# **Exploring the Honey Value Chain among Afghan Refugees in Pakistan**

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Abstract

This qualitative study explores the dynamics of the honey value chain developed by Afghan refugees in Khyber Pakhtunkhwa, Pakistan. In-depth interviews were conducted with 29 honey entrepreneurs. Data analysis using grounded theory coding revealed four major themes: business environment, government's role, code of conduct, and internal market dynamics. Findings show an elaborate informal value chain constructed through entrepreneurial networking and leveraging cultural norms. Dependence on exports and lack of governmental support pose sustainability challenges. The study provides novel insights into refugee entrepreneurship and indicates potential for targeted interventions to promote this employment-generating sector.

**Key Words:** Honey Value Chain, Afghan Entrepreneurs, Entrepreneurial Networking

#### Introduction

Beekeeping and honey production are important agricultural activities worldwide, providing livelihoods and employment opportunities (Gallai et al., 2009). The honey value chain involves the interconnected set of activities and actors that bring honey from production to the end consumer, including beekeepers, processors, distributors, wholesalers, retailers, and exporters (Kaplinsky & Morris, 2001). In Pakistan's Khyber Pakhtunkhwa (KP) province, the honey value chain has grown remarkably since the 1980s with the influx of Afghan refugees fleeing conflict in their homeland. This nascent honey enterprise

is a unique example of entrepreneurship and economic development by displaced people in their country of refuge. Today, the honey sector provides livelihoods for thousands of Afghan refugee families in KP and generates significant export earnings, particularly from Gulf countries. However, the sector remains largely informal, with minimal governmental support or regulation. Sustainability and further growth require tackling challenges in production, technology, marketing, and quality assurance.

Despite the honey sector's socioeconomic importance in KP, academic research on it is lacking. Existing literature on apiculture focuses on technical and agricultural aspects rather than entrepreneurial dynamics, value chains and markets. This study aims to address this knowledge gap by developing an indepth understanding of the honey value chain from the perspectives of Afghan refugee entrepreneurs in KP. Examining refugee livelihoods and grassroots enterprises also provides broader insights into indigenous entrepreneurship and how displaced communities use enterprise to rebuild lives in host nations.

This study aims to investigate the dynamics of the honey value chain in KP and understand the strategies employed by entrepreneurs. The study's objectives include formulating a value chain model, elucidating entrepreneurial strategies, and conceptualizing mechanisms within the honey value chain.

The main research questions are:

- What are the intricate dynamics of the honey value chain within Khyber Pakhtunkhwa, Pakistan, at micro and macro levels?
- How do honey value chain entrepreneurs utilize effectuation and causation to exploit opportunities?
- How do entrepreneurs navigate the complex agent-structure relationships within the honey value chain?

The study holds theoretical significance by applying structuration theory to the underexplored context of refugee-led entrepreneurship. Practically, it highlights the honey value chain's potential to enhance refugee livelihoods. Policy-wise, the study offers insights for self-employment and poverty reduction policies.

# **Literature Review**

# Part I: Conceptualizing Entrepreneurship: A Historical Interdisciplinary Perspective

### **Replicative and Innovative Businesses**

Entrepreneurial activity plays a pivotal role in fostering socio-economic development, generating employment opportunities, and gathering wealth through innovative combinations (Baharuddin, 1998). At the core of this activity lies the entrepreneur, whose ability to introduce novel methods can either be facilitated or hindered by larger economic players (Baharuddin, 1998). It's important to acknowledge that entrepreneurship is a multifaceted and complex phenomenon, and replicating its advantages across nations presents considerable challenges. A historical journey through the evolution of entrepreneurship concepts reveals diverse interpretations arising from economic and non-economic perspectives. Early economists primarily viewed entrepreneurship within the marketplace, centering their definitions on the entrepreneur (Bruyat, 2000). It was Richard Cantillon who first employed the term "entrepreneurship" to encompass both innovative and replicative entrepreneurs, such as wholesalers, bakers, and merchants involved in buying and selling goods (Cantillon, 1931).

Replicative entrepreneurs propagate and spread innovations, whereas innovative entrepreneurs are pioneers, responsible for pushing the economy into disequilibrium through creative destruction (Baumol et al., 2007). Replicative entrepreneurs play a critical role in development, providing opportunities for self-employment and the dissemination of innovations (Baumol et al., 2007). By broadening our perspective beyond the heroic image of innovative entrepreneurs,

we can conceptualize entrepreneurship as deeply intertwined with sociological settings, where the interplay between entrepreneurs and their environment leads to the exploitation of opportunities.

# Diverse Views of Entrepreneurship: A Philosophical Underpinning

The field of entrepreneurship research deals with a notable lack of definitional consistency (Shane & Venkataraman, 2000). Reviews often adopt selective literature views or more comprehensive approaches, raising questions about the suitability of definitions for specific research topics. The predominant functionalist paradigm tends to view entrepreneurship objectively, primarily through the lens of economic progress (Ogbor, 2000; Jennings, 2005). However, this objectivist viewpoint can be ideologically biased, discriminatory, and ethnocentric (Ogbor, 2000). The pursuit of "physics envy" has driven hyperempirical research in entrepreneurship, but this narrow focus can limit its practical relevance (Bygrave, 1989). It is advisable to broaden our horizons instead of pursuing ever-narrowing refinements (Perren, 2002; Davidson, 2004). Subjective, humanistic approaches seek to address these limitations but must navigate the challenge of potential incommensurability without common measures (Oberheim & Hoyningen-Huene, 2009). Acknowledging value pluralism can help reconcile incomparability by embracing a diversity of hierarchical values (Westall, 2009). Our understanding of entrepreneurship extends across various academic disciplines, each presenting unique paradigms. Examining the conceptual evolution of entrepreneurship reveals seminal contributions from different perspectives.

## **Entrepreneur in Pre-Classical Economics**

While entrepreneurship predates the field of economics, it gained prominence within the context of capitalism (Hisrich, 2000). The historical landscape is marked by diverse perspectives on entrepreneurship, both across time and

geography (Landes et al., 2010; Herbert & Link, 2009). Entrepreneurs are known to migrate towards sectors with promising payoffs (Landes et al., 2010). The concept of entrepreneurship finds its roots in barter economies (Herbert & Link, 2009). Richard Cantillon is credited as the first to formally define the entrepreneur as a market actor who bears risks, buying at known prices and

selling at uncertain anticipated prices for profit (Blaug, 1986).

French Physiocrats viewed entrepreneurs as leaders in industry (Gopakumar, 1995). Turgot and Say emphasized the role of entrepreneurs as coordinators central to economic activity. Von Thunen expanded on entrepreneurial challenges, distinguishing managerial functions (Gopakumar, 1995). Entrepreneurs earned risk premiums for their essential functions. Mangoldt's perspective highlighted entrepreneurs' ability to recognize value-adding products, as determined subjectively by consumers (Porter & Ross, 2003). The German school of thought further developed Cantillon's concept of risk-bearing entrepreneurs, while the British school tended to submerge this concept within the broader category of capitalists (Mintrom, 2000).

#### The Entrepreneurs in Classical Economics

Classical economics, characterized by its macro-level supply and demand mathematical modeling, sought a unifying economic concept rooted in self-interest, as exemplified by Adam Smith's vision of a free market (Mintrom, 2000). Within this framework, entrepreneurs often merged with capitalists, occasionally taking on risk-taking roles (McDaniel, 2002). Subsequent classical economists, such as Ricardo and Mill, continued to downplay the entrepreneurial role, primarily neglecting it (Herbert & Link, 2009). The classical school's emphasis on mathematical modeling served as the foundation for orthodox economics, ultimately limiting the prominence of the entrepreneur.

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#### The Neo-Classical School

In the realm of neoclassical economics, with its equilibrium assumptions, entrepreneurs were viewed as arbitrageurs operating in disequilibrium (Herbert & Link, 2009). Notably, Walras acknowledged the importance of entrepreneurs but excluded them from formal analysis due to their resistance to precise mathematical modeling (Jaffe, 1983; Jolink & Daal, 2002). Alfred Marshall regarded entrepreneurs as multifaceted capitalists, emphasizing their leadership, judgment, and imagination but constrained by their scale (Farmer, 1995). The equilibrium assumptions of neoclassical economics hindered the incorporation of uncertain innovations. Frank Knight challenged these assumptions by differentiating between uncertainty and risk, linking uncertainty to profit theory and the role of entrepreneurs (Cason, 1982). Knight's perspective highlighted that entrepreneurs drive economic change through uncertain decisions motivated by the prospect of profits (Gopakumar, 1995). Thus, Knight's work effectively resurrected Cantillon's concept of the risk-bearing entrepreneur, distinguishing it from neoclassical assumptions.

#### **Entrepreneurship and the Austrian School of Economics**

The Austrian school of economics takes a distinctive view of the economy, emphasizing individuals' subjective actions (Herbert & Link, 2009). Menger, one of the prominent figures of the Austrian school, depicted entrepreneurs as information seekers, decision-makers, and supervisors striving to fulfill consumer preferences (Menger, 1986). The Mises Institute expanded on this perspective, contending that entrepreneurial profits arise from the ability to perceive and correct market maladjustments through superior knowledge (Gordon, D. (2000). Successful entrepreneurs are rewarded by consumers through their purchases (Gordon, D. (2000). Hayek challenged the notion of "scientific" knowledge, advocating that context-dependent "practical knowledge"

guides entrepreneurs in their decision-making (Hayek, 1945). Kirzner introduced the concept of "alert" entrepreneurs who exploit market errors, facilitating the movement of the economy towards equilibrium and earning pure profits (Kirzner, 1973). The Austrian school provides an inclusive framework that is well-suited to the dynamic and uncertain markets characterized by active and creative entrepreneurs.

#### Schumpeter's Elaborate View of the Entrepreneur

Joseph Schumpeter's perspective deviated from the Walrasian assumptions prevalent at the time, allowing for a more prominent role for the entrepreneur (Swedberg, 2008). Innovative entrepreneurs, according to Schumpeter, initiate endogenous economic change through the creation of new combinations, which enhances economic efficiency (Schumpeter, 2006). These innovations encounter resistance on social, psychological, and task-related fronts. Schumpeter's view of entrepreneurs includes attributes such as a strong will to conquer, creativity, and non-pecuniary motivations. In capitalist systems, entrepreneurs are often described as "creative destructors" who revolutionize existing structures to drive economic advancement (Schumpeter, 2010). Schumpeter's view of the entrepreneur is broad and historical, combining economic and social insights.

# **Combining Economic Views of the Entrepreneur: New Interpretations**

It is essential to note that Schumpeter's "heroic" application of entrepreneurship is a narrow interpretation that overlooks the broader scope of his theory (Wood, 1993). Kirzner's "alert" entrepreneurs complement Schumpeter's "creative" entrepreneurs, adapting to varying equilibrium states (Kirzner, 2009). Casson (2003) argues that the context, which enables information access and overcomes barriers, combines with individual skills for innovation. Sarasvathy (2001) further compares allocative, discovery, and creative opportunity views. The "embed" view, encompassing causation and effectuation logics, integrates both

individual and contextual factors (Jack & Anderson, 2002). Viewing entrepreneuring as a social practice, it aligns well with the uncertainty inherent in capitalism through interdependence and the recognition of value pluralism.

## Non-Economic View of an Entrepreneur

# Psychological View of the Entrepreneur

Psychology has contributed to the study of entrepreneurship through trait and behavioral theories. Trait theories aim to identify definitive entrepreneurial characteristics that could increase the supply of entrepreneurs (McClelland, 1961). However, it is important to recognize that these traits are influenced by multifaceted contextual factors. Locus of control has been explored as a partial explanation for entrepreneurship but necessitates further investigation within various contexts. The propensity for risk-taking also deserves in-depth exploration to understand its underlying motivations. Multi-trait approaches, although useful, have faced challenges in effectively differentiating entrepreneurs (Low & MacMillan, 1988). Behavioral theories shift the focus towards expressed actions as representations of interactions between individuals and their environments (Gartner, 1988).

# **Entrepreneurship in Sociology and Anthropology**

Sociological perspectives, such as Weber's (1994) view on the enabling effects of religious affiliations, have added depth to our understanding of entrepreneurship. The concept of "ethnic entrepreneurship" has emerged as a significant focus, particularly concerning immigrants and minorities (Volery, 2007). A cultural perspective explores the relationship between ethnic propensity for certain sectors and cultural attributes (Masurel et al., 2004). However, it is important to note that the influence of class culture may be more pronounced than ethnic culture (Light & Bonacich, 1991). Disadvantage theory argues that ethnic entrepreneurship often arises out of necessity driven by labor market

barriers, rather than being a purely ambitious choice (Volery, 2007). Interactive models that combine considerations of ethnicity, resources, and context provide a holistic framework to explain ethnic entrepreneurship (Volery, 2007).

# Embedded Entrepreneurs and Opportunity: A Causation and Effectuation View

Entrepreneurs skillfully apply both causation and effectuation logics to navigate situations characterized by varying degrees of certainty and uncertainty (Sarasvathy, 2001). Causation represents a planned, opportunity-driven approach to behavior, while effectuation involves leveraging existing means to flexibly adapt to emerging goals. Effectuation is particularly well-suited for incremental models that thrive in uncertain environments (Aldrich & Auster, 1986). Unplanned opportunities are often discovered serendipitously, further illustrating the versatility of entrepreneurial approaches (Bhave, 1994; Sarasvathy, 2001). The "embed" perspective allows us to recognize how entrepreneurs identify and realize opportunities through their social embeddedness (Jack & Anderson, 2002). Entrepreneurship, in this view, involves shared practices enacted through individual-context interactions over time, emphasizing that it's not just about static entities with fixed characteristics but a dynamic, socially situated process (Steyaert, 2007).

# Part 2: Honey Value Chain: The Entrepreneurial Perspective Honey Value Chain: A Global Perspective

Globally, the honey production landscape is diverse. Turkey holds the fourth position in honey production, following China, the USA, and Argentina (Vural & Karaman, 2009). However, challenges like adulteration persist in the industry. Iran ranks fifth globally in terms of the number of hives and produces 45,000 metric tons of honey annually (Vural & Karaman, 2009). Beekeeping plays a significant role in sustaining the livelihoods of Iranian peasants as a household enterprise. New Zealand is renowned for its production of high-value Manuka

honey, marketed for its antibacterial properties (Mavric et al., 2008). A comprehensive analysis of honey value chains is essential for promoting the sector and understanding the entrepreneurial opportunities it presents.

# **Entrepreneurship and Apiculture Sector**

Entrepreneurship serves as a catalyst for economic, environmental, and social improvements by capitalizing on opportunities (Shane & Venkataraman, 2000; Sarasvathy & Venkataraman, 2009). Entrepreneurs focused on sustainability often provide solutions to critical issues (Brogman & Prahalad, 2007). Beekeeping plays a vital role in sustainable development by supporting household livelihoods. Bees also play a crucial role in pollinating commercial crops that are vital for biodiversity and food production (Morse & Calderone, 2000; Schacker, 2008). Promoting entrepreneurship within the apiculture sector is pivotal to ensuring its sustainability.

# **Honey Traders as Entrepreneurs**

Entrepreneurs within the beekeeping industry are essential for enabling sustainable development (Popa et al., 2012). Their innovative approach to opportunity exploitation, such as organic conversion and branding, sets their products apart from the competition (Popa et al., 2012). Notable examples like Pakistan's Mujezat al Shifa exemplify innovation and exploitation in action, with the establishment of branding, export channels, and value-added products. Saudi Arabia's Markaz Bab Mekkah expanded from a retail outlet to operations across the Middle East. Jeddah's Al Waha Lil Asal played a pioneering role in importing Pakistani honey to Saudi Arabia. The success of these enterprises is a testament to the power of opportunity exploitation within the sector.

Supply Chain and Value Chain as Key Concepts in Entrepreneurship

The concept of the value chain is a pivotal framework that encompasses the entire spectrum of activities involved in bringing products or services from conception to consumers (Porter, 1985).

## Value Chain and Apiculture: A Perspective in Honey Entrepreneurship

Honey value chains offer both economic and social benefits. They consist of various components, including input suppliers, producers, processors, wholesalers, retailers, exporters, and consumers (Morse & Calderone, 2000). Turkey, for example, has grappled with issues of adulteration (Vural & Karaman, 2009), while New Zealand has harnessed the antibacterial properties of honey (Mavric et al., 2008). Pakistan boasts diverse honey varieties suitable for both export and local consumption, and informal value chains have naturally evolved to meet these demands. Bridging macro-level actors and structures with micro-level individuals provides valuable insights into the mechanisms that drive the honey value chain.

# **Different Aspects of Honey Value Chain**

Value addition through strategic marketing plays a significant role within the honey industry, such as the branding of imported Pakistani honey with a "Yemeni origin" claim. Promoting Pakistan's origin and purity can expand formal exports and enhance the sector's reputation. Beekeeping provides livelihoods for approximately 500,000 people but requires substantial upgrades for sustained growth (Morse & Calderone, 2000). Interactive models that consider ethnicity, resources, and context offer an insightful perspective on ethnic entrepreneurship within the apiculture industry (Volery, 2007). An approach rooted in social constructionism and interactive value chain perspectives can provide a comprehensive understanding of the emerging honey value chain.

## **Synthesis of Literature Review**

This comprehensive literature review has tracked the evolution of entrepreneurial concepts across different historical periods, geographical contexts, and academic disciplines. Economic perspectives often situated the entrepreneur as a central market actor who bears risks, coordinates production and distribution, and drives economic progress. Classical economics tended to subsume the entrepreneur within the broader category of capitalists, while neoclassical economics excluded the uncertain aspects of innovation. Deviant economists, such as Knight, Schumpeter, and the Austrian school, provided frameworks for studying entrepreneurship in its distinctive terms. Schumpeter's expansive view brought together economic and social insights into an innovative theory.

Psychological perspectives have sought to identify entrepreneurial traits and behaviors, though with limited success. Sociological and anthropological viewpoints have highlighted the role of contextual factors, such as religion and ethnicity. Interactive approaches, emphasizing interdependencies within dynamic social settings, offer a more holistic understanding of entrepreneurship. Viewing entrepreneurship as an embedded, socially enacted practice, rather than isolated cognitive acts of individuals, captures the complexities of capitalism's emergent uncertainties.

Within the apiculture sector, entrepreneurs have played a pivotal role in driving economic, environmental, and social improvements through the exploitation of opportunities. These entrepreneurs have harnessed innovation and opportunity exploitation, differentiating their products in a competitive market. The value chain framework has proven to be a valuable tool for understanding the multifaceted honey industry. Value addition, marketing, and the role of ethnicity, resources, and context all play significant roles in the evolving honey value chain. A social constructionist perspective, combined with

an interactive value chain view, provides a comprehensive framework for understanding the emergent honey value chain.

In summary, this literature review synthesizes insights from philosophy, economics, psychology, and sociology to inform an embedded perspective on apiculture entrepreneurs. By not limiting itself to a single body of literature, it creates a starting point for studying entrepreneuring as a socially situated process. Embracing pluralistic meanings and interdependent relationships offers ample space for discovery. The conceptual tools assembled can now be empirically directed to shed light on the enactment of honey-based livelihoods within their specific contexts.

## Research Design

## **Research Philosophy**

This study adopts a social constructionist philosophy premised on interdependence between observer and observed (Schuttz, 1962). Realities are subjective, differing based on individuals' unique lived experiences (Berger & Luckmann, 1966). The aim is to understand and interpret the meanings participants attach to phenomena rather than test hypotheses. This aligns with examining how honey entrepreneurs recognize and exploit opportunities within the context of an emerging value chain.

### **Unit of Analysis**

The unit of analysis is the individual Afghan honey entrepreneur operating in Khyber Pakhtunkhwa, Pakistan. Focusing on entrepreneurs as embedded agents within a value chain provides insight into opportunity recognition and collective value chain dynamics.

#### Population and Sampling

The population comprises Afghan honey entrepreneurs active in Khyber Pakhtunkhwa's apiculture sector. To support the research objectives, purposeful

sampling identified information-rich cases meeting key inclusion criteria. Ethnicity was limited to Afghans, as they dominate regional honey production and trade. Location was focused on Peshawar Valley, the center of apiculture in Khyber Pakhtunkhwa. Businesses must have longevity of 5+ years to provide perspective on value chain emergence over time. Diverse business types (producers, processors, traders), chain roles (input supply, production, trade, export), and individual experiences were sought. Snowball sampling leveraged

referrals from initial participants to expand the sample. The final sample (n=29)

contains sufficient diversity of perspectives to illuminate opportunity

exploitation and value chain interactions.

**Data Collection** 

In-depth, semi-structured interviews averaging 60-90 minutes were conducted on entrepreneurs' business premises after obtaining consent. Interviews were audio-recorded and transcribed verbatim. An interview guide focused discussions on key topics including: business origins, development, and activities; processes of opportunity recognition, evaluation and exploitation; interactions and relationships shaping the honey value chain; and contextual influences of ethnicity, religion, location, and resources. The guide provided consistency while allowing unforeseen topics to emerge.

**Data Analysis** 

Transcripts were analyzed using thematic analysis to identify common themes and meanings. Coding utilized NVivo to systematically organize data. Structuration theory concepts guided analysis of entrepreneurs' interpretations and agent-structure dynamics within the evolving honey value chain.

**Data Management** 

The data collected for this study primarily consisted of the recorded interviews that was obtained with the help of an interview guide. Field notes were taken,

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and demographic information was also collected on the same sheet containing the interview guide. The purpose of field notes and demographic data only served the purpose of fulfilling the sampling criteria and it was not used directly in the analysis. The respondents were explicitly asked about disclosure of their identity and they expressly agreed to it. No paper work was done in this regard due to cultural practice of Afghan where word of mouth carries the highest weightage while signed paper is not considered a honorable sign. Thus, trust relationship demanded that verbal expression and not insisting on the written paperwork. Managing such a critical and huge amount of voice data not only requires careful organization and backup but also needs setting up for the upcoming analytical step. Each file was named appropriately and throughout the analytical process the same code name were used.

### Data Analysis Framework - Grounded Theory

In exploratory research, the preferred approach for data analysis is grounded theory with a constant comparison method. This method allows for the discovery of novel, emergent themes and the comprehension of their underlying logic. Grounded theory, originating from the work of Glaser and Strauss in 1967, involves the systematic generation of theory through inductive interpretation. It is rooted in the philosophy of eliciting data in natural settings, prioritizing discovery over preconceived notions. Variants of grounded theory have since emerged, including the Glaserian and Strauss and Corbin approaches, which differ in their stance on preconceived theoretical frameworks. Glaser and Strauss originally advocated for an open and flexible approach, while Strauss and Corbin proposed a structured paradigm of coding, including open, axial, and selective coding. Another variant, Charmaz's constructivist grounded theory, focuses on shared experiences and co-construction of reality with respondents, going beyond theory verification and generation. Despite differences in flexibility

among these variants, their common aim is to inductively generate theory and understand social situated concepts. In this study, Charmaz's grounded theory method is employed for several compelling reasons. It aligns well with the evolving framework of honey entrepreneurs and their value chain, including elements of structuration theory and causation and effectuation. The flexible and analytical interpretive techniques of this method provide a more effective approach to address the study's research questions.

# **Data Analysis and Interpretation**

# **Initial Coding: Segmentation for Meaning**

The initial coding phase involved dissecting the qualitative data obtained from the interviews into meaningful segments, facilitating a deeper understanding of the underlying themes. Each passage was systematically reviewed and segmented into "chunks" of text, representing distinct themes. As illustrated in Table-1, excerpts from the data were paired with corresponding initial codes, signifying a preliminary categorization.

**Table-1: Initial Coding** 

Line	Understanding-based Interpretations	Initial Code
No.		
38	Business initiation in 1996 with 75 kg of honey	Business Start
42	With the interest of Arabs in the business	Social Duty
65	Yes, geographic location plays important role	Business Environment
76	Tribal affiliation has less part to play	Code of Conduct
107	Education plays a vital role in any business	Code of Conduct
138	With government support this sector can create.	Business Resources
151	The role of union is temporary	Code of Conduct
160	Competition is not good for market	Code of Conduct
170	Giving loan and helping them in time	Code of Conduct
185	The business environment in Pakistan is friendly	Business Environment

198	The future of honey business is bright	Business Environment
206	Do participate in welfare activities but	Social Duty
217	Conflicts are resolved by the union	Code of Conduct
225	Demand and production are observed	Business Environment
238	Islam and Pushtoonwali have influence	Business Resources
252	In 1998 I had one business deal	Social Duty
266	Quality in honey business is very important Business	Business Resources
	Resources	
276	Started with just 75 kg which cost me	Business Start
289	Would prefer business over job as 9 out of 10	Business Start
299	With government attention it will create jobs.	Business Resources
310	Thousands of bee keepers are in the business	Business Resources
325	With financial support this business can excel	Code of Conduct
322	Having faith, hardworking, keeping words	Code of Conduct
341	Security is the most important for every business.	Business Environment
352	Competition has positive effect on business	Business Environment
361	By imitating and watching each other in family	Business Start
370	Traveling to different part of the country	Social Duty

### **Axial Coding: Unveiling Interconnections**

The axial coding phase aimed to unearth relationships and patterns across the initial codes, leading to the emergence of overarching thematic categories. This stage enhanced the depth of analysis, revealing the intrinsic organization of the data. As outlined in Table-2, the identified categories encompass essential aspects of the honey business context.

**Table-2: Core Category Explanation** 

Core Category	Explanation
Business Start	Exploration of initial business setup

Code of Conduct	Unveiling ethical norms and conduct
Business Resources	Analyzing resources shaping business dynamics
Social Duty	Investigating social obligations within business
Business	Understanding external influences on business
Environment	
Reason for Business	Probing motivations driving involvement in business

# **Formation of Core Categories and Criteria**

The core categories were further defined and refined to ensure clarity and coherence. As depicted in Table-3, interpretations from diverse interviews were synthesized to comprehensively elucidate the essence of each core category.

Table-3: Formation of Core Categories and Criteria

Core Category	Interpretations
Business Start	Commencement, incremental growth
Code of Conduct	Adherence to ethical principles, conflict resolution
Business Resources	Role of trust, loyalty, and competition
Social Duty	Charitable endeavors with a preference for privacy
Business Environment	Afghan influence, market dynamics
Reason for Business	Profitability and personal motives

# **Exemplification: Code of Conduct**

To provide a comprehensive illustration, the "Code of Conduct" category, as exemplified in Annexure-1 is summarized as follows. This offers a clear demonstration of how varied interpretations contribute to the overarching thematic category.

**Table-4: Exemplification of Code of Conduct** 

Interview	Interpretations
No.	
2	Emphasis on Islamic business ethics, disputes settled through
	mediation by elders and dialogue
4	Valuing one's commitment as a strategy to avoid losses
11	Business ethics rooted in Islam and Pashtoon code, official transactions
	documented

This comprehensive example underscores the diverse facets contributing to the formulation of the "Code of Conduct" category.

## **Implications within Structuration Theory**

The axial-coded categories were subsequently aligned with the three constituents of structuration theory: Signification, Domination, and Legitimation. This theoretical integration facilitated the establishment of a strong connection between empirical findings and the theoretical framework, culminating in an enriched comprehension of the honey business dynamics.

**Table-5: Abbreviated Codes for Three Structuration Components** 

Component	Aspect	Aspect Type
Signification	Interpretive scheme	Communication
Domination	Facility	Power
Legitimation	Norm	Sanction

Adapted: (Hussain & Cornelius, 2009)

# **Findings**

The four interlinked themes provide novel insights into the micro and macro level dynamics of the nascent honey value chain developed indigenously by Afghan refugees in KP, Pakistan.

**Business Environment** 

The honey value chain is heavily oriented towards overseas exports rather than the domestic market. Gulf countries like Saudi Arabia and UAE have traditionally absorbed large export volumes. However, fluctuating oil prices and conflict in the Middle East create uncertainty and constrain market growth.

"The future of honey business is conditioned on government support and attention. We produce quality honey in demand in Gulf markets. But political uncertainty in those countries affects us. When resolved, it will help the business." (Retailer, Peshawar)

Cordial Pakistan-Afghanistan ties significantly enable cross-border trade and mobility of beekeepers between mountainous tribal areas straddling the porous border. Internal security challenges also constrain mobility and access to forests essential for quality honey production.

"Pakistan-Afghanistan issues should be resolved for smooth business."

Security hinders beekeeper movement to good production areas."

(Processor, Peshawar)

Minimal governmental involvement and lack of policy support, training programs, appropriate technology and export promotion constrain value addition, productivity enhancement and market diversification. However, growing domestic demand sustains the value chain despite overseas uncertainties.

"Government is not supporting this sector, but it has great potential in employment generation, incomes and foreign exchange if promoted properly." (Beekeeper, Mansehra)

#### **Government's Role**

Public sector agencies play critical roles in managing forest areas, controlling bee diseases, regulating quality standards, developing market infrastructure and promoting exports. Proactive policies and programmes can enhance sustainability, productivity and competitiveness.

"The government should facilitate access to forests, provide technology and open up new export markets." (Collector, Battagram)

Targeted interventions like skill training, enterprise financing and linking producers to buyers can have multiplier effects along the value chain. Public-private collaboration is needed to transition towards a structured sector.

"Proper government policies can enable large-scale production, value addition and competitiveness." (Retailer, Peshawar)

#### **Code of Conduct**

In the informal honey sector, cultural and religious values shape business practices and norms more than formal legal mechanisms. Truthfulness in transactions, keeping one's word, and fulfilling moral obligations are salient principles derived from Pashtunwali and Islamic codes of conduct.

"Your word is your bond here. Trust based on spoken commitments rather than legal contracts." (Processor, Peshawar)

Elder councils and trade associations mediate disputes and ensure ethical practices through customary frameworks like Jirgas. Relational networks underpin cooperation, with sharing of market information and helping even potential competitors. Ethnic ties among co-ethnics foster collaboration.

"We cooperate a lot. Help each other in solving problems through Jirgas." (Exporter, Peshawar)

Internal Market Structure & Dynamics

Initially dominated by Afghan ethnic networks, Pakistani entrepreneurs have gradually entered the honey trade, filling niches like retail and urban distribution. Growth has encouraged specialization, though some integrated businesses span multiple stages.

"Now more Pakistanis are in this business, not just Afghans." (Collector, Mansehra)

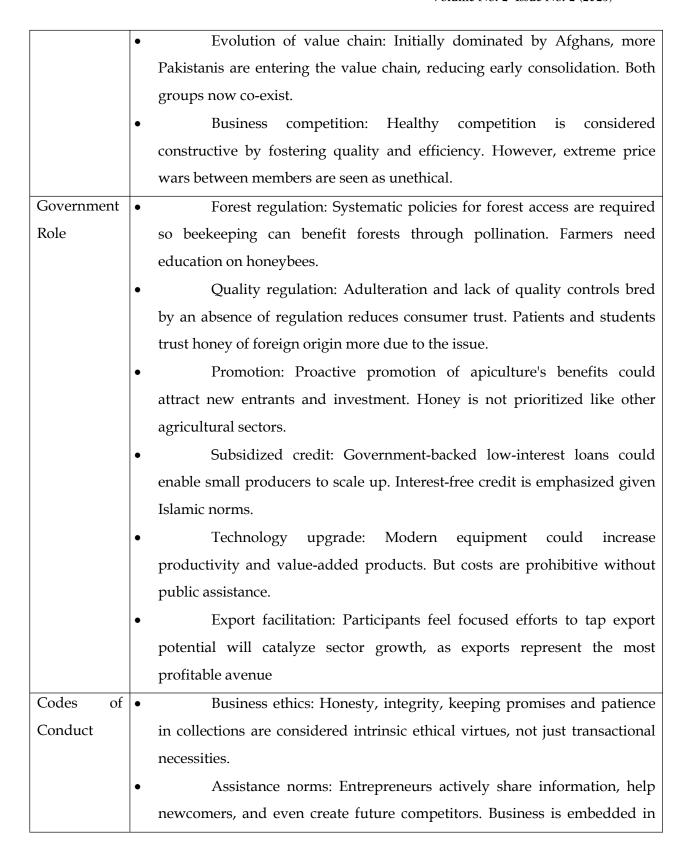
Increasing diversity and competition have eroded ethnic monopolies and mechanisms of collusion. But cooperative relationships prevail, with segmentation by quality and product differentiation emerging. The network structure retains flexibility to evolve according to changing conditions.

"People cooperate as well as compete here - it is a close-knit community." (Wholesaler, Peshawar)

The following table provides the summary of the findings as per the identified themes. These empirical themes surface crucial dynamics of an informal refugeedriven value chain. The discussion analyzes links to relevant concepts on entrepreneurship, embeddedness and value chains.

**Table-6: Summary of Major Findings** 

Themes	Major Findings	
Business	• Export orientation and Gulf reliance: The honey value chain caters	
Environment	predominantly to export markets, especially Gulf countries. Saudi Arabia,	
	UAE and Qatar represent primary destinations. This export focus makes it	
	vulnerable to economic and political uncertainties in the region.	
	Government support and diversification: Entrepreneurs believe	
	proper government assistance could tap unutilized potential and expand to	
	new markets like Europe and Asia. Currently public sector support in areas	
	like training, credit and promotion is viewed as severely deficient.	
	Security issues and mobility: Deteriorating domestic security	
	hinders mobility for migrant Afghan producers in particular. Restricted	
	movement and forest access due to security policies obstructs harvesting	
	and production.	
	• Regulatory obstacles: Random regulations on forests and	
	conservation add difficulties through fines, permit denial and confusing	
	policies. Some government agencies are seen as adversarial.	



community.

- Cultural code: Pushtoonwali provides the moral framework, including dispute resolution via Jirga's and emphasis on brotherly conduct. It generates binding social capital.
- Religious code: Islamic principles guide ethics and moderate conduct. Interest avoidance, fair dealings, and concern for poor reflect religious motivations.
- Education and training: Both modern education and religious instruction are seen as human capital assets imparting positive business virtues. Their lack is blamed for disputes arising from ignorance.

#### **Discussion and Conclusion**

Applying various key theoretical perspectives, we can better understand the intricate dynamics of the honey value chain in KP. Effectuation theory, as proposed by Sarasvathy (2001), elucidates the organic growth of this sector from the ground up, emphasizing the role of contingencies and co-ethnic partnerships in the absence of top-down planning. This approach encourages collective effectuation, allowing for the pooling of resources, such as finance, knowledge, and ethnic networks.

The concept of embeddedness, as outlined by Granovetter (1985), underscores how honey enterprises are deeply rooted in social relationships, local communities, and cultural norms. Co-ethnic ties among Afghan refugees play a crucial role in fostering enterprise development and governance, often supplanting formal structures. Refugee entrepreneurs leverage their embeddedness within family and community networks for capital mobilization, skill development, regulation, and problem-solving. Remarkably, the value chain structure has naturally evolved from these embedded exchanges, with minimal external institutional intervention.

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Adopting a value chain perspective reveals how entrepreneurial coordination aligns various activities such as input supply, collection, processing, and export to meet consumer demands (Kaplinsky & Morris, 2000). This perspective highlights the interdependencies and gaps across these functions, underlining that weaknesses in sustainable production or quality assurance can lead to inefficiencies downstream. Consequently, strategic value chain development becomes essential to optimize outcomes for all stakeholders while enhancing overall competitiveness.

The signification structures encompass how entrepreneurs interpret and make sense of opportunities in the honey trade. Notably, there is a growing recognition of the need to diversify exports beyond the volatile Gulf region by tapping into new international markets. Entrepreneurs also underscore the pivotal role of governmental support in enabling export growth and domestic promotion. Their diverse personal backgrounds have led them to view honey as a lucrative opportunity for economic mobility, self-expression, and social good, often facilitated by valuable connections and partnerships. At the same time, entrepreneurs express a high degree of dependency on government resources, particularly concerning forest access, regulation, and credit, which could significantly enhance productivity. Mobilizing social gatekeepers who control floral resources could also unlock quality honey production through education on the agricultural benefits of apiculture. Resolving trade and visa issues with Afghanistan and supporting exports would provide vital international resources. For the informal honey trade, legitimacy is heavily reliant on deeply embedded cultural (Pashtunwali) and religious (Islamic) codes of conduct, fostering trust, commitment, and dispute resolution. These shared moral frameworks create essential social capital, ensuring sustainability despite the informal nature of the trade.

In summary, signification structures represent the interpretive processes, domination deals with resource control, and legitimation governs ethical norms within this complex ecosystem. This exploratory study offers fresh insights into the honey value chain developed by Afghan refugees in Pakistan's Khyber Pakhtunkhwa province. Through in-depth interviews with 29 entrepreneurs, the study has unveiled valuable insights into business practices, networks, norms, and challenges. The findings illustrate the emergence of a burgeoning yet dynamic value chain driven by overseas exports, notably to the Gulf, but facing constraints due to political uncertainties in both foreign and domestic markets. Grassroots entrepreneurs have ingeniously established intricate production, trading, and distribution systems, firmly rooted in community ties and cultural values, even in the absence of governmental support. Nevertheless, persistent challenges such as limited value addition and weak regulation continue to impact the sustainability of this value chain. Future research endeavors can shed further light on mechanisms to enhance informal refugee value chains, with targeted initiatives aimed at bolstering entrepreneurial capabilities, fostering inclusion in ethical value chains, and promoting policy reforms, ultimately optimizing outcomes for vulnerable forced migrants striving to rebuild their precarious lives and livelihoods.

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# **Annexure-1: Exemplification**

Annexure-1: Exemplification
Interpretation Assigned to the Core Category of Code of Conduct Category: Code of
Conduct
Honey entrepreneurs should understand quality, be persuasive and tolerant
Interview No. 2
Only 10% follow Islamic way of business
Disputes resolved by elders' mediation and dialogue
Sincerity and commitment help business, not nationality
Healthy competition good; we have unhealthy
Verbal agreement generally enough
Help new entrants even if they become competitors
Don't like loans
Help new entrant is Islamic
Honesty most important in honey business
Keep your word, be patient with receiving back credits
No educating but memorized the Quran
Interview No. 3
Disputes arise due to illiteracy, union and elders solve them

Business run through Islamic and Pashtunwali code

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Faith, keeping words, hard work, honesty passion, tolerance is important for business

Family imitate and help each other

#### Interview No. 4

Betraying your words leads to losses

#### **Interview No. 8**

Honesty is v important for success

Its pure Business and follows Islam not Pashtunwali

Intertest and mortgage stops me form taking loan. Honey business is clean

#### Interview No. 10

Flourishing the business family

Locals and Afghans have rivalry.

Using immoral ways effects the good will. Market has solid competition.

Disputes are being solved through jirgas.

Business is run by the teachings of Islam and Pashtoon code.

#### **Interview No. 11**

In business profit matters more than nationality

Kind people don't create dispute and tussle.

Disputes are solved by elders.

Education and Islamic teachings are helpful in solving the problems.

It is a proud feeling to see your employees start their own business.

Transactions are recorded on letterhead.

#### Interview No. 14

Conflicts are solved through the union.

#### **Interview No. 15**

General behavior of people is friendly and not problematic

Sharing information and ideas to those needing.

Elders and union help in solving the problems, this needs to be recognized by

government and beekeepers.

## **Interview No. 18**

Union is weak.

People help each other

Shares beneficial ideas

#### Interview No. 19

People help each other

Shares beneficial ideas

### Interview No. 21

Nationality does not matter, honesty and sincerity matters.

Elders and experienced people say not to start new job until don't have knowledge of it.

Any advice needed I will honestly do.

### **Interview No. 22**

Ethnicity doesn't matter, experience and manners matter.

Local people and police demand money which effects the business.

Conflicts are solved through union and Jirgas.

Generally, people are religious and follow Islamic rules.

Good dealing, politeness, good manners, sincerity, brotherhood and investment is needed for business.

#### Interview No. 24

Disputes are solved through elders and union.

Islamic principles are followed in the business.