the way forward is the green buyer-supplier

relationship. One of the critical areas in the supply chain that determines sustainability is having reliable suppliers, which is made possible when there is a sustainable collaboration between buyer-suppliers based on trust (Brito & Miguel, 2017).

Over three decades, buyer-supplier relationship management has gained ground among supply chain researchers (Bag et al., 2018). Buyers have started developing a few strategic suppliers for them in business. Most Buyers made key suppliers their close partners and were sharing vital information and developmental plans with them. According to Hooshangi et al., (2016), this phenomenon brought collaboration, dependency, and satisfaction in the relationship. However, the cocoa industry is different; it has a unique supply chain where you cannot leave any supplier out. Every supplier is critical and key to the supply of cocoa beans. The buyer-supplier relationship literature reveals that most studies have examined the connection between buyer-supplier relationships in terms of performance and these studies have revealed many financial gains for just the buyer (Feng et al., 2020; Kumar & Rahman, 2016). This may reveal the presence of interfirm power, where one party has the power to influence the way the other party should act (Brito & Miguel, 2017). Such situations eventually lead to relationship risk which leads to damaging the relationship in the supply chain. Therefore, a green buyer-supplier relationship is what researchers must focus attention on. Another gap is the perspective where researchers have researched the buyer-supplier relationship. Most research has focused on manufacturing and automotive and little attention is given to the agriculture sector, especially the cocoa industry (Kumar & Rahman, 2016).

Most literature has discussed sustainable relationships as unidimensional and much focused on manufacturing. According to Burki and Buvik (2010), the relationship period existing between the buyer-supplier is a critical factor to determine the quality of the relationship and its sustainability. Dubey and Bag (2013) strongly argued that buyer-supplier relationships impact positively on sustainability. Buyer-supplier also argued that a sustainable buyer-supplier relationship can impact positively organisational performance. Rutherford et al. (2008) were of