

Social upgrading or dependency? Investigating the implications of the inclusion of  
commercial wine farms within South African Fairtrade certification

By

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## Abstract

The South African wine industry is one of the oldest sectors of the country's economy, beginning in the early years of South African colonialism in the 17<sup>th</sup> century through the use of slave and slave-like labour. As an industry that has been defined by farm paternalism and dependency, the South African wine industry has had to demonstrate changes from its history of extreme racial and gendered exploitation to an industry that reflects the democratic values of a new South Africa. Ethical certifications are considered one way through which the post-apartheid South African wine industry can demonstrate that it has moved away from its historical practices and is now characterised by practices of decent work and social transformation. An important certificatory label that allows local wine producers entry into global wine production networks is Fairtrade International.

While Fairtrade certification is often reserved for small-scale producers, this certification has been extended to large-scale, commercial producers within the South African wine industry despite its history of farm paternalism and dependency. This research asks if this inclusion promotes decent work through social upgrading or if it offers a platform for the continuation of farm dependency under the guise of 'Fairtrade'. In this study, social upgrading has been defined through a 'bottom-up' approach that prioritises workers' independence as a key means of improvement. Four key pillars are applied as embodying the concept of social upgrading: regular employment with set working hours; legally enforceable worker rights; social protection through collective and individual bargaining power; and non-discriminatory social dialogue that promotes significant socio-economic progression. A key finding of this research is that practices of dependency and paternalism continue on some large-scale commercial farms, despite their Fairtrade certification. Furthermore, the findings suggest that the benefits that farmworkers receive lock farmworkers into their position on the farm with marginally improved conditions and cease if workers depart from the Fairtrade wine farm. This suggests that, at best, this inclusion of commercial farmers within Fairtrade certification appears to create a top-down form of social upgrading that locks farmworkers into their position on the farm with marginally improved conditions and beneath a glass ceiling of development. At worst, this Fairtrade inclusion facilitates a global poverty network through paternalism and dependency under the guise of 'Fairtrade'. As a result, where meaningful,

bottom-up social upgrading may occur on South African wine farms, the study suggests that this is despite the presence of Fairtrade and not a result of it.

## **Dedication**

To my nephew, Isaiah, I dedicate this thesis and accomplishment to you. There is no shortage of people that will tell you of all things that you cannot do, your inadequacies and idiosyncrasies. Being autistic, you inhabit your own space and time. Unfortunately, there will always be people that aim to fill your silences with their misconceptions, and answer your distinctiveness with their stereotypes.

My hope, in making this dedication, is to provide a challenge to those voices of doubt. I hope that I can be an example for you of what an autistic person can achieve. That beyond the difficulties of self-expression, the terrifying overload of the world outside and all the bizarre subtext that these neurotypicals seem to love so much, there is worth in your persistence. While the outside world hastily declares our state of being as a disorder and a limitation, I hope that this accomplishment will stand in defiance of those narratives.

While I hope to be an example of what an autistic person can do, I also hope to show you that none of this has been done alone. This accomplishment is as much the result of the support that I have received from the people around me than it is from my own effort. Living with autism in a world that is reluctant to accept or accommodate it can be as alienating as it is difficult. However, to quote Mitch Albom, ‘The only time we waste is the time we spend thinking we are alone’.

You inspired me to complete this project, and I hope that I can inspire your future accomplishments.

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To my dear mother, thank you so much for the countless sacrifices that you have made. You have given up so much and worked tirelessly to open the doors that have led me to this point. Thank you for being always being a positive example in my life. I aspire to gain the strength of character and dedication that I have always seen in you. I could not have done this without you. To my sister and brother, thank you for your unwavering support and belief in me. It is an incredible privilege having you as family, and I certainly would not be in the position that I am in without the sacrifices that you have made and the love and support that you have always offered me.

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Lastly, I am indebted to my research participants, who, despite a global pandemic, found the time to offer their respective knowledge and expertise to this study. It has been an incredible experience learning from and speaking to the participants of this project who have offered their voices to this study. I am grateful to you all for your openness and helpfulness throughout.

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## Acronyms and Abbreviations

AsgiSA	Accelerated and Shared Growth Initiative for South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BAWSI	Black Association of the Wine and Spirit Industry
BAWUSA	BAWSI Agricultural Workers Union of South Africa
BBC	British Broadcasting Corporation
BEE	Black Economic Empowerment
CEO	Chief Executive Officer
COVID-19	Coronavirus disease of 2019
CSAAWU	Commercial, Stevedoring, Agricultural and Allied Workers' Union
DA	Democratic Alliance
EFF	Economic Freedom Fighters
EWTC	Ethical Wine Trade Campaign
FTI	Fairtrade International
GCC	Global Commodity Chain
GEAR	Growth, Employment and Redistribution
GPN	Global Production Network
GVC	Global Value Chain
ID	Identity Document
ILO	International Labour Organisation
IPILRA	Interim Protection of Informal Land Rights Act
KWV	Ko-öperatiewe Wijnbouwers Vereniging van Zuid-Afrika
NGP	New Growth Path
RDP	Reconstruction and Development Programme
SAWIT	South African Wine Industry Trust
SKA	Swart, Kruger & Associates
UCIRI	Unión de Comunidades Indígenas de la Región del Istmo
UIF	Unemployment Insurance Fund
UN	United Nations
WIETA	Wine and Agricultural Ethical Trade Association
WOSA	Wines of South Africa

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Introduction**

The South African wine industry, as an industry historically characterised by the extreme exploitation of black and coloured farmworkers through paternalism and dependency, is now included as a key producer of Fairtrade wine in international global wine production networks (FLO-CERT, 2020). While Fairtrade certification is often reserved for small-scale producers, this certification has been extended to South African commercial wine farms (Jari et al., 2013: 67-70). In the South African context, commercial wine farms have historically been white-owned and remain mostly white-owned (Keahey, 2016: 411-414). The stated intention behind extending Fairtrade certification to South African wine farms is to incentivise commercial farms to adopt Fairtrade price floors and premiums and to provide workers with ‘fair’ working conditions, trade knowledge and inclusion (Jari et al., 2013: 67-70). However, some critical commentators have suggested that the relationships between farmers and workers on Fairtrade commercial wine farms are similar to the paternalistic relationships that existed in South Africa during colonialism and Apartheid (Keahey, 2015: 443-451; Kruger and Du Toit, 2007: 200-210; Bek et al., 2007: 315). This research aims to interrogate relationships between farm owners and workers on Fairtrade commercial farms, asking if these relationships are exploitative or constitute social upgrading in that workers are being made independent in their own development.

This research utilises a ‘bottom-up’ definition of social upgrading that prioritises worker independence. A ‘bottom-up’ approach to social upgrading entails workers being able to ameliorate their own conditions without institutional repression (Selwyn, 2013: 88). This kind of upgrading is embodied by four pillars: regular employment with set working hours, legally enforceable worker rights, social protection through collective and individual bargaining power, and non-discriminatory social dialogue that promotes significant socio-economic progression (Barrientos et al., 2011: 324-325). These pillars will form the basis from which the concept of social upgrading is used to assess whether the inclusion of commercial wine farms within the Fairtrade model improves workers’ lives.

Wine has been produced and exported from South Africa since 1655 (Ponte and Ewert, 2009: 1639). As an industry created through the use of slave labour, the abolishment of slavery

in 1834 saw the reconsolidation of colonial power and exploitation through the creation of farm paternalism, featuring commonly until the establishment of South African democracy (Campbell and Guibert, 2007: 223-224; McEwan and Bek, 2006: 1026). South African farm paternalism has historically entailed a system of control of black and coloured farmworkers by white farm owners wherein the latter group has dictated the socio-economic and spatial realities of such workers through an assumption of racial superiority (Keahey, 2015: 443-451). Commonly underpinning such paternalistic relationships is a sentiment of benevolence by farm owners, who present their authoritative control over the lives of their workers as being necessary due to their belief that black and coloured people are incapable of surviving without colonial intervention (Du Toit et al., 2008: 11). A key purpose of paternalism was to create a relationship of dependency, wherein farmworkers were left without option but to rely on farm owners for housing, wages, food and even medical care (Moseley, 2008: 294). Through the creation of these relationships of dependency, farm owners were able to maintain a consistent labour force under standards marginally different from slavery (Du Toit and Ewert, 2002: 91-94). Due to conditions like these, the international community imposed sanctions against South Africa during Apartheid. The introduction of democracy in 1994 allowed for the (re)entry of local wine producers into global production networks (Bek et al., 2007: 302-305). The Fairtrade label assists South African wine producers to enter global production networks by supposedly certifying that these producers have fundamentally changed their working conditions from the conditions previously internationally sanctioned (Keahey, 2015: 443-446; Ewert et al., 2005: 8).

The Global Production Network framework, which builds upon Value Chain research and World-Systems Analysis, offers important insights as to the global trade systems in which a democratic South Africa operates and the changes that local industries may consequently have to make. This framework can help to contextualise the Fairtrade certification of commercial wine farms in terms of historical racial power dynamics within farm paternalism as well as factors such as government worker representation, the involvement of unions as well as media representation. In doing so, this framework can help us determine whether the Fairtrade certification of commercial farms allows workers the freedom to improve their own lives through social upgrading or if it merely allows workers marginal improvements beneath a glass ceiling of dependency.

## **1.2 Objectives of Research**

The main goal of this research is to examine if the inclusion of commercial wine farms within the South African Fairtrade model results in social upgrading for the workers of such farms. In order to achieve this main goal, the study has the following sub-objectives:

- 1) To describe the conditions on South African Fairtrade certified commercial wine farms, as experienced by the farmworkers.
- 2) To investigate the individual experiences and perspectives of Fairtrade workers in relation to the subject of social upgrading.
- 3) To map out the production networks surrounding Fairtrade wine farms such as legislative policies, governance, media representation, union involvement and historical background that may serve to contextualise the themes that may emerge within this research.

## **1.3 Methodology**

A qualitative methodological approach has been selected as being a suitable framework for this project. In order to address these research objectives, the perspectives, opinions and experiences of research participants are needed. This research will utilise in-depth interviews as a key means of accessing these responses. This section will identify and expand upon this research process, explaining the method of participant sampling, access as well as the ethical considerations and the perceived limitations of the study.

Qualitative research describes a naturalistic methodological approach that provides an in-depth analysis of social phenomena within its natural context (Marshall, 1996: 524). This entails going beyond documenting the mere existence of social phenomena and instead exploring the reasons and implications for the existence of such phenomena (Hsieh and Shannon, 2005: 1281-1282). Qualitative research is conducted through direct contact with research subjects who are able to participate in the research through the provision of their experiences and perspectives regarding the research subject matter (Marshall, 1996: 522-524).

This research specifically examines social upgrading within the social context of commercial Fairtrade farms. As such, a qualitative approach is an appropriate methodology as it values social meaning as opposed to relying on supposedly value-free data. In this research, this entails defining social upgrading using the social meanings of research participants as opposed to evaluating the economic differences between Fairtrade and non-Fairtrade farms. FTI has extended its certification to South African wine farms as an incentive for commercial

farms to adopt Fairtrade price floors and premiums that will provide workers with fairer conditions (Jari et al., 2013: 67-70). This entails a process of social as well as economic upgrading for these farmworkers. Put in its simplest terms, the purpose of this research is to find if FTI's certification of South African commercial wine farms guarantees social upgrading for wine farmworkers. This research does not aim to provide a detailed factual account of the actual workings of FTI with description and analysis of FTI code content and detailed analysis of FTI monitoring/compliance evaluation practices or of the marketing of FTI products. Every aspect of discussion in this research relates to asking whether the FTI inclusion of commercial wine farms secures social upgrading for wine farmworkers as FTI standards suggest.

The originality of this research resides in its qualitative research approach. The aim of this study aims is to bring together a diversity of perspectives to explore whether the South African Fairtrade wine model brings social upgrading or dependency to farmworkers. This aim is best achieved through a qualitative methodology that recognises the importance of social meaning. Through emphasising social meaning, this research aims to explore the social power and independence of workers in relation to Fairtrade farm owners. In asking 'whose knowledge counts' in developing fair trade skills in South Africa, Keahey (2016: 413) notes that the knowledge and interests of black and coloured South Africans has been traditionally repressed by white elites. The qualitative approach adopted in this study directly challenges what has historically functioned as a norm. In characterising the South African wine industry, Du Toit et al. (2008: 6-7) argues that while this industry reports transformation, the industry has an extensive history as 'a byword for white power and black exploitation, notorious for its grim working conditions, poor wages, degrading institutions like the tot system, and authoritarian, racist white farmers'. Despite the claims of change, Du Toit et al. (2008: 7) argue that this industry has responded to calls for equitable change with attempts to contain and side-line these calls. Du Toit et al. (2008: 8) go on to argue that in light of this extremely racialised history, all of us are racially-situated in this conversation, saying:

Clearly, our perspectives are shaped by the fact that social judgement and the production of social knowledge is in South Africa a thoroughly 'raced' business: there is no space outside the contested terrain of transformation in South Africa where a 'neutral' and completely dispassionate judgement is possible.

In the contested terrain of transformation that is the South African wine industry, this study does not make a claim of neutrality. Some may argue that farm managers may provide an idealised narrative of their motives and practices, while workers and trade unions (as advocates of workers) may focus on problems, violations and illegitimate practices in the industry, with

the truth being somewhere between the two perspectives. However, Du Toit et al. (2008) has provided a key argument to measure against calls for neutrality in this industry. In a wine industry that has been defined by white power and black exploitation which contains and side-lines calls for transformation, an attempt to find a neutral, ‘somewhere between the two’ perspective may draw incomplete findings that are ultimately harmful to those that are vulnerable within this industry. In this study, where the experiences of farmworkers are central to the study’s research questions, workers are regarded as experts in detailing their experience. As such, the accounts of farmworkers in this study are regarded with respect and authority, with particular consideration that the wine industry is a context where such voices are ‘contained and side-lined’, as noted by key scholars such as Du Toit et al. (2008: 7). An important qualitative mechanism of this study is the analysis of participant perspectives and experiences to map out the context of Fairtrade global production networks. In this sense, the perspectives and experiences of farmworkers, trade unions, media representatives, stakeholders, farm managements, and international retailers are analysed in this study to provide a cohesive understanding of if the South African Fairtrade wine model promotes social upgrading or dependency.

I aim to further map out production networks within the research context beyond the mere identification of trade relationships and to instead examine the nature of these relationships. In this regard, a qualitative approach allows for the concept of social upgrading to be reconciled with its ideological predecessor of World-Systems Analysis within the framework of Global Production Network research. This is achieved through the examination of the positionality of South African commercial farms within international Fairtrade production networks, providing a comprehensive understanding of the social context examined within this research. A qualitative analytical approach is, therefore, a key aspect of the originality of this study.

This study seeks to produce analytical generalisations regarding the implications of the inclusion of commercial wine farms within Fairtrade certification. According to Halkier (2011: 789), analytical generalisations involve the highlighting of the significance of concrete empirical patterns in the case of a small qualitative sample that relates to larger systemic issues. In the context of this research, which investigates concepts of social upgrading and dependency, it is necessary to provide an extensive analysis of individual participant responses to provide an understanding of abstract social meanings and nuanced power dynamics. While this form of analysis involves a smaller participant sample size, this does not mean that the outcomes of this research are not generalisable. FTI’s impact on the South African wine



industry comes from the provision of Fairtrade certification, verified through independent auditing by FLO-CERT (Murray and Reynolds, 2007: 19). Due to the small sample size of this research, it is not possible to make large generalisations such as to say that all South African Fairtrade wine farms promote (or undermine) social upgrading. However, this does not mean that no generalisation at all is possible. If the qualitative feedback provided by participants indicates problems of dependency, then we can conclude that the introduction of Fairtrade on South African wine farms does not guarantee social upgrading. Similarly, if the participants point to instances of social upgrading, this indicates that social upgrading is at least possible within the Fairtrade model.

### **1.3.1 In-Depth Interviews**

As a qualitative approach is utilised in this research, two factors are pertinent to conducting the research of this project: appropriateness and adequacy (O'Reilly and Parker, 2013: 192). Within a qualitative methodology, the depth of research is prioritised over the quantity of data. As an application of this principle, in-depth interviews have been identified as an appropriate means of conducting research as they help identify the social meanings of research participants, which are important to the depth of research information (O'Reilly and Parker, 2013: 192-193). In-depth interviews took place through the creation of an interview schedule of questions for each group (farmworker, trade union, media, Fairtrade farm management, stakeholders in the wine industry) prior to the interviews. Where possible, with the only exception being farmworker interviews, the interview questions were sent to the participants prior to the interview (see Appendices for the interview schedules). While I was unable to provide farmworkers with their interview schedule prior to meeting with them, due to issues of accessibility, I provided the farmworker interview schedule to CSAAWU as the union representatives of the interviewed farmworkers. I emphasised to all participants who received an interview schedule that its purpose was to provide an idea of the questions that I would ask. The interview itself occurred through organic conversation. This meant that while the respective interview schedules served as a guide, participants were open to talking about any issue that they would like to discuss and that I would follow up on certain subjects brought up in conversation.

In engaging with participant interview responses, I have utilised interpretivism as an epistemological approach. This approach forgoes assumptions of fixed social realities and instead critically analyses participant constructions of the research subject matter (Williams,

2000: 218-220). While the South African Fairtrade model has provided clear specifications of how its standards are to be implemented by farms adopting its label, further regulated by the operation of FLO-CERT, the reality of the Fairtrade model's implementation within the South African wine industry is recognised as being shaped by various interpretations (Kruger and Du Toit, 2007: 200-210). These interpretations of the impact of the Fairtrade inclusion of commercial wine farms may differ as a result of positionality, as the perspective of a farm owner may be incongruent with the perspective of a farmworker, particularly due to the differing vested interests between these groups. This relates directly to the subject of analysis itself as the use of social upgrading as a marker of meaningful development for workers requires an examination of factors such as social relationships and power dynamics that remain difficult to quantifiably measure (Barrientos et al., 2011: 324-325).

In further consideration of positionality, it is important to recognise my position as not only a researcher but as a coloured man examining an industry that has historically been oppressive towards black African and coloured people. While objective impartiality remains beyond my grasp within this context, I have aimed to approach this research being cognisant of my own subjectivity and how that may shape my interactions and perceptions of research participants and context. Warren (2010: 242) notes that within a qualitative methodology, the researcher is the 'research instrument' that constructs knowledge with those researched. For this reason, it is crucial to a qualitative methodology to acknowledge one's positionality within a research context as the process of constructing knowledge with research subjects is shaped by one's own values, understandings and experiences (Warren, 2010: 242-243). Calderón (2007: 192) argues that the idea of positionality acknowledges markers of relational positions (gender, race, sexuality etc.) that form our identity and recognises that we exist within complex social structures that results in an intersectionality of privilege, power and prejudices. This suggests that acknowledging one's positionality is a matter of recognising the social and structural reality of the research context. In this sense, the researcher can aspire to objectivity but is incapable of fully achieving it. The failure to acknowledge the issue of positionality may therefore subject the research information, as constructed with research subjects and interpreted by the researcher, to the blind spots of the latter individual.

In terms of my positionality, markers of my identity, such as, for example, being a man, may create certain blind spots as I can only speak *of* and not directly *to* the experiences of women. As a coloured person who is aware of the history and living legacy of the wine industry, I may hold unconscious biases in engaging with an industry that continues to be overwhelmingly white-owned. Through recognition of the importance of positionality, the

researcher is better served to realise their own blind spots and challenge their own biases. In light of this, interviews conducted within this research are not expected or desired to elicit objective and indisputable truths regarding the goals of this research. The purpose of in-depth interviews within this project is to instead gain an understanding of the perspectives of participants regarding the inclusion of commercial wine farms within the South African Fairtrade model.

Through analysing the knowledge gained from participants as interpretations of social realities, this study is then able to grant experiential knowledge conceptual validity that is otherwise lost in the isolated analysis of economics and policy. In asking if the inclusion of commercial Fairtrade farms provides social upgrading for workers, the epistemological approach of this research, therefore, allows for a receptiveness towards issues such as dependency that may not be specifically mentioned by participants but instead identified through the interpretation of participant interview responses (Williams, 2000: 218-220).

### 1.3.2 **Sample**

Research participants were identified through snowball sampling. Snowball sampling entails research subjects being initially selected according to their relevance to this research, with further participants coming through the recommendation of prior participants (Marshall, 1996: 523). The responses of these participants will be methodologically triangulated through comparison to provide a comprehensive understanding of and credibility to the social context of this research (Hsieh and Shannon, 2005: 1280). As this research is framed by a qualitative approach, emphasis is placed on the quality of the participant responses rather than the consideration of data quantity. This entails a detailed exploration of participant perspectives and experiences, requiring a smaller participant size that may allow for participant responses to be explored in-depth (O'Reilly and Parker, 2013: 192).

The trade union selected for this research is the Commercial, Stevedoring, Agricultural and Allied Workers' Union (CSAAWU). CSAAWU has been selected on the basis of its accessibility as well as its extensive work in advocating for farmworkers, which has gained international recognition for its impact (onon-Stiftelsen, 2020). Thirty farmworkers working on five anonymised Fairtrade farms have been selected for in-depth interviews. This sample size was dependent on the access provided by the trade unions by referral. A sample size of thirty workers has allowed for an in-depth analysis of individual participant perspectives as well as comparisons to be drawn in worker experiences. All of the workers identified as being

coloured and (with the exception of one participant) communicated in Afrikaans. Eighteen of the workers were men, and twelve were women. South African racial discourse has been shaped by distinctions between ‘white’, ‘African’, ‘coloured’ and ‘Indian’, with the ‘coloured’ category referring to a creolized cultural grouping consisting of descendants of enslaved people, Khoisan people and people of other groups (Du Toit et al., 2008: 7). Five farms were accessed for this research, all in the Cape Winelands. Further details of the farms will not be mentioned to protect the anonymity of the workers.

Wine producers and managers at Du Toitskloof, Origin Wine and Spier Wine were also interviewed to allow for the inclusion of farm owner perspectives and experiences of the South African Fairtrade model. A very important point to note is that no workers of Du Toitskloof, Origin Wine or Spier Wine have been consulted in this research. Doing so would have a high likelihood of endangering the anonymity of the farmworkers. Instead, farmworker participants have been accessed from five Fairtrade farmworker communities that will remain entirely anonymous throughout this research. All of the workers interviewed for this study resided on one of the five aforementioned farms, as outlined in Appendix A.

FTI and FLO-CERT have been requested to participate in this study but have ignored these requests and refused to engage with the project. Stakeholders in the wine industry interviewed for this study include representatives from the Wine and Agricultural Ethical Trade Association (WIETA), Wines of South Africa (WOSA) and Swart, Kruger and Associates (SKA). WIETA is a prominent South African certificatory system that offers an in-depth understanding of the certificatory processes and auditing requirements practised in the wine industry. WOSA is responsible for marketing South African wines to international markets, offering a perspective of global wine production networks. SKA is an organisation that is enlisted by local wine farms to assist in getting the farm ‘certification ready’ and maintaining certification standards thereafter. The international retailers of Fairtrade wine forming part of the study are the respective alcohol state monopolies of Alko (Finland) and Vinmonopolet (Norway). These retailers have offered key insights regarding the procurement of South African Fairtrade wine and the expectations of their respective monopolies and consumers. The final research participant is Tom Heinemann, the creator of the Bitter Grapes documentary, who has extensive experience of the South African wine industry. A list of all the interviews conducted is provided in Appendix A.

### **1.3.3 Gaining Access to Research Participants**

The access of participants for this research has been impacted by the COVID-19 pandemic. As such, interviews, where possible, have been conducted via phone call, email and video conferencing. These interviews include those with Mr Heinemann and with the representatives of Du Toitskloof, Origin Wine, Spier Wine, WIETA, WOSA, SKA, Alko and Vinmonopolet. These participants were approached through an email that detailed the objectives of this research, outlined the interview questions and explained the respective participant's place within this research.

In line with the easing of national lockdown regulations, which permitted travel between the provinces, farmworker participants were accessed through in-person interviews. All farmworker interviews were conducted alongside Boitumelo Ramahlele, a representative of CSAAWU. As many farmworkers live on the farms where they work, such farmworkers can be difficult to access especially as many farmers control access to their farms. In order to access farmworkers, I worked with the trade union which was able to facilitate such access. An alternative would have been to request access from farmers, but this option might have placed farmworkers at risk if they spoke negatively about the farm. A limitation of using a trade union such as CSAAWU as a gatekeeper for the access of farmworkers is that the workers included in this study have been subject to the selection of the trade union. While Mr Ramahlele made attempts to promote fairness in the inclusion of workers by attempting to facilitate interviews with all of the workers available on the respective farm communities at the time of the interviews, the selection of these communities and timing of the interviews was still at the discretion of the union.

Farmworker interviews took place at the homes of workers, implementing practices of social distancing, face masks and hand sanitisation. A difficulty in accessing farmworkers is the expectation of permission by the farm management, as farmworkers are considered by the management to reside on the private property of the farm owners. Farmworkers were therefore accessed through Mr Ramahlele arranging to enter the various farms through contacting the respective farm managements a few days prior. The entire interview process of farmworkers, which includes the process of explaining the research process and gaining consent, was conducted in the first language of the farmworker participants. As a result, all of the farmworker interviews (with the exception of one English speaker) were conducted in Afrikaans and were directly translated by Mr Ramahlele.

In regard to the length of in-depth interviews, a decisive factor that dictated interview length was the time available to be allocated by the participant for the purposes of the interview.

Further, the length of the interviews was influenced by the comfort and receptiveness of participants. As a result, interviews were conducted over the course of thirty to sixty minutes. Interviews were conducted only once, with follow up questions being conveyed via phone call and email where necessary to ensure clarity in participant responses.

#### 1.3.4 **Ethics**

This research has been conducted under the ethical guidelines set by the Rhodes University Ethics Committee. It includes the participation of a trade union, Fairtrade farmworkers, Fairtrade wine farms, stakeholders in the South African wine industry and international Fairtrade wine retailers. The risk posed to CSAAWU within this research is considered to be low as the information requested from the trade union regards their ordinary functions, which are public in nature. With regard to Alko and Vinmonopolet, there is little concern of risk as these are respectively state-owned alcohol monopolies. For WIETA and WOSA, these organisations are of little risk in their inclusion in this research as both respective representatives have emphasised the need for open communication and transparency as being beneficial rather than imposing harm. Mr Heinemann is a highly prominent figure in the wine industry due to the Bitter Grapes documentary, which asserted the claim of modern-day slavery as imposed onto farmworkers. As a result, little risk is posed to Mr Heinemann for his participation in this research. The risk posed to farm owners is that if their farms are found to not meet the standards defined as 'fair' by Fairtrade International, this may create issues with the farm's certification. However, as these farms claim to meet FTI standards and were not compelled to participate in this study, this risk is acceptable. In consideration of risk, this study is most concerned with the protection of Fairtrade farmworkers that participate in interviews, as this research concerns their place of residence and employment. The main risk posed to workers is their participation being exposed to their employer (farm management). The danger presented within this is potentially the loss of employment and or living space.

The research design of this project has been structured with the risks posed to Fairtrade farmworkers being a key consideration. A primary means of risk protection of farmworkers utilised in this research is anonymity. In this research, no reference is made to the actual names of farmworkers or to the names of the farms on which they work, with pseudonyms instead being used to refer to farmworkers as signified by an asterisk (\*). Pseudonyms are used only for farmworkers. The real names of all other, non-farmworker participants are included in this study, with their permission. The purpose of including the real names of CSAAWU

representatives and Tom Heinemann is to recognise their work, as to regard their work in the industry without acknowledging them, would be a disservice. The names of three respective farm and co-op management members, as well as stakeholders in the industry, have been included for the purpose of acknowledging their willingness to engage with researchers and directly face potential scrutiny. Unfortunately, Du Toitskloof, Origin Wines and Spier Wines are rarities in the Fairtrade wine industry, in openly engaging with researchers regarding their operations. This transparency should be recognised and distinguished when compared to their peers, who declined to be interviewed. Footnotes will also be used to reference the details of the respective research participants where such clarity is needed. Details specific to the farmworkers that may serve to identify them are omitted from this research, and the identity of any individual farmworker will not be referenced. While the autonomy of the participant presents a pertinent concern within the research project and poses risks, the autonomy of worker participants should be respected and workers should be assumed to be able to understand such risks in providing informed consent.

#### 1.3.5 **Limitations of Study**

Within this research, there are two factors that may be considered to be limitations, and these are the qualitative nature of this research and the sample size of participants. This first of these perceived limitations are observed to be the most pronounced. This research has prioritised social upgrading as a key marker of development within the livelihoods of farmworkers of commercial Fairtrade wine farms. This has grounded the analysis of this research in the examination of power dynamics, qualitatively examining social meanings such as bargaining ability, social protection and security as markers of dependency (Barrientos et al., 2011: 324-325). Dependency is identified by this research as a concept that shapes the capacity of historically exploited groups to develop socio-economically (Keahey, 2016: 414). However, a qualitative analysis such as will be provided in this study does not provide quantifiable measurements and instead relies on the perceptions of participants. This may be viewed as a limitation as the participant responses are only able to offer experiential perspectives, instrumentally shaped by the positionality of the participant and which may be inconsistent with other participants occupying different positions. Particularly as this research prioritises the views of workers as the producers of knowledge regarding the implications of FTI's inclusion of commercial wine farms within South Africa, a limitation may be assumed to be the danger of this research being susceptible to the biases and/or ignorance of worker

participants (Jari et al., 2013: 67). However, this research has not aimed to map out a single path of worker development or an objective, numbers-based understanding of the success of the Fairtrade model within the South African wine industry. Instead, this research has aimed to document worker experiences and perceptions, recognising and respecting the capacity of workers to understand the complexity of their context and identify their own needs of development.

A second limitation of this study may be perceived to be its sample size as this research aims to make a statement about the current Fairtrade model's propensity to create social upgrading among the workers of commercial wine farms while only interviewing a sample of thirty workers. While this may be perceived as being a small number of workers to draw a conclusion from, a larger sample size would ultimately undermine the purposes of this research in providing social meaning to trade relationships. The purpose of this sample size, as well as its qualitative approach, is to provide an in-depth analysis of what Fairtrade certification has meant for workers as well as what their perceived trajectory is in what forms their definition of social upgrading. To analyse a larger sample size would therefore undermine the individual accounts of workers as it would become impossible to explore individual meanings and experiences of workers with the necessary depth (Hsieh and Shannon, 2005: 1278). More so, this research has accounted for the need to elaborate on the context of commercial Fairtrade wine farms through the inclusion of the various aforementioned research participants, which, as additions to the accounts of workers, are intended to create a balance in the perspectives regarding this study's key objectives.

A further limitation of this study is that it does not compare Fairtrade certified and non-certified wine producers, nor is it longitudinal in that it does not track the changes made by wine producers following their certification. Such comparative and longitudinal studies may produce many insights regarding the impact of the Fairtrade certification for wine producers and farmworkers. Fortunately, these limitations are not necessary to achieve the goals set by this study. This study aims to discover if the Fairtrade certification of South African wine producers guarantees social upgrading for farmworkers. This goal does not require a comparison of Fairtrade and non-Fairtrade farms nor a comparison of the operations of the farms before and after the Fairtrade certification. All that is required is a direct examination of whether Fairtrade certification guarantees the social upgrading of farmworkers on certified farms.



#### 1.4 Structure of the Study

This study is organised into eight chapters. Chapter One has served as an introductory chapter that identifies the main and sub-objectives of this research and details the methodology implemented in this study which is encompassed by a qualitative approach.

Chapter Two and Three discuss the theoretical foundations and context of this study. Chapter Two highlights the history of the Global Production Network framework from World-Systems Analysis to Global Commodity and Value Chain research. In doing so, Chapter Two expands on the concept of social upgrading within a Global Production Network framework. Chapter Three explores the theoretical context and history of the Fairtrade label from the early years of the fair trade movement to the current structure of Fairtrade production networks, which have been extended to large-scale, commercial wine farms in South Africa.

Chapter Four explores the background and context of the South African wine industry, from the establishment of wine grapes in the colonialization of Cape to the modern socio-political environment which surrounds the wine industry. In this chapter, I discuss the concepts of farm paternalism and dependency, which I identify as being antithetical to the concept of social upgrading.

In Chapter Five, I link the previous chapters through the examination of the Fairtrade production networks, which have been created through the inclusion of large-scale, commercial South African wine farms in Fairtrade certificatory standards. This chapter highlights important issues regarding the structure and operation of Fairtrade wine production networks. In considering Fairtrade wine production networks, I discuss the Fairtrade certificatory process and costs, the undervaluing of South African Fairtrade wines, as well as the issue of transparency in the South African wine industry.

Chapter Six focuses on the experiences of the media and trade unions as a part of Fairtrade wine production networks. In this chapter, I identify these experiences and perspectives of the media and trade unions as crucial to social upgrading. In highlighting the experiences of Tom Heinemann surrounding his *Bitter Grapes* documentary and the experiences of the trade union CSAAWU, that represent the workers of Fairtrade-certified wine farms, I identify important issues such as the use of labour brokers, co-option of the Fairtrade label and efforts made against collective action which suggests practices of exploitation on certain Fairtrade wine farms.

In Chapter Seven, I explore the experiences of farmworkers on Fairtrade-certified farms through the four pillars of social upgrading. These pillars are: regular employment, worker rights, social protection and social dialogue. In this chapter, I deal directly with the main

question of this research which asks if the inclusion of commercial wine farms in Fairtrade certification standards promotes social upgrading or dependency for farmworkers. In doing so, I highlight concerning suggestions of hard and soft paternalism, which appear to indicate issues of dependency.

Chapter Eight concludes this study by restating the context and goals of this research, followed by a summary of the research findings, which addresses the key question of whether the inclusion of commercial South African wine farms in Fairtrade certification promotes social upgrading or dependency.

## **CHAPTER TWO: THEORETICAL CONTEXT**

### **2.1 Introduction**

In order to thoroughly explore the impact of the inclusion of South Africa commercial wine farms within Fairtrade certificatory standards, it is necessary to examine the production networks surrounding this industry. The production networks which surround these farms play an integral role in either exacerbating existing issues of farm dependency or in promoting social upgrading. This study uses Global Production Network analysis to better understand these networks. In this chapter, I discuss the predecessors of the Global Production Network analysis, the analytical lens of this approach, and the related World-Systems Analysis, Global Commodity Chain and Global Value Chain research. In doing so, this chapter will explore the dark value that has historically been produced in production networks and which has given rise to the broader fair trade movement in response. This movement emphasises the importance of social upgrading as a key component of decent work. Importantly, this chapter will differentiate between ‘top-down’ social upgrading and ‘bottom-up’ social upgrading, regarding the latter as essential to the success of Fairtrade International’s inclusion of commercial wine farms within Fairtrade certification.

### **2.2 Fairtrade Production Networks**

Fairtrade International (FTI) aims to restructure trade networks in a manner that is considered to be fair to producers and workers and which will promote social development through economic transactions using consumer purchasing power as a driving force (Levi and Linton, 2003: 408-409; Keahey et al., 2018: 26). This mission is couched in the understanding that powerful actors shape trade relationships in a manner that may be exclusionary or exploitative of marginalised and disempowered groups (Robbins, 2013: 246-247). FTI has focused mostly on small-scale producers, providing them with an opportunity to be certified as Fairtrade producers if they meet the necessary criteria (Jari et al., 2013: 67). However, Jari et al. (2013: 67) explain that the South African wine industry presents a departure from this practice as FTI has extended the adoption of its label to large-scale, often well-established commercial wine farms. While the certification of commercial wine farms is distinct from FTI’s standard

certificatory practices, it is intended to remain consistent with the central aims of the fair trade movement while adapting to the unique context of the South African wine industry (Herman, 2012: 1123-1124). However, the question remains if the certification of commercial, predominantly white-owned wine farms is likely to improve the lives of farmworkers or to perpetuate or even exacerbate South African dependency and paternalism.

FTI's certificatory and labelling methods present a complex picture of trade relationships showing how trade does not just involve producers and sellers but rather entails a complex global production network involving numerous groups ranging across the world (Levi and Linton, 2003: 408-409). This is particularly important to recognise within the South African context as the implementation of South African democracy has seen the removal of international trade sanctions and the insertion of the South Africa economy into international global production networks (Bek et al., 2007: 302-305). In considering the implications of Fairtrade's certification of commercial wine farms, the re-entry of the South African wine industry into international trade is a pertinent factor (Jari et al., 2013: 66-68).

In unpacking this question of impact, it is crucial to identify an appropriate analytical framework that can take into consideration the processes of Fairtrade production networks as well as the internal and contextual factors surrounding commercial Fairtrade wine farms. Dependency theorists have provided the groundwork for the analysis of global production networks and their relationship to social development. They argue that global capitalism brought about development in core nations (the Global North) in the World-System through the underdevelopment of peripheral nations (the Global South) (Arrighi and Drangel, 1986: 11-12). This perspective provides the foundation for World-Systems Analysis which maps out global commodity chains and which eventually inspired the Global Production Network perspective, which links global trade and social development through concepts such as social upgrading (Coe and Hess, 2007: 2). Through the exploration of the predecessors to the Global Production Network perspective, we might better understand how Fairtrade certification came about and how it functions. I begin by looking at World-Systems Analysis as this approach has helped us to understand the relationship between development in the Global North and underdevelopment in the Global South. World-Systems Analysis is particularly helpful for understanding the Fairtrade movement, as it introduces the idea of commodity chains (Coe and Hess, 2007: 2).

### **2.3 World-Systems Analysis**

World-Systems Analysis emerged as an inter-disciplinary examination of the global markets that have been constructed as the platform for capitalist exploitation (Wallerstein, 1976: 345). Wallerstein (1976: 345) describes World-Systems Analysis as avoiding the disciplinary restrictions of theory by empirically examining global divisions of labour in terms of political and cultural structure and thereafter exploring the theoretical implications of these empirical findings. Consequently, World-Systems Analysis provides a single overarching social, economic and political framework that is not bound by sociological, economic, political or historical disciplines but may be analytically informed by such disciplines in examining empirical knowledge of divisions of labour within the world-system. Wallerstein (1976: 346-350) explores historical economic shifts, discussing early unstructured mini-systems, which were followed by what he calls world-empires and thereafter by a world-economy that has structured the current world-system.

Mini-systems describe small, self-sufficient societies (Lane, 1976: 518-519). Wallerstein (1976: 346) describes mini-systems as lacking technological sophistication and being susceptible to conquest by outsider groups. World-empires are larger social systems than mini-systems and are characterised by political unity that distributes resources as well as extracts value from outlying districts (Wallerstein, 1976: 346-348). As the most complex social system, world-economies do not feature a unified political system but operate through a single division of labour dispersed across numerous cultures. Value generated within world-economies is distributed in accordance with markets, which are subject to control by capitalists (Wallerstein, 1976: 348-349). For Wallerstein (1976: 346-348), the use of the term 'world-system' is intended to describe the global divisions of labour as the summation of various units, likening the world-system to an organism that may change over time from world-empires such as those of Rome or China or world-economies as initiated by 16<sup>th</sup>-century colonialism. Simply put, world-systems describe the structure of global divisions of labour. The mini-systems that have existed for most of history did not constitute a world-system as the lack of political and cultural sophistication meant they were unable to structure divisions of labour in any distinct global pattern. Wallerstein's (1976) world-empires do not each necessarily extend across the whole globe but are able to exist alongside each other as well as alongside mini-systems in other parts of the world. While there were distinct politically structured labour divisions within the empires of the world at this time, these divisions varied from empire to empire and were inapplicable to the mini-systems outside of these empires. Finally, a world-economy is characterised by a single division of labour despite the absence of an overarching political

unity. The current system, which began with 16<sup>th</sup>-century colonialism, is considered by Wallerstein to be a world-economy.

According to World-Systems Analysis, the concept of individual national development is a fallacy as all contemporary societies are affected by the global mobilisation of resources within a world-system (Selwyn, 2016: 1770-1771). For Wallerstein (1976: 349-352), the European world-economy from the 16<sup>th</sup> century onwards absorbed the mini-systems, world-empires and other world-economies throughout much of the world through the colonial accumulation of capital. As the extraction of capital was instigated by and intended to serve European colonists, the 'core' of the world-economy was established there (Hopkins and Wallerstein, 1977: 115-117). It is important to note, however, that in the discussion of core-periphery nations, the overlap between the categories coloniser-colonised and the categories core-periphery should not be read to mean that the core-periphery distinction is just another way of describing colonial relationships. These concepts describe distributions of power which might differ at various historical moments. That being said, the concept of core-periphery relationships is useful to understanding the power dynamics at play during the colonial period. This means that while Wallerstein (1976: 350) discusses Europe as related to the 'core of the system', this is an example that speaks to the principle of core-periphery relationships, but core-periphery relationship can exist independently of colonial relationships. Sites of colonisation formed examples of a 'periphery' of the world-economy, as its resources were extracted towards the core (Lane, 1976: 519). While this seems largely consistent with Dependency Theory which describes the existence of 'cores' and 'satellites', World-System analysis further recognises the existence of a 'semi-periphery' (Hopkins and Wallerstein, 1977: 115-117). The 'semi-periphery' is noted to exist as a site of exploitation similarly to the periphery, but, often due to settler-colonial patterns, the semi-periphery retains some capital unlike the periphery and further engages in a degree of peripheral exploitation (Lane, 1976: 519-520). An example of a 'semi-peripheral' nation is South Africa, wherein colonial-settler patterns have resulted in a monopolisation of economic, spatial and political capital within the nation itself. The position of powerful South African actors serving as intermediaries to the world-economy makes South Africa fit Hopkins and Wallerstein (1977: 115-117) description of a 'semi-peripheral' nation.

The term 'commodity chain', which is key to this study, came about as part of World-Systems Analysis. Hopkins and Wallerstein (1977: 128) coined the term as a means of tracing the process whereby commodities are created, including the procurement of the raw materials, the transportation mechanisms, the labour input within the manufacturing process and the sale

production processes. As a world-system has previously been described as a structure of division of labour, commodity chains signify the linkage of a single chain of labour within the modern world-system. In the examination of Fairtrade wine production networks, it is important to recognise World-Systems Analysis as the starting point of the examination of a world-economy which has inspired the adaptation of the commodity chains concept by three generations of what is collectively referred to as Value Chain research. Value Chain research includes research on Global Commodity Chains, Global Value Chains, and Global Production Networks.

#### **2.4 Global Commodity Chains**

Through the efforts of researchers such as Gereffi (1999a), Global Commodity Chain research adapted the concept ‘commodity chains’ from World-Systems Analysis as a means to understand the seemingly interconnected post-World War Two global system. Amidst the devastation of the Second World War and in the arduous task of rebuilding after the destruction, it became increasingly evident that, through technological innovations in transport and communication, what was being reconstructed was not a world of isolated nation-states but an interconnected global system (Bernstein, 2006: 52). Bernstein (2006: 52) notes that although the Second World War was not a starting point of the worldwide interconnection of people, business enterprises and governments, it brought forward the concept of globalisation as an inevitable reality of human development. Scholars such as Gereffi (1994: 95) describe the period following World War Two as one characterised by rapid internationalisation. As a result of the technological innovations and cross-national interaction of this period, economic activity became increasingly international and more organised (Gereffi, 1994: 95). Global trade networks were established across large geographical areas, which enabled production to become an international process, whereby the production process takes place across multiple nations in varying stages of production (Coe and Hess, 2007: 2-4).

Within this interconnected global system, some nations have been observed to excel. Most notably among those to thrive within the globalised economy, East Asian nations such as Korea and Taiwan have excelled through an orientation towards export, with this success seeing such nations labelled as Newly Industrialised Nations (Bair, 2009: 28; Bair, 2005: 153). What is significant in the emergence of the ‘East Asian miracle’ is the embrace of international trade networks as an instrumental part of establishing and supporting the economies of these nations (Gereffi, 1999b: 37-38). In contrast, several Latin American nations suffered

economically in the post-World War Two period due to their adoption of state-led industrialisation models (Bair, 2005: 170). The result was the 1960s being labelled as a 'lost decade' for Latin American nations (Valenzuela and Valenzuela, 1978: 543-550; Bair, 2005: 170). For Gereffi (1999b: 37-39), the disparities in economic success between nations that embraced globalisation and those that failed to do so reveal how globalisation has become a pertinent feature of modern society, critical to national development. Within this, Gereffi (1999b: 41) highlights that in global capitalism, economic activity is international not only in scope but in organisation, emphasising the importance of analysing the competition and complexity of globalised economic activity.

While Hopkins and Wallerstein (1977: 128) may have coined the term 'commodity chain' and grounded it within World-Systems Analysis, their use of the term remains distinct from what came to form the framework of Global Commodity Chain research. Global Commodity Chain research has used commodity chains as a means of understanding post-war internationalisation so as to understand how internationalisation affects a country's development prospects, whereas World-Systems research is more critical of development and capitalism (Bair, 2005: 155-156). For World-System researchers, the purpose of identifying commodity chains is to illustrate the perpetuation and reproduction of a hierarchal and exploitative world-system that has been established by a colonial world-economy (Arrighi and Drangel, 1986: 11-12). World-systems researchers use the concept 'commodity chains' to demonstrate how the global capitalist division of labour perpetuates exploitation. However, scholars like Gereffi (1994) use the term differently. Their usage is more focused on the economic processes which form commodity chains and does not focus significantly on questions of inequality and exploitation.

As a key figure within the Global Commodity Chain framework (GCC), Gereffi (1999a: 1-3) adapted the concept of commodity chains to map out the network connections between manufacturers, suppliers and subcontractors within a global economy as a means to understand capitalist production and positional improvement. He sought to identify the actors and producers (commercial enterprises) involved within commodity chains and the relationships that exist between the various producers, understanding how commodity value is created and who the producers are that create it (Gereffi: 1999b: 39). For Gereffi (1994: 95-97), the advent of commodity chains is distinct to the post-World War Two period as the result of the technological innovations and creation of multi-national corporations that contributed to integration within a global economy. Specifically, these technological improvements allowed for the codification of complex information, allowing for developments of industry



sophistication and cross-national communication (Sturgeon, 2008: 116-119). These innovations are noted by Timothy Sturgeon (2008: 116-119) to have created an expansion of industry through the outsourcing of the manufacturing process to cheaper locations which have instigated the development of commodity chains.

Gereffi (1994: 96-97) theorised that global commodity chains were reducible to four essential dimensions: an input-output structure, territoriality, institutional structure and governance. The input-output structure refers to the identification of the main activities performed within a commodity chain and the respective segments of the chain from which these activities take place and the producers that enact them (Sturgeon, 2008: 127). The dimension of territoriality pertains to the spatial dispersion of commodity-productive processes, examining the geographic positioning of the various segments of the input-output structure and the transportation of commodities between producers (Bair, 2005: 159). The institutional dimension of GCC refers to the international, national and local conditions and policies that influence producers within the various segments of the commodity chain. This pertains to labour costs, the availability of infrastructure and the access to resources that may influence producers within commodity chains (Gereffi, 1999b: 41-44). The final dimension of GCC is the governance structures, which examines relationships of power and authority that determine the flow of human and financial resources (Gereffi, 1994: 97). The governance of a chain refers to the coordination and structuring of a chain and was thought to be primarily controlled by lead producers or chain drivers. For Bair (2009: 9), these lead producers, in controlling the coordination of the chains, further control the development of producers among the preceding segments of the chain and, for this reason, lead producers became a focal point of GCC research.

GCC theorists distinguish between two essential forms of chain leadership: Producer-Driven Commodity Chains and Buyer-Driven Commodity Chains (Bair 2005: 159). Within Producer-Driven Commodity Chains, large-scale, transnational manufacturers coordinate vertically structured chains of parent companies, subsidiaries and sub-contractors (Gereffi, 1999a: 1). The automobile industry is frequently used as an example of this within Commodity Chain research as the control held by transnational corporations characterises a producer-driven chain (Gereffi, 1994: 97). This entails transnational automobile corporations such as Toyota, as a lead producer, directly controlling and coordinating the parameters regarding the design, manufacture and marketing of cars produced by the corporation (Gereffi, 1999a: 4). Within producer-driven chains, a substantial portion of the commodity creation process takes place with the factories of the lead producers, such as Toyota producing cars within its own assembly

lines with certain car parts being ascertained by subsidiaries and subcontractors (Gereffi, 1999a: 4-5).

Buyer-Driven Commodity Chains refer to chains led by retailers and marketers in decentralised networks across numerous exporting countries (Bair, 2005: 157-160). This form of commodity chain is often associated with the lighter manufacturing industries such as clothing, footwear and household appliances (Raikes et al., 2000: 396-397). The retailers and marketers leading this form of commodity chain do not take part in the productive process, but instead provide commodity designs. Production within Buyer-Driven Chains is then outsourced, often to third-world nations that, in turn, create the commodity in accordance with the design specifications (Selwyn, 2016: 1769-1178). Gereffi (1999a: 2) has observed that this allows for retailers and marketers to become ‘manufacturers without factories’ as these chains are able to produce commodities while being able to adapt to market trends and changes. For example, a brand like Nike may specify a design to third world factories that acquire the resources and create the final product allowing Nike the ability to subcontract factories in accordance with market prices and consumers trends (Gereffi, 1999b: 46-48).

## **2.5 Global Value Chains**

GCC research explores the trajectories of development in a world characterised by a seemingly ever-increasing globalisation (Sturgeon, 2008: 110-114). This research not only illustrates the links between producers throughout the world but also demonstrates coordination and hierarchy within international trade relations (Pegler, 2014: 929-930). Consequently, Gereffi (1994: 97) reason that if commodity chains may be mapped out and understood, the means to achieve development for the respective producers within these chains may be identified. It is this intuition that would develop into what became known as Global Value Chain (GVC) research. The purpose of this progression was to build upon what was established within GCC research while addressing the theoretical and methodological pitfalls that became apparent within the GCC framework (Bair, 2009: 4).

Timothy Sturgeon (2008: 114-117) notes that while the GCC framework made important strides in the analysis of trade relations within the global economy, its analytical rigidity made it unable to account for the diversity of variables involved within these chains. A key problem is that GCC research focuses on the role of lead producers and chain drivers in controlling the structure of commodity chains, underplaying other contextual factors such as the natural environment or access to resources, which may have an important impact but are

beyond the control of powerful actors (Sturgeon, 2008: 114-117). This is particularly important in the analysis of the Newly Industrialised Countries that are heralded as the success stories of development within GCC analysis (Bair, 2005: 153). Within the GCC perspective, the success of nations such as China is attributed to Chinese producers who are credited with providing a supply for market demands and competitively manufacturing and exporting commodities for brands such as Nike within buyer-driven chains (Gereffi, 1999b: 46-48). However, the rise of such producers is not necessarily due to a lack of supply within the market for brands such as Nike, as factories could have been sourced from Nike's primary location in the United States, rather than from factories in China (Humphrey and Schmitz, 2001: 19-23). Instead, differences between China and the United States in relation to labour rights, trade unions, anti-sweatshop organisations and currencies are important factors affecting the decision of a brand such as Nike to enlist the use of Chinese factories within their supply chain (Humphrey and Schmitz, 2001: 19-23; Bair, 2005: 158-161; Selwyn, 2016: 1781-1782). While the GCC perspective assumes that a commodity chain is structured in accordance with the direction of lead producers, the reality is that Nike's commodity chain has been shaped around factors such as labour rights and currency differentials that are factors external to the commodity chain itself.

The analytical weaknesses in the conception of Producer-Driven and Buyer-Driven chains, for Bair (2009: 10-13), is the product of the GCC framework's overemphasis on the economic producers within these chains. In this regard, a pitfall of Gereffi's distinction between lead-drivers is the assumption that lead producers control the operations of chains where there is simply insufficient evidence to make this claim (Raikes et al., 2000: 401-403). While multinational corporations and international organisations may hold extensive power within the global economy, Sturgeon (2001: 9-10) argues that individual, non-producer factors within the various segments of the chain such as technological access, human resources and national institutional environments, are important to consider in the chain coordination. In factoring in these variables, the use of the term 'commodities' has further been identified as incapable of fully capturing the operation of these chain relationships within the global economy as these trade relationships do not only concern the movement of commodities but are impacted by contextual and socio-political factors such as labour rights (Bair, 2009: 20-21).

By the 1990s, the aforementioned pitfalls of the GCC framework would lead scholars such as Sturgeon (2008: 114-117), who embraced the fundamental concept of commodity chains while recognising its shortcomings, to reconceptualise this framework in the form of Global Value Chain (GVC) research. GVC research shifted the focus from 'commodities' to 'value' in order to account not only for the worth of the product but also the worth of the

productive process (Foster and Graham, 2016: 73-74). This reconceptualization aimed to recognise that the relationship between lead producers and other producers is more complex than what was conceived within the Producer-Driven/Buyer-Driven dichotomy.

It was further recognised that producer relationships within Value Chains are subject to change depending on the individualistic processes utilised by the respective sector. This may entail numerous non-producer variables that may result in a producer being involved within a Value Chain (Yeung and Coe, 2015: 32). Maggi Campos (2006) offered an important example of this in researching salmon farming clusters in Chile. Within this research, it was found that this industry's supply of salmon was only made possible by the availability of unpolluted water, natural light throughout the year as well as human resources (such as university graduates and entrepreneurs) who pushed for technological advances and called for infrastructural support (Maggi Campos, 2006: 109-112). The clusters that formed as a result of these prerequisites were able to prioritise marketing, creating a quality seal for the salmon that they produced (Maggi Campos, 2006: 114). Through this, these farming clusters were able to create value relationships with foreign nations in exporting their salmon to retailers at an international level (Maggi Campos, 2006: 115-116). As the central purpose of commodity chain research is to explore avenues of capitalist economic progression within the global economy, the ideological expansion to value chains signified an important addition to the understanding of how producers may progress within these market chains (Barrientos et al., 2011: 321). In light of this, a key contribution of Value Chain research is its discussion of governance, entailing an extension in the analysis of relationships between producers within Value Chains.

### 2.5.1 **Governance**

While governance was assumed to be a generic power held by lead producers within the GCC framework, Value Chain theorists posit that governance entails a far more complex arrangement (Sturgeon, 2008: 114-117). World-Systems Analysis and Value Chain research have commonly observed international divisions of labour existing in global chain formations (Barrientos et al., 2011: 321; Clelland, 2014: 82-83). However, the ideological divide between these schools of thought regards the implications of these chains. For World-System researchers, these chains have been analysed in terms of how they may reproduce global inequity. Importantly for World-System researchers, these chains are representative of a 'developmentalist illusion' and serve to lock the countries within the Global South in relationships of dependency and exploitation (McMichael, 2005: 280). Conversely, GCC and

GVC research argues that these value chains are crucial to ‘developing nations’ that, if they wish to progress economically, must embrace globalisation by finding a place within value chains and then improving their position within these chains (Bair, 2005: 158-161). It is for the purpose of producer economic improvement that the concept of governance has featured so dominantly as an object of analyses within Value Chain research. The rationale within this is that if relationships of power and chain leadership are understood, then paths of progression may be laid out for producers among the lower segments of the value chain for upward mobility (Humphrey, 2004: 6-9). This reasoning is embodied in the concept of upgrading and serves as the key intended purpose of Value Chain analysis.

## 2.6 **Upgrading**

World-Systems Analysis regards the capitalist division of labour as being the product of colonial exploitation, and uses the commodity chain concept to critique of global capitalism. In contrast, Value Chain research is less focused on critiquing global capitalism and more focused on explaining how some countries manage to succeed within global capitalism while others to not. Value Chain research recognises the colonial division of labour as facilitating development for Western nations following World War Two through internationalisation. However, Value Chain scholars do not blindly accept internationalisation as a driver of economic activity and development, and instead use the concept of value chains to explain how ‘upgrading’ of producers from lower positions in these chains to more favourable positions may occur. As participation in the global economy is perceived as both positive and inevitable by Value Chain researchers, upgrading the position of producers remains a key consideration of this framework, particularly in terms of the ‘latecomers’ producers of the underdeveloped Global South. While Value Chain research does not legitimise the functioning of global capitalism, it is less explicitly anti-capitalist than the World-Systems Analysis on which it builds.

According to Hobday (1995: 1172), ‘latecomer’ producers from within developing economies face two central issues in joining the global economy. The first issue faced by ‘latecomer’ producers is technological deficiencies in comparison to the generalised standards of the global economy (Humphrey and Schmitz, 2001: 23). The second disadvantage regards a dislocation of these producers from the international markets, which they aim to supply as these markets are mostly to be found in economically developed nations (Hobday, 1995: 1172). It is in addressing these issues that the concept of upgrading is primarily concerned. Importantly, a

central distinction made in the analysis of upgrading is the idea of a ‘high road’ to economic competitiveness for producers in developing countries, characterised by an improvement of the product, scale and method of manufacture (Giuliani et al., 2005: 550). This is contrasted with a ‘low road’ approach, characterised by cutting worker wages and profit margins rather than improving productivity (Barrientos et al., 2011: 333). In representing upgrading as the active choice between a ‘high road’ that leads to development and the ‘low road’ that leads to economic stagnation, it is suggested that upgrading is under the control of producers (Giuliani et al., 2005: 550).

Gereffi and Lee (2016: 28-30), who shifted from a GCC to a GVC approach, note that while this understanding of low road/high road of upgrading was an important concept within GCC analysis, GVC factors in the agency impact of consumers on upgrading, which the previous framework had failed to recognise. Additionally, value chains are adaptive and changing, with producers often being involved in numerous types of chains (Giuliani et al., 2005: 551-552). The implication is that upgrading may not be as straightforward as implied by Gereffi (1999a: 3) in his discussion of positional improvement as a result of engaging in commodity chains.

In this section, the concept of upgrading is recognised as a key concept of the initial GCC analyses that informed the purpose of the Commodity Chain framework by exploring how ‘latecomer’ producers may economically improve their position within the global economy. However, it has been illustrated that in the shift from GCC to GVC analysis, researchers such as Gereffi and Lee (2016: 28-30) have argued that the concept of upgrading needed to be updated in light of the recognition of value chains as opposed to commodity chains. Through the introduction of the four variants of upgrading, scholars such as Giuliani et al. (2005: 552) have provided an important understanding of the role of governance within value chains and the relationship between governance and upgrading. However, others such as Coe and Hess (2007: 20-21) have argued that, particularly in the rise of socio-ethical driven markets such as Fairtrade, factors such as governance should be expanded beyond linear and purely economic value chains to recognise the networks surrounding processes of production. In this regard, it is argued that value chain research should pay closer attention to geographical and socio-political contexts which impact the capacity of actors to participate in the process of production. This need to better recognise context as impacting the process of production created a shift from Value Chain to Global Production Network research.

## **2.7 Global Production Networks**

The Global Value Chains framework has provided numerous important insights and theorisations regarding the operations of value chains within a global economy, creating an important connection between governance and upgrading which earlier commodity chain analysis had failed to do. However, scholars such as Bamber et al. (2014) argue for further expansion of the relationship between governance and upgrading, arguing that non-producer factors such as government regulation are as impactful to the operation of value chains as the producers within value chains. For Coe and Hess (2007: 10-13), the lack of acknowledgement of the socio-political, non-economic factors surrounding production inevitably results in an incomplete analysis of the economy simply because trade relationships are inherently bound to social contexts. It is in light of such social dimensions to economic trade that the Global Production Network (GPN) perspective has been introduced as an evolution of value chain research.

Similarly to the GVC framework, GPN analysis regards trade relations within a global economy as being established through international value chains (Hess and Yeung, 2006: 1196-1197). However, for GPN theorists, value chains do not exist in a vacuum but are instead subject to change in accordance with institutional and socio-political factors (Coe and Hess, 2007: 2). Scholars such as Coe and Yeung (2019: 782) explain that GPN research aims to incorporate the state as an active agent in global production networks, rather than disregarding the position of the state as merely being a part of the institutional context. The aim then for GPN theorists such as Henderson et al. (2002) is to build upon GCC/GVC research while being attentive to criticism of these frameworks. The first effort, in this regard, was to move away from the focus on commodities to a broader focus on production. This shift emphasises the social processes surrounding the creation of products and the relationships of power, capital and knowledge involved within these social processes (Henderson et al., 2002: 444). The term ‘network’ moves away from the concept of a linear chain wherein there is a fixed flow of activities directed by single lead producers in the creation of a final product. The GPN approach rejects this linear chain due to its failure to recognise the agency of producers outside those defined as ‘lead’ actors and its overemphasis on the role of chain governance (Henderson et al., 2002: 444-445; Coe and Hess, 2007: 12-14).

Prior to the emergence of the GPN framework, governance was considered only in relation to the actions of lead producers. In contrast, in the formative work of Henderson et al. (2002), the concept of governance is expanded so that it may apply more widely through reference to the concept of power. In shifting the analysis of chain relationships from

governance to power, the GPN framework recognises the agency of producers throughout value chains and expands the scope of governance from applying exclusively to value chains to also applying outside of them (Yeung and Coe, 2015: 32).

### 2.7.1 **Embeddedness**

Another way in which the Global Production Network framework has expanded the concept of governance is through consideration of 'embeddedness'. The concept of embeddedness presents economic relations as being invariably linked to social, political and cultural realities (Henderson et al., 2002: 440-441). While the concept of embeddedness is not new to value chain research, previous use of this concept utilised a rudimentary understanding of embeddedness as the focus was on the social norms and rules constituted by lead producers as chain drivers (Raikes et al., 2000: 394-395). However, GPN theorists such as Coe et al. (2004: 471) have elaborated on the concept of embeddedness by creating a distinction between territorial and network embeddedness.

Territorial embeddedness entails production networks being shaped within individual territories by the social norms, values and rules distinct to that national territory. It is due to territorial embeddedness that something such as the sweatshops previously mentioned may occur in one country but not in others. This is because the social, political and financial infrastructure of a country often dictates the economic practices that will take place within it (Coe and Hess, 2006: 2-3). It is for this reason that social advocacy groups may contest the economic practices of East Asian nations while the workers of those nations may lack the bargaining power to address such practices (Greenberg and Knight, 2004: 152-154). Additionally, the configurations of production networks may be affected by the cultures of local nations. For instance, Coe et al. (2011: 39) have observed a constraint faced by transnational organisations in establishing connections within a country such as Japan, as cultural practices have resulted in Japanese clients opting for the use of Japanese partnerships wherever it is possible. The importance of considering territorial embeddedness is that it recognises that each nation within the global economy possesses a unique culture and set of social norms and that this impacts on the operation of production networks.

While each country possesses its own unique traits, GPN theorists have further noted that an interplay between the unique traits distinguished by territorial embeddedness and the global connectivity of network embeddedness (Foster and Graham, 2016: 72-73). In the latter form of embeddedness, there is noted to be sectoral, professional and institutional norms that



are evident more generally among production networks. In this sense, production networks are considered to adopt characteristics and practices of their own, which influences the relationship of a global production network with a local production network (Henderson et al., 2002: 450-453).

## 2.8 **Dark Value**

The consideration of social embeddedness by GPN research brings to the fore the socio-political and historical issues raised by World-Systems Analysis, such as systemic colonial exploitation (Clelland, 2014: 75-76). This is important to consider, as Hopkins and Wallerstein's (1977: 127-28) intention when introducing the notion of commodity chains was to illustrate the continuation of sexism, racism and class exploitation within production. In mapping out these chains, World-Systems Analysis sought to demonstrate that the global economy has been built upon colonial patterns of Western exploitation of the Global South (Hopkins and Wallerstein, 1977: 117-120). Later value chain researchers adapted concepts from World-Systems Analysis in a way that did not view value chains as the product of exploitation. Value chain researchers such as Gereffi (1999b: 37-41) point to Newly Industrialised Economies of East Asia as positive examples of the ways in which some countries are able to upgrade within value chains and thereby improve their position in the global economy. However, it is crucial to note that these countries do not have the same history of Western colonisation as many African and Southern American nations of the Global South. It is further worth considering that for East Asian countries such as China that have become leaders in numerous production networks, this has infamously been achieved through worker exploitation, once again highlighting the issue of exploitation within value chains (Greenberg and Knight, 2004: 151-154). In light of these realities, scholars such as Clelland (2014: 103-105) have argued that when discussing value chains and production networks, we need to recognise that these production networks may create 'dark value'.

The concept of dark value describes the costs of production being made to be less than the value of production through the exploitation of uncompensated and unrecognised labour. The concept of dark value is aimed to expand upon the Marxist concept of 'surplus value', with the latter concept referring principally to the value generated by the underpayment of workers (Clelland, 2014: 80). Clelland (2014: 80) argues, however, that Marxists fail to recognise the value generated from unpaid costs, such as the result of seized land and resources which are reduced to the categorisation of 'primitive accumulation'. The purpose of 'dark value' is,

therefore, to recognise the unrecognised labour of semi-proletarian households, that are often made up of women rather than wage-earning males, and which Clelland (2014: 81) describes as the foundational units of the capitalist world-system. The concept of dark value recognises the home as part of the economic system making it an essential concept for the discussion of farm paternalism and dependency as farmworkers homes and workplaces cannot be easily separated (Atkinson, 2007: 46).

The concept of dark value applies primarily to the Global South (semi-periphery and periphery), wherein many of the producers of the lower segments of value chains reside (Clelland, 2014: 85-90). As a product of World-Systems Analysis, the concept of dark value is considered to have always been a feature of world-systems, with the only thing to change over time being the means of surplus extraction (Clelland, 2014: 86-91). For example, colonialism was initiated through the forceful extraction of value (through processes such as the slave trade) from the Global South by colonists of the Global North (van den Anker, 2004: 231). However, in the modern world-system, surplus extraction takes the form of uncompensated labour, unpaid inputs of the informal sector, and natural resources being extracted from the Global South by powerful actors of the Global North (Dunaway and Clelland, 2016: 19; Clelland, 2014: 101).

International organisations such as the International Monetary Fund see international outsourcing as an acceptable component of a modern global economy, whereby producers of developed nations are able to access a 'global labour pool' (Smith, 2016: 189). This understanding of contemporary global production networks presents globalisation as a positive cross-national engagement and logical development in the complexity of production. Value chain research has historically been affirmatory of this definition of globalisation, with the Global Value Chain framework particularly advocating for globalisation as a means of addressing the 'productivity paradox' that is thought to plague the Global South (Smith, 2016: 64-66). However, with the introduction of the concept of dark value, scholars such as Smith (2016: 189) have described the impact of the globalisation of production as a Global Labour Arbitrage, wherein production is purposely shifted from high-wage Western countries to low-wage countries of the Global South. This shift is aimed at increasing the value of production for powerful producers by using exploitable labour forces that may be made to produce more value for lower wages due to existing issues of poverty as well as poor labour protection (Clelland, 2014: 95-102). The Global Labour Arbitrage is characterised by the process of production being broken down into very simple, repetitive tasks so as to use unskilled and easily replaceable labour to perform these tasks (Smith, 2016: 204-206). This is for the purpose

of capitalising on super-exploitable workers as the labour force of production, as opposed to using skilled workers that have leverage and job security as a result of their productive skills (Selwyn, 2019: 73-74; Bond, 2007: 3-4).

Smith (2016: 189-204) argues that the Global Labour Arbitrage is made possible by histories of imperialism that have dispossessed workers of the Global South of land and have alienated them from the economy. It is through imperialism that the current state of super-exploitable workers within the Global South has been established (Dunaway and Clelland, 2016: 17-19; Selwyn, 2019: 73-74). The discussion of dark value thus emphasises that global production networks were established through the historical exploitation of the Global South and that this exploitation remains prevalent in contemporary society.

This study explores Fairtrade production networks in relation to the South African wine industry. In so doing, it is important to note that most value chain analysis is unable to adequately address the issue of dark value as such analysis, rooted as it is in an economic rationale, tends to assume that all production is inherently fair. The very concept of 'Fairtrade' is premised on the existence and pervasiveness of *unfair* trade. Building on the insights of its analytical predecessors, the GPN approach is a more suitable framework for this research as it recognises the existence and pervasiveness of the 'dark value' that is brought about through Labour Arbitrage. Furthermore, GPN research is open to the possibility that there may be alternative, better forms of trade, such as Fairtrade. In thinking through such better forms of trade, GPN research proposes the idea of social upgrading as an essential feature of development that intimately links issues of social embeddedness and power with trade relationships.

## 2.9 **Social Upgrading**

Upgrading has occupied a central role in value chain research, but most of this research has discussed upgrading in purely economic terms. The idea of upgrading is that if a producer improves its productive capacity, it may improve its position within global value chains (Barrientos et al., 2011: 323). However, with the introduction of the idea of embedded social factors shaping economic transactions by Global Production Network research, the idea of upgrading has had to change (Selwyn, 2016: 1769-1772). If social factors are considered to be instrumental to the configuration of the economy, then economic transactions are not value-free and are instead products of the society in which they exist (Coe and Hess, 2007: 2-6). The implication of this is that economic upgrading may not follow as a natural progression for

developing producers, with such producers instead being kept from developing due to the historical patterns of exploitation by more powerful producers. Importantly, where development may occur through economic upgrading, it does not necessarily follow that such upgrading will result in the improvement of the lives of the workers of these producers (Selwyn, 2013: 79). It is in consideration of this that an important distinction has been made between the concept of economic upgrading and social upgrading.

The concept of social upgrading is derived from the Decent Work agenda by the International Labour Organisation (ILO) (1999), first introduced by the ILO's Director-General during the 1999 International Labour Conference. The Decent Work agenda, in acknowledgement of the persistence of poverty among workers, sought to understand how workers may benefit from trade competition and economic development (Selwyn, 2013: 76-79). The primary goal was to provide women and men access to work that promoted their freedom and rights as workers and served to alleviate the prominent disparities in socio-economic equality (Barrientos et al., 2011: 320-324). This goal has been embodied by four pillars of decent work: worker rights, regular employment, social protection, social dialogue.

### 2.9.1 **Decent Work**

As a foundational concept of social upgrading, decent work entails the fulfilment of workers' rights to things such as dignity, adequate remuneration and representation (Ghai, 2006: 4-7). The rights of workers are intimately linked to human rights, which are considered to be natural rights to which every person is entitled (Selwyn, 2019: 74). While workers' rights have classically pertained to rights against forced labour, anti-discrimination and freedom of association, the definition of workers' rights has been expanded to include rights to collective bargaining, social security and work safety (Selwyn, 2013: 84-86). As the rights of workers are the concern of the nation in which they inhabit, local worker unions are often the primary drivers of workers' rights in representing a voice for workers. Workers' rights are further advocated for at an international level by bodies such as the ILO that formulate international labour laws and pressure countries to formally agree to implement these laws (Ghai, 2006: 7-9).

Employment within the Decent Work agenda extends beyond wage work to include casual work and self-employment. The emphasis placed on employment by this agenda is that employment should be available to all those that seek it and should offer an adequate remuneration that may allow workers to provide for the essential needs of themselves and their

families (Smith, 2016: 116-117). This agenda further distinguishes decent work as taking place in safe working conditions and within set working hours that are reasonable in relation to the remuneration offered to the worker (Selwyn, 2013: 76-79). It is argued that decent work for women must take into account the overrepresentation of women in low-wage/long-working time jobs and the discrimination of women from being included in employment beyond this category (Ghai, 2006: 7-10). Decent work for women should further be considered to be coupled with policies that account for the unpaid housework dominantly imposed on women as an unacknowledged secondary form of work (Prieto- Carrón, 2014: 233-234).

The third pillar, social protection, seeks to reduce the material deprivation and suffering of workers through the promotion of worker health and employment security, particularly among vulnerable groups such as single mothers, differently-abled and older persons who often experience discrimination (Ghai, 2006: 14-18). The aim of social protection within this agenda is to extend the concept such that it applies to various forms of employment, from formally employed workers to informally employed workers and across all sectors of the economy (Selwyn, 2013: 76-79). Social protection should safeguard the worker, the family of the worker and unpaid members of the labour force such as those performing housework (Ghai, 2006: 15-17). The ILO acknowledges that this expansive definition is not realisable for many countries, particularly those with struggling economies, but the definition sets a standard that all countries should aim to satisfy (Selwyn, 2013: 80-82).

The final pillar, social dialogue, refers to workers' voice and representation in relation to the productive process. Workers should be able to express their priorities, concerns and interests (Ghai, 2006: 4-7). While this is the general definition, social dialogue should be realised in different ways by various groups of workers, as the interests and concerns of those formally employed will vary from those casually employed, and the concerns of female workers will be different from those of male workers (Selwyn, 2013: 79-86). As such, social dialogue should belong to the respective groups of workers across the various organisational and sectoral arrangements (Ghai, 2006: 18-21). In light of this, decent work is distinguished by the ability of workers to freely associate themselves with labour unions, cooperatives and organisations that serve to represent their interests and articulate their concerns.

### **2.9.2 Social Upgrading within Global Production Networks**

Historically, GCC/GVC/GPN research has assumed that economic upgrading produces social upgrading. However, through the Decent Work agenda as well as 2010 statistics revealing that

an estimated 942 million workers (almost one in every three) live in what international standards deem to constitute poverty, it has become apparent that there exists a global deficit of decent work (Selwyn, 2015: 266). While concepts such as dark value have previously not been adequately acknowledged within value chain research, the fact that 942 million workers lived in poverty signalled a need for the concept of upgrading to be expanded.

Barrientos et al. (2011: 323-325) discuss social upgrading and its relation to GPN research, looking at how decent work may be afforded to workers alongside the improvement of producers, with a special focus on the Global South. Social upgrading has been defined as the process through which worker's access to rights, entitlements and quality of employment are improved (Barrientos et al., 2011: 324). Building on the four pillars of employment set out by the ILO, a further distinction is created between measurable rights and enabling rights as markers of social upgrading (Barrientos et al., 2011: 324-325). Measurable rights can be measured by looking at factors such as wages, gender divisions, union subscription and working hours (Barrientos et al., 2011: 324-329). Enabling rights are instead concepts such as the right to collective bargaining or association, non-discrimination and representation, which are concepts that are difficult to quantify (Barrientos and Smith, 2007: 715-716). This introduction of social upgrading has further attempted to identify dark value as representing the antithesis of social upgrading. Social upgrading is considered to occur through the adherence of producers to the pillars of employment outlined in the concept of decent work (Selwyn, 2013: 76).

### **2.9.3 A Top-Down Approach to Social Upgrading**

A prominent criticism of the initial conception of social upgrading is that while it articulated what decent and indecent work is, it failed to explore why indecent work exists (Selwyn, 2013: 76). Central to this issue is an unwillingness to acknowledge historical and contemporary systemic exploitation. This unwillingness arose due to the ideological distancing that occurred between value chain research and its predecessor World-Systems Analysis (Selwyn, 2019: 73-75). Unlike its successors, World-Systems Analysis gave much attention to the issue of exploitation, as evidenced by its understanding that the global economy consists of an extractive core, exploited peripheries and semi-peripheral nations (Hopkins and Wallerstein, 1977: 116-117).

World-Systems Analysis criticises capitalist approaches for their focus on producers creation of surplus value and their wilful ignorance as to the ethical implication of this surplus

(Bair, 2009: 8-11). For World-System researchers, such as Hopkins and Wallerstein (1977: 118-119), the purpose of discussing commodity chains was to problematise the development of the global economy by illustrating its lineage in slavery and relating that history to the modern World-System. This approach views the modern configurations of the global economy as being the product of historical exploitation and relates pervasive poverty amongst workers to global labour arbitrage that prioritises super-exploitable workers of the Global South and Newly Industrialised East (Selwyn, 2015: 267; Bair, 2009: 28; Bond, 2007: 3-4). The GPNs adoption of the concept of social upgrading acknowledges problems of poverty and exploitation while simultaneously undermining the plight of workers by assuming such issues to be an aberration of contemporary society (Selwyn, 2013: 82-83). This ideological stance actively ignores the rampant global exploitation of women, which is perpetuated through systemic gendered oppression (Dunaway, 2014: 4-10). According to such critics, value chain research gives insufficient attention to the role of colonialism in structuring the global economy and facilitating modern global production networks (Smith, 2016: 198-203). The slave trade, as an example of such history, featured complex global production networks steeped in intersectional exploitation (McGrath, 2013: 32-34; Adhikari, 1992: 98-100). Globalisation has indeed brought novel aspects to global production networks as it has meant rapid industrialisation in a time supported by technological innovation (Gereffi, 1994: 95). However, it is an extensive ideological oversight to assume that the production networks developed by globalisation are independent of previous global histories (Selwyn, 2013: 75-77).

The implication of value chain research's lack of analysis as to why the exploitation of workers features so prevalently within contemporary society is that, even in acknowledging workers through social upgrading, it has still done so while prioritising the actions of producers (Rossi, 2013: 223-225). Through leaving social upgrading to be provided by businesses and organisations, producers are granted the power to dictate what social upgrading should mean, rather than allowing the definition of social upgrading to come from the workers of those producers. In light of existing issues of worker exploitation and dark value, this presents the possibility for producers to co-opt the concept of social upgrading as it is fundamentally their voice that provides the narrative of worker development (Selwyn, 2013: 80-81). This represents both a failure to allow for workers to be meaningfully represented and a failure to acknowledge that producers may purposively exploit their workers as a means of generating profit in competitive markets.

Defining social upgrading as the collaboration between producers, states and international bodies to create decent work additionally assumes workers to be a homogeneous

group, silencing the pervasive marginalisation of groups within workers. In this regard, while GPN theorists such as Barrientos et al. (2011) have acknowledged that social upgrading may occur along different trajectories, the continued lack of recognition of systemic exploitation devalues the importance of these varied trajectories. For instance, systemic gendered oppression actively provides the impetus for women to be relegated to unpaid and unacknowledged household work (Dunaway, 2014: 8-12). However, the failure to explore why women are subjected to this burden makes it appear as if women's disproportionate burden of unpaid work is natural rather than a form of oppression. Instead, women are intersectionally oppressed by men (Crenshaw, 1991: 1290-1293). This may occur through men actively being prejudicial towards women being involved as a part of the workforce, or it may occur through the oppressive male privilege of being prioritised as members of the worker force (Ross, 2014: 96-99).

Within Global Labour Arbitrage, dark value is extracted from casualised and black female workers in particular, as the international divisions of labour have made black women the lowest wage earners with the least bargaining power (Smith, 2016: 204-206; Clelland, 2014: 83). However, in the discussion of social upgrading, there has been a notable silence as to the gendered aspects of shifting from exploited casualised workers to wage employed workers (Dunaway, 2014: 6-15). The result is that women are left out of these trajectories of social development. This omission highlights a shortcoming in the top-down approach to social upgrading. Producers, states and international bodies often define social upgrading and dictate how it should be measured while silencing workers' voices.

What has been described in this section highlights a 'top-down' approach to social upgrading as it places the responsibility of defining social upgrading on producers and powerful organisations rather than allowing it to be defined by workers. From the perspective of this approach, social upgrading is only valued in terms of its ability to provide greater cooperation between producers, social advocacy groups, international bodies and workers. While this 'top-down' definition promotes a version of social upgrading, what is needed is for social upgrading to address and facilitate decent work irrespective of economic gains.

#### **2.9.4 A Bottom-Up Approach to Social Upgrading**

As shown in the previous section, there are various problems with the top-down approach to social upgrading. Its conception of how to contribute to decent work fails to recognise why indecent work remains so prevalent within contemporary society. Despite this issue, the GPNs



distinction between social and economic upgrading opens up avenues to address these criticisms. World-Systems Analysis started an important conversation regarding the global economy and introduced the concept of commodity chains as an analytical tool for mapping out global trade. Value chain research has made crucial strides in developing the concept of linear commodity chains to complex production networks (Coe and Hess, 2007: 6-10). The divide between these schools of thought is that where World-Systems Analysis has been dedicated to the examination of exploitation, value chain research has historically overlooked the existence of exploitation within production (Selwyn, 2019: 75). While this may appear to be an irreconcilable ideological difference, the acknowledgement by GPN researchers that economic and social upgrading are not synonymous suggests that there is room for growth within value chain research.

For Selwyn (2013: 76), the key to improving value chain research so as to make it capable of meaningfully exploring the social dimensions of trade is to shift the discussion of social upgrading so that it focuses on collective worker power rather than on the actions of big producers. This proposed shift maintains the ideal of worker rights, regular employment, social protection and social dialogue as the markers of social upgrading and pillars of decent work (Rossi, 2013: 224-225). However, a bottom-up approach looks to workers, rather than producers and institutions, to lead the discussion regarding their own development (Selwyn, 2013: 76-79). Where the top-down approach views social upgrading as taking place through the collaboration of producers, states and international bodies, the bottom-up approach defines social upgrading as the improvement of bargaining power as well as individual and collective representation. The arbiters of social upgrading then shift from producers to labour unions.

An example of bottom-up social upgrading may be taken from the horticulturists of the São Francisco valley of Brazil. Prior to the 1990s, farms within this region often operated through the use of child labour force accessed through exploitative labour brokers, made to work for long hours without access to food or water and with exposure to pesticides (Selwyn, 2007: 545-546). However, since the 1990s, the sector competes in stringent markets relying on highly-skilled, predominately female workers with significant bargaining power (Selwyn, 2013: 84). The instigator of change in this context was the local workers union of Movimento dos Trabalhadores Rurais Sem-Terra (Landless Workers' Movement) that mobilised the local workforce to engage in strike action against employers (Selwyn, 2007: 543). This strike action has resulted in the creation of an annually reviewed collective convention between employers and the labour union-further overseen by the Ministry of Labour (Selwyn, 2013: 84-85). The result of this has been increased wages, skills upgrading for workers, representation of women

in the workforce and secure employment. Importantly, the combination of potential strike action in addition to workers being highly skilled and secure in employment means that workers have structural power over their employers, which may be leveraged in accordance with their needs (Selwyn, 2013: 78-84). A case study such as the São Francisco valley exemplifies the purpose of a bottom-up approach to social upgrading, as workers are shown to active agents who are entirely aware of what is required to improve their livelihoods (Selwyn, 2013: 84-85). The importance of encouraging worker agency and representation has even been noted by international bodies such as the World Bank (1995: 80):

In many jobs workers are better informed than management about how to improve productivity. They will be more willing to share this information if they are confident of benefiting from any resulting change in organization. The presence of an agent on the workers' behalf, the union, may make them less suspicious that any information they reveal will benefit only management. If the union involves workers in activities that improve efficiency, unionism can be associated with a more productive organization.

This comment highlights the importance of worker representation in the amelioration of worker conditions and the improvement of worker livelihoods (Visser and Godfrey, 2017: 28-33). However, in creating a meaningful understanding of social upgrading, a distinction must be made with regard to the purpose of worker representation through things such as union action. While the World Bank and International Labour Organisation are frequently supportive of improved worker representation, this is often in terms of the ability of unions to improve the profits of producers by facilitating a better relationship between workers and employers (Selwyn, 2013: 80-82). This is still, however, representative of a top-down approach to social upgrading. As the issue remains that production networks frequently exploit workers, praising unions only for their ability to improve profit margins is a regressive stance towards social upgrading. Instead, worker representation should be placed at the centre of the discussion of social upgrading because, in doing so, pervasive issues of intersectional worker exploitation within production networks may be meaningfully addressed. In asking the question of how worker livelihoods may be improved, it should then be the workers who provide the answer.

## 2.10 **Conclusion**

In exploring the analytical insights of World-Systems Analysis and later value chain research, it is apparent that development within the global economy is shaped by the nature of involvement of global production networks. While value chain research has made extensive strides in the analysis of production networks within a global economy, it has failed to provide

adequate attention to the existence of historical and contemporary forms of exploitation within global trade. This is the result of value chain research departing from its predecessor in World-Systems Analysis by ignoring the social nature of economic trade. However, the Global Production Network framework has presented a means to address this shortfall in its analysis of power, challenging the assumption that economic upgrading and social upgrading are synonymous concepts. Importantly, the focus on power allows for the examination of gendered, racial and class issues as intersecting but still distinct modalities of exploitation, rather than assuming that all exploitation is reducible to an issue of capitalism.

In creating a dialogue around the issue of social upgrading/downgrading, the Global Production Network has reinvigorated the World-Systems Analysis approach's commitment to understanding global inequality. However, a 'top-down' approach to social upgrading, while recognising contemporary issues such as the Global Labour Arbitrage and dark value, has failed to recognise why these issues exist. This has created a pertinent need to reconceptualise the concept of social upgrading to a 'bottom-up' approach that recognises exploitation as a historical process, perpetuated in current society through global production networks. It is only through recognising the embeddedness of exploitation within the global economy that it may be meaningfully addressed.

Scholars such as Selwyn (2019: 88-90) argue that the global economy is predicated on the exploitation of workers within the Global South. Ethical schemes such as Fairtrade International recognise the global issue of worker exploitation and attempt to address it through the creation of alternate production networks (Yamoah, 2016: 33-35). Fairtrade may therefore be able to instigate meaningful change within the global economy to improve the livelihoods of workers. It may be possible to make changes within production networks themselves in a way that supports workers. However, the impact of Fairtrade production networks depends on whether Fairtrade promotes a 'top-down' or 'bottom-up' approach to social upgrading and development. This study takes up this question in relation to the experiences of workers on South African Fairtrade wine farms.

## **CHAPTER THREE: FAIRTRADE THEORETICAL CONTEXT**

### **3.1 Introduction**

As discussed in the previous chapter, Global Commodity Chain (GCC) and Global Value Chain (GVC) research examine the global linkages of production. However, these frameworks are limited by their failure to acknowledge the dark value that these production processes may produce. This approach is compatible with the free trade model. Free trade describes trade that operates with very few restrictions placed on individuals and producers, thereby allowing the market to follow its natural course (Sidwell, 2008: 5). Working within a free trade model has led researchers such as Gereffi (1999a: 1-3) to adapt the concept of commodity chains from a conflict-based World-Systems Analysis to the assumed value-free/rationality-driven economics of more recent value chain research. However, as has been argued within the Global Production Network (GPN) perspective, economic relations are not value-free as they exist within social contexts and are enacted by social actors (Coe and Hess, 2007: 2-6). Consequently, economic upgrading may not automatically result in social development, which has brought the subject of social upgrading to the fore of contemporary value chain research (Selwyn, 2013: 76).

The reality that economic upgrading and social upgrading are not synonymous concepts illustrates that the 'rationality' of the economy may lead to exploitation as a means to capitalise on market opportunities (Rossi, 2013: 223-225). However, given that the current structure of production networks is so deeply entrenched within a global capitalist economy, it may be more practical to seek out alternative models of trade than to try to exit from the global economy entirely (Selwyn, 2013: 78). This effort of finding alternative forms of trade within the current global economy inspired the creation of the fair trade movement.

### **3.2 The Fair Trade Movement**

The fair trade movement arose as early as the 1950s as a grassroots alternative trade model orientated towards fairness (Jari et al., 2013: 66). Initially, the drivers of the fair trade movement were faith-based organisations that aimed to import products from marginalised producers in the Global South and to introduce them to markets in the Global North (Robbins,

2013: 244-248). However, in the 1970s, the fair trade movement shifted from being orientated towards direct developmental assistance to instead focusing on restructuring trade relations to favour marginalised workers (Robbins, 2013: 244-246). At the heart of this movement is the belief that free trade is harmful to both the poor and the Global South as trade terms are frequently set by richer nations in ways that advantage them (Sidwell, 2008: 6). While the free trade model assumes trade to be inherently fair and rational, histories of colonialism have stratified the world-economy in accordance with the Global North's exploitation of the Global South (Murray and Reynolds, 2007: 6-11; Wallerstein et al., 2013: 170-171). The implication of this is that any engagement in production networks is impacted by socially embedded factors such as political, cultural and geographic power disparities. Bek et al. (2007: 301-302) comment on these power disparities saying that the 'rigged rules and double standards that typify the international trade regime militate against developing nations and ensure that the hegemony of advanced industrial countries is maintained'. This has been a central concern of the fair trade movement.

Advocates of the fair trade movement highlight a need to reform the world-economy through special tariffs and trade agreements aimed explicitly at applying fair trade practices for developing economies (Sidwell, 2008: 4). The fair trade movement proposes that instead of increasing aid, trade networks should be restructured to promote a 'high road' approach to development, prioritising the improvement of worker skills and wages (Bek et al., 2007: 302-306). This approach presents a notable departure from the reasoning of the free trade model, which argues for trade relations to be left to the rationality of the economy. The fair trade movement instead argues for tightened regulation of the world-economy, acknowledging the social embeddedness of global production networks in terms of historical and contemporary forms of exploitation (Keahey, 2016: 413-414). While proponents of the free trade model argue in favour of less economic regulation, the fair trade movement has countered that economies are always regulated, with rich and powerful elites regulating markets where institutional regulation is absent (Fridell, 2014: 1182). A key argument of the fair trade movement is that, as trade inevitably involves some form of regulation, these regulations should favour the marginalised rather than the powerful (Reynolds and Wilkinson, 2007: 33-34).

The fair trade movement proposes that consumers have the power to restructure international trade relations to be developmental rather than exploitative (Fridell, 2014: 1190). Where the free trade model has historically overlooked the importance of factors such as historical context, class, race and gender within trade relations, the fair trade movement aimed to centralise such socio-political factors in the structuring of production networks and in the

marketing of products (Fridell, 2014: 1180-1181). The idea of fair trade initiated a distinct ideological shift in how trade networks should operate. With free trade, wealthy and powerful producers act as the intermediaries of developing producers' inclusion in the world-economy. Whereas with fair trade, producers in the developing world can directly access the consumers of wealthy nations (Robbins, 2013: 244-248). By optimising consumer buying power, the fair trade movement aimed to restructure trade relations within the world-economy from occurring at the expense of workers to prioritising them (Levi and Linton, 2003: 407-409).

### **3.3 Fairtrade International**

At the outset, it is important to acknowledge that Fairtrade International (FTI) is often referred to as the Fairtrade Labelling Organisation (FLO) such as in the work of Dragusanu et al. (2014: 231) and Kaur (2018: 2). The 'Fairtrade Labelling Organisations International eV' is the registered name for 'Fairtrade International' (FLO-CERT, 2022). The latter term will be the name referenced in this study. The creation of Fairtrade International may be traced to 1988, when Solidaridad, a Dutch faith-based organisation, created a label called Max Havelaar, a name inspired by a Dutch fictional character who opposed the exploitation of coffee pickers amongst Dutch colonies (Dragusanu et al., 2014: 218). The creation of this label came as a result of Franz Vanderhoff, a Dutch theologian, approaching Solidaridad and requesting the creation of a label for coffee produced by the Mexican cooperative of UCIRI (Robbins, 2013: 246). This label remained consistent with the ethos of the fair trade movement in aiming to ensure that farmers operating under the label received fair pricing for their coffee (Robbins, 2013: 246). In the following decade, this label gained traction beyond Holland and extended to other European nations and the United States. As multiple international organisations such as TransFair and Global Exchange emerged in the rise of the fair trade movement, these organisations joined to form Fairtrade International in 1997 (Dragusanu et al., 2014: 218). An important function of this organisation has been its certificatory procedures and operating standards. One of its most pivotal standards is the minimum price set to be paid to producers for their products under the label (Robbins, 2013: 245-247).

The Fairtrade Label operates through the certification of producers and traders who sell Fairtrade products at a higher market price, with a portion of that sale price being allocated towards a Fairtrade premium intended to improve worker wages and facilities (Dragusanu et al., 2014: 219-221). This provides a market-based solution to socio-political issues such as poverty by linking ethics-orientated consumers with producers who provide products which

are certified to be fairly sourced and traded (Robbins, 2013: 244-245). Consumers choose to buy Fairtrade products due to the promise that part of the product's price will go to the development and upliftment of economically marginalised groups (Cramer et al., 2014: S121-S123). On the other hand, producers choose to adopt the Fairtrade label (and meet the organisation's certificatory standards) to access Fairtrade buyers who are willing to pay higher prices to facilitate the creation of Fairtrade premiums (Dragusanu et al., 2014: 219-221). In this way, Fairtrade purports to restructure global production networks to facilitate international development through market-based actions.

Dragusanu et al. (2014: 219-221) have noted that Fairtrade standards are distinguished by six mechanisms used to ensure fair practices within Fairtrade production networks. The first mechanism is that of Fairtrade price floors. Price floors exist as one of the most distinctive features of the Fairtrade label, setting a minimum price by which Fairtrade products may be sold to Fairtrade buyers (Valkila, 2014: 477; Dragusanu et al., 2014: 219-220). Fairtrade price floors are supposed to ensure that producers and their workers obtain liveable wages (as determined according to the respective sector of the product) that promote sustainable productive practices (Dragusanu et al., 2014: 219-220). While these price floors set a minimum price, aimed at reducing risks for Fairtrade producers, these prices are negotiable, and producers may request amounts higher than the price floor, but should not have to accept amounts below the established price floor (Dragusanu et al., 2014: 219-220). Furthermore, for a product to be sold as Fairtrade, all members along the value chain are required to operate under the label (Dragusanu et al., 2014: 219-223). It is crucial to note, however, while the Fairtrade label sets price floors as a protective measure for producers, this mechanism applies only where the buyer purchases the product as Fairtrade and do not apply where a product is sold to a non-Fairtrade buyer (Sidwell, 2008: 3).

The second mechanism is the Fairtrade premium, which is the additional amount that is paid to producers above the actual cost of production and which is intended to be used for social development through means such as improved worker salaries and housing as well as investment in community facilities such as schools and clinics (Dragusana et al., 2014: 220; McEwan et al., 2017: 573-577; Jari et al., 2013; 73-75). While the administration of these premiums is the responsibility of producers, the function of this mechanism (beyond social development) is to promote relationships between buyers and producers (Raynolds and Long, 2007: 28). This reflects the ethos of FTI as a market-based solution to social issues as the act of buying Fairtrade products is intended to connect consumers with producers in creating changes that may improve the lives of workers, such as the construction of schools, health

facilities and local infrastructure (Robbins, 2014: 244-245; Jari et al., 2013: 73-75). The third mechanism is access to credit. Fairtrade buyers are required to agree to long-term contracts with producers and to provide certain kinds of credit where producers may require them (Dragusanu et al., 2014: 220). Dragusanu et al. (2014: 221) notes the fourth mechanism to be improved working conditions that allow workers the freedom of association, safe working conditions, and wages at least equal to the legal minimum wage. The fifth mechanism, institutional structure, enables certified producers to form Fairtrade co-operatives (Dragusanu et al., 2014: 221). Fairtrade intends to provide workers with freedom of association and safe working conditions.

A sixth mechanism of Fairtrade is that of environmental protection. In terms of the environment, an important consideration of Fairtrade is the promotion of productive processes based around the protection of the natural environment (Dragusanu et al., 2014: 221; Cáceres et al., 2007: 188). As Fairtrade products are agricultural in nature, environmental protection often pertains to what chemicals may be used in the productive process. Certain chemicals are prohibited from being used on Fairtrade products that may be deemed harmful (Dragusanu et al., 2014: 221). Dragusanu et al. (2014: 221) clarifies that what harmful means in this sense extends beyond environmental degradation and refers to the safety of producers, workers and local communities that form the brunt of the direct impacts of poor environmental practices within agricultural production.

Keahey et al. (2018: 29) note that FTI has rapidly expanded from a grassroots movement to a multi-billion dollar initiative visible in 74 countries throughout the world, illustrating a significant growth in the organisation and in the exchange of Fairtrade products. However, this extensive growth in prominence of the brand brought to the fore pertinent questions regarding how to advance the label and who should be included within it. A notable point of contention related to whether the Fairtrade label should be extended beyond small-scale producers to large-scale corporations to widen the scope of the Fairtrade label (Jari et al., 2013: 67). Dragusanu et al. (2014: 218) note that this created divisions within FTI to the extent that TransFair (which is part of Fairtrade International) split into two with the breakaway group more strongly favouring the inclusion of large-scale producers, while the original TransFair organisation, and indeed the Fairtrade movement in general, has focused on small producers.



### **3.4 Fairtrade Certification**

The function of FTI is to set and regulate the international standards of the label, manage the human resources crucial to the operation of the organisation and provide oversight over the certificatory processes required for producers to adopt the label (Jari et al., 2013: 67-68). The certificatory process is managed by the independent body, FLO-CERT, which conducts inspections of producers and traders wishing to adopt the label (Sidwell, 2008: 4). Prospective Fairtrade producers or traders apply to FLO-CERT, which inspects them for their eligibility for certification (Murray and Reynolds, 2007: 19). The Fairtrade certification process is structured in accordance with the Fairtrade Standard Operating Procedure, with all organisations/companies wishing to transact using the Fairtrade label on their products being required to receive a licence from a National Fairtrade Organisation or Fairtrade International (Fairtrade Foundation, 2021a: 3). The Fairtrade Foundation (2021a: 3) highlights that certification applications will be required to fall under the scope defined by Fairtrade International that includes the product for which certification is requested, the country where the product is cultivated/traded and the setup of the organisation/company requesting certification. Upon receipt of a request for certification, FLO-CERT provides the organisation/company with an application ID and an application package which includes: an application questionnaire; templates relevant to the application questionnaire; information on Fairtrade certification and requirements; information on the cost of certification; a certification contract which governs contractual rights and responsibilities (Fairtrade Foundation, 2021a: 4). Following the receipt of the application questionnaire and application fee, FLO-CERT begins the application process which results in successful applicants being issued with a FLO ID (Fairtrade Foundation, 2021a: 4-5). Thereafter, an initial certification fee will be issued and an initial audit will be conducted by FLO-CERT (Fairtrade Foundation, 2021a: 5).

After the initial audit is successfully completed, a certification for the first certification cycle (comprising of year one to year three) is issued for producers and traders, with year two featuring focused/unannounced audits by FLOCERT and with a renewal audit occurring in year 3 (Fairtrade Foundation, 2021b: 9). The Fairtrade Foundation (2021b: 9) explains that the process of the second cycle (covering year 4 to year 6) occurs similarly to cycle one, and that year 7 onwards entails focused/unannounced audits. For scheduled audits, an audit preparation letter is sent out by the auditor including detailed information regarding the scope of the audit, whereas the letter is not sent out and the date is decided by FLO-CERT for unannounced visits (Fairtrade Foundation, 2021b: 11). It is important to note that becoming certified and adopting the label is not without fee; producers and traders must pay for the processes of application

such as certification and annual re-certification (Dragusanu et al., 2014: 221). Audits are completed with a closing report of the detected non-conformities, which the auditor presents during the closing meeting (Fairtrade Foundation, 2021b: 11).

The audited party is entitled to propose corrective measures regarding the address of non-conformities at the closing meeting, postpone until FLO-CERT requests the corrective measures, or outline these measures subsequently to the audit (Fairtrade Foundation, 2021b: 12). The Fairtrade Foundation (2021b: 12) explains that the auditor sends a report to FLO-CERT fourteen days after the end of the audit, corrective measures are requested two months following the submission of the report with corrective measures to be returned one month following the request. A certification analyst at FLO-CERT evaluates the proposed corrective measures within fourteen days and may request object evidence to be submitted within forty-five days for traders and four months for producers (Fairtrade Foundation, 2021b: 12).. Immediate de-certification may occur in exceptional and severe circumstances (Fairtrade Foundation, 2021b: 14). However, a producer or trader may appeal the de-certification or re-apply for certification following the agreement to an audit (Fairtrade Foundation, 2021b: 14-15).

As highlighted above, the auditing process primarily consists of two cycles of structured audits from year 0 to year 6, preceding the focused/unannounced audits that follow from year 7. These cycles are structured in accordance with the implementation of Fairtrade standards. Fairtrade standards are expansive, in the effort to regulate numerous industries, contexts and labour structures. However, as this study examines the inclusion of large-scale, commercial South African wine producers within Fairtrade certificatory standards, the relevant framework to consider relates to Fairtrade standards for hired labour. Fairtrade International (2019) distinguishes standards for year 0, 1, 3, and 6 which correlate with auditing cycles.

Year 0 and 1 primarily pertain to 'core' requirements, such as the company accepting unannounced visits by the FTI representative (FLO-CERT) and sharing auditing results with workers from year 1 onwards (Fairtrade International, 2019: 9). In Year 0 and 1 the company is expected to appoint a Fairtrade officer within their management; to establish a democratically elected Fairtrade Premium Committee, and to explain the purpose of the Fairtrade premium to workers (Fairtrade International, 2019: 10-19). By Year 3 standards are largely developmental, such as the introduction of health and safety assessments or the access to free occupational healthcare (Fairtrade International, 2019: 39-43). A core Year 3 requirement further describes the need for suitable housing and sanitary facilities for workers to be provided by the company (Fairtrade International, 2019: 37). By Year 6, the standards include developmental goals such

as the creation of crèche facilities to support workers and the establishment of recreation areas and canteens (Fairtrade International, 2019: 21-40).

As Fairtrade applies to numerous sectors and commodities, certificatory requirements vary according to the standards applied by FTI regarding each specific industry (Keahey, 2015: 441-442). The specificity of Fairtrade standards are demonstrated in the above paragraphs, which describe a comprehensive set of standards that are specific to hired labour among Fairtrade producers. However, there exist mainstays of certificatory standards that serve to retain the overarching values of the Fairtrade label when adopted by producers and traders. For traders, this entails adhering to price floors when purchasing Fairtrade commodities from producers, providing Fairtrade premiums to contribute to the social development of producers, agreeing to long term contracts with producers, as well as assisting producers with advances and credit (Dragusanu et al., 2014: 219-222). Producers, in turn, are required to adhere to safety standards that apply both to workers and the environment, to provide fair and liveable wages to all involved in production, to ensure that there is no child labour, and to provide financial transparency and public accountability (Dragusanu et al., 2014: 219-222). Beyond these generalised standards, FLO-CERT aims to adapt certificatory processes specific to the contextual factors of the respective countries in which it may apply through delegating certification to regional branches of FLO-CERT (Dragusanu et al., 2014: 221). For example, South African traders and producers are regulated by FLO-CERT South Africa (Kruger and Du Toit, 2007: 207).

Like its predecessor, the Max Havelaar label, FTI has primarily orientated its label towards small-scale producers (Barrientos et al, 2007: 54). However, Jari et al. (2013: 69) note that FTI does not typically deal directly with small-scale producers but instead requires such producers to form cooperatives. Smaller producers coordinate to produce commodities to be sold under the Fairtrade label. The benefits of selling commodities as Fairtrade, such as the price floor, accrue to all members of the cooperative equally (Valkila, 2014: 477; Dragusanu et al., 2014: 219-220). The cooperatives are led by democratically elected cooperative members, and the social premiums are managed by a premium committee selected from cooperative members (Zackrisson and Apelberg, 2016: 40).

This general focus on small-scale producers makes the case of the inclusion of South African wine farms all the more noteworthy. Due to historical factors and the resultant socio-economic disparities, the South African wine industry is overwhelmingly dominated by large-scale farms (Aliber and Cousins, 2013: 141-142; Jari et al., 2013: 67). As the South African wine industry does not have a large enough body of small-scale wine producers, particularly in

terms of the export market, FTI has permitted the certification of large-scale wine producers (Jari et al., 2013: 67-70).

### 3.5 **Fairtrade in South Africa**

South Africa is one of Fairtrade's most prominent African countries (Herman, 2012: 1124). In extending the label to the South African context, the Fairtrade labelling process has been adapted to recognise the unique historical factors that shape South Africa's contemporary political, economic and spatial dynamics (Zackrisson and Apelberg, 2016: 5-6). South Africa has been defined by histories of colonialism and Apartheid, having achieved democracy only in 1994 (O'Laughlin et al., 2013: 3-6). This past shapes South Africa's contemporary spatial dynamics with the consequence that white South Africans hold much of the nation's land resources (Keahey, 2015: 446-447). This spatial inequality is distinctly visible in the South African agricultural sector, consisting of a well-developed and predominantly white commercial sector and a primarily black small-scale sector orientated towards subsistence farming (Herman, 2012: 1123-1124). Small-scale farmers often possess only small portions of land and limited access to machinery and infrastructure (Keahey, 2016: 414). In contrast, the commercial farm sector has historically received expansive investment by colonial and Apartheid governments, with institutionalised systems of racism having provided this sector with ample access to exploitable black labour (Jari et al., 2013: 67).

In reflecting upon the impact of this oppressive history, the Fairtrade Foundation (2010: 7) has explained that most smallholder farmers in the country are marginalised in the agricultural sector. This marginalisation has resulted in smallholder farmers owning very small plots of farming land while also having little access to tools, machinery, water, electricity, money and education (Fairtrade Foundation, 2010: 7). In addition, the Fairtrade Foundation (2010: 4) points out that, due to South Africa's history of Apartheid, the majority of historically marginalised black people are dependent on wages rather than small-scale agricultural activities.

The marginalisation of black farmworkers distinctly impacts women through practices and ideologies of paternalism (Sylvain, 2001: 732). In light of the reality of gender inequality, Raynolds and Keahey (2008: 220) note that the subject of gender equity is a key facet of Fairtrade's social agenda. Following research suggesting that women involved in the production of agriculture-based Fairtrade farmed goods experience less of a benefit than men due to gender inequality, FTI established a multi-stakeholder working group in 2010 tasked

with developing a gender strategy for the Fairtrade system (Smith, 2015: 406-407). The Fairtrade Foundation (2020: 10) introduced the Fairtrade Gender Strategy to set a clear direction for FTI's global work on gender equity and equality. The Fairtrade Gender Strategy is outlined by three goals to: significantly improve the active and equal participation of women in Fairtrade certified smallholder and hired labour organizations; empower more women and girls with opportunities to equitably access Fairtrade benefits; challenge systemic issues that impact the realization of greater gender equality in Fairtrade supply chains (Fairtrade Foundation, 2020: 12).

Due to gender equity being a part of Fairtrade's social agenda, Smith (2015: 415) explains that available evidence suggests that Fairtrade can enhance the representation of women in trade unions, workers committees and Fairtrade Premium Committees among hired labour. The specification of hired labour is highly important to FTI's mission towards gender equity, as women feature predominantly among hired and temporary labour in African Fairtrade productive networks, and are therefore entitled by Fairtrade standards to equivalent benefits and employment conditions as permanent workers (Raynolds and Keahey, 2008: 221). While such FTI standards promote gender equality, FTI specifically rejects using its certificatory standards to impose gender equality on producers, as to do so would be neither effective or sustainable (Smith, 2015: 418). Instead, FTI proposes the use of the Fairtrade premium as a direct route to meet the needs of women, as mechanism used to meet the collective economic, social and environmental needs of Fairtrade workers (Smith, 2015: 415). Smith (2015: 416) cites a relevant example of South African fruit and wine Fairtrade farms that have utilised Fairtrade premiums to fund the creation of community crèches, allowing women to more easily engage with paid on-farm employment. While this study is not a gendered analysis, it considers gender issues. As such, FTI's strategy towards gender equality is relevant to the analysis of Fairtrade's impact in South Africa.

In 2010, only 3 of the 42 Fairtrade producers in South Africa were small-scale producers, with a total of 38% of the total Fairtrade producers, producing wine grapes (Fairtrade Foundation, 2010: 5). In light of this reality, the application of Fairtrade in South Africa is premised upon the view that far more can be achieved by focusing on transforming the commercial agricultural sector (Herman, 2012: 1123-1124). As a result, FTI has extended certification to commercial sectors such as the wine industry, which constitutes a substantial portion of the South African agricultural market and a dominant site of farming activity (Jari et al., 2013: 67).

The decision to include commercial farms in areas such as the wine industry has not only been the result of the commercial sector predominantly holding access to markets but has also served to align the application of Fairtrade with state-led efforts to address national issues of spatial and economic inequality (Keahey, 2016: 410-414). At the forefront of these national efforts has been the Black Economic Empowerment Act (BEE), which has been incorporated into FTI standards applied to South Africa (Herman, 2012: 1123-1124). Fairtrade certification of commercial farms further requires the formation of premium committees wherein workers are to be included and informed as to the managerial processes of the farms on which they work (Krumbiegel et al., 2018: 196). This envisioned inclusion aims to facilitate national aspirations of land reform and worker empowerment (Herman, 2012: 1123-1124).

### **3.6 Criticisms of Fairtrade**

The Fairtrade label has become an important alternative to free trade markets and production. This is despite early criticisms of Fairtrade as riding a wave of ‘conscious consumerism’ that would pass with time (Sidwell, 2008: 29) and fears that the label would not create a market large enough to significantly restructure trade relations (Fridell, 2014: 1180-1181). As time has progressed and FTI has had the opportunity to build the label into a multi-billion dollar enterprise spanning multiple nations, these initial criticisms have seemingly been addressed (Keahey et al., 2018: 29). However, FTI’s international expansion has given rise to new criticisms regarding the theoretical underpinning of Fairtrade. At the outset of this section, it is important to recognise that, as a result of the expansiveness of the Fairtrade label across numerous countries and in its application to various products, there is now a substantial body of analyses of this organisation. However, this discussion of the criticisms of Fairtrade will not offer a general critique of the Fairtrade label as a whole but will focus on criticisms relevant to the topic of social upgrading and the inclusion of commercial wine farms in Fairtrade certification.

As a proponent of free trade, Sidwell (2008: 28-29) criticises Fairtrade for attempting to monopolise the market of ‘ethical consumers’, creating revenue for organisations through locking producers into the very same processes of production that produced poverty in the first place. Jaffee (2012: 99-103) has similarly criticised Fairtrade for attempting to restructure unfair trade relationships without critically interrogating why such inequalities may exist. Jaffee argues that the danger in this process is that Fairtrade will be co-opted by powerful producers due to the very neo-liberalism contended for in Sidwell’s (2008) endorsement of free

trade. Jaffee's criticisms reiterate the concerns expressed about top-down social upgrading that only attempt to improve worker livelihoods to promote productivity and improved revenue for businesses instead of addressing worker exploitation issues for the intrinsic value of social development and equity (Dunaway, 2014: 13-15). The argument presented in this regard is that Fairtrade inherently lacks the capacity to enact meaningful change as it fails to depart from the 'free trade fantasy' of capitalist trade as an answer to global issues of inequality and development (Fridell, 2014: 1180-1181). It is important to consider that FTI is fundamentally selling a brand that facilitates market access and which, while niche, offers exclusivity that may be economically lucrative to those able to capitalise on the opportunity (Sidwell, 2008: 6).

The inclusion of large-scale actors such as Starbucks within the international coffee industry and commercial wine farms in the South African context has led to further criticism of Fairtrade (Jaffee, 2012: 94-95; Bek et al., 2007: 315). Critics argue that the inclusion of such actors is antithetical to Fairtrade's stated goal of structuring production networks with marginalised producers in mind as these powerful producers are in the same position to dominate Fairtrade production networks as they are in non-Fairtrade networks (Raynolds and Long, 2007: 24; Jari et al., 2013: 67-70). Gereffi (2005: 84) notes that in production networks that include powerful actors, value chains may be taken 'captive' wherein producers and workers are constrained by the self-interests of these dominating actors. In the context of Fairtrade, Jaffee (2012: 99-103) has described the concept of 'captive' chains as a process of co-option, wherein corporate organisations elicit the productive capacities of smaller producers without meeting the requests or needs of the latter. In this sense, large corporations may gain power from unequal free trade and leverage such power against Fairtrade producers allowing for the control of Fairtrade production networks. Commenting on the inclusion of large-scale actors by the FLO, Fridell (2014: 1180-1184) argues that it compromises the long-term feasibility for the short-term benefit of having large-scale corporate support within the Fairtrade label.

The danger of co-option is evident in the South African context (Jari et al., 2013: 67). Because FTI began with the intention of improving the position of marginalised producers within production networks, the inclusion of commercial wine farms seems counterintuitive. This is because commercial farms possess the resources to produce at a significantly larger scale and, therefore, are likely to dominate Fairtrade production networks (Jari et al., 2013: 67). In South Africa's wine industry, where there are few small-scale producers, having to compete with well-established commercial farms will likely prevent emerging small-scale producers from entering or succeeding in Fairtrade production networks (Jaffee, 2012: 99; Jari et al.,

2013: 67-70). Furthermore, Fairtrade certified producers are often only able to sell a portion of their products under the Fairtrade label as the demand for Fairtrade products may at times be less than the supply (Sidwell, 2008: 10-11). This places small-scale producers competing against commercial farms in a precarious position similar to what takes place within free trade markets (Jari et al., 2013: 67-70).

According to Sidwell (2008: 8-10), FTI tends to rely on anecdotes when explaining the effects of Fairtrade on workers. While there may indeed be anecdotal evidence of happy producers and workers, the reliance on anecdotes rather than statistical evidence means that the voices of a wide range of producers and workers operating under the Fairtrade label are not heard. In South Africa, with its long history of worker exploitation, the inclusion of large-scale producers may serve to co-opt the Fairtrade label while maintaining practices of worker exploitation (Jaffee, 2012: 99-100; Jari et al., 2013: 67; Bek et al., 2007: 315-316 ). Anecdotal evidence of happy workers is insufficient in industries such as the South African wine industry that are faced with the challenge of restructuring this industry from its colonial origins (Keahey et al., 2018: 29; Sidwell, 2008: 8-10).

The inclusion of large-scale producers could allow commercial farm owners to accrue the benefits of the Fairtrade label while providing only marginally improved conditions for workers (Bek et al., 2007: 315). Jaffee (2012: 99-100) argues that a key issue with Fairtrade is that the label aims to address unfair trade rather than directly addressing poverty. In the case of workers on commercial wine farms, Fairtrade may offer security of employment and improved wages. However, workers may nevertheless become locked into their employment of Fairtrade commercial farms with little possible in terms of upward socio-economic mobility (Keahey, 2015: 445).

Amongst the present dangers of co-option within Fairtrade certificatory standards, Sidwell (2008: 10) has further argued that the Fairtrade label monopolises the markets surrounding ethical consumerism. This may create a distinction between its 'fair' products and alternate markets that are thereby assumed to be fundamentally unfair within their productive processes. While the Fairtrade label embodies the pertinent mission of embedding morality within economic transactions, FTI's declaration of its brand as a paragon of trade fairness presents a harmful characterisation of producers lacking the capital to meet Fairtrade standards as engaging in unfair trade (Sidwell, 2008: 8).



### **3.7 Fairtrade as Social Upgrading**

As discussed above, FTI often relies on anecdotal evidence and consumer popularity to measure the label's success. In contrast, this study uses the idea of social upgrading when evaluating the success of Fairtrade labelling, as applied to the South African wine industry. In particular, the study asks if Fairtrade offers a top-down or a bottom-up approach to social upgrading. If it is the latter, then it can be concluded that the Fairtrade certification of South African commercial wine farms does indeed provide a platform for the restructuring of production networks to reflect fairness towards marginalised and exploited workers. Whereas if the approach adopted is a top-down one, then what we are witnessing is the co-option of the label by powerful producers that reflects neo-colonialism within the world-economy.

As discussed above, early criticisms of the Fairtrade label centred on the likelihood of the brand being able to create a market founded on its values of fair economic trade. Today, the economic success and widespread international application of the Fairtrade label has addressed this criticism, and it is clear that the label is more than a passing consumer trend (Fridell, 2014: 1190). However, contemporary criticisms have focused on the certificatory standards of the label and the dangers that may arise from the inclusion of large-scale actors such as corporate retailers within the coffee industry and commercial farms within the South African wine industry (Keahey et al., 2018: 29; Fridell, 2014: 1183). In light of this criticism, it is important to consider that the expressed aim for these certificatory inclusions has been to adapt to the specialised needs of respective industries to implement fair trade relations (Jari et al., 2013: 67). Without such adaptability, the certificatory standards would apply generically, which would fail to recognise the contextual factors that shape production networks and trade relationships (Herman, 2012: 1123-1124). The reality, then, is that while Fairtrade certificatory standards present dangers in the possibility of co-option, these standards remain a logical application of Fairtrade's values and goals (Jaffee, 2012: 99-103). However, while logical within the parameters of the Fairtrade label, the question remains if these certificatory measures are effective.

The Fairtrade perspective recognises that trade is often unfair but does not provide an account of why such inequality exists (Bek et al., 2007: 315). This has understandably led to concerns that Fairtrade is reliant on connecting the Global South to the Global North in a way that follows colonial patterns of productive extraction (Keahey, 2015: 444-445). However, as acknowledged by both Value Chain and World-System researchers, countries of the Global South have already been inextricably linked to the world-economy (Horner and Nadvi, 2018: 207-208; Wallerstein, 1976: 349-352). While World-System researchers such as Wallerstein et

al. (2013: 178) have argued that meaningful change to these dynamics will come through an eventual collapse of the world-economy or replacement of old capitalist hegemons. However, Fairtrade instead aims to restructure trade relationships within the world-economy by creating Fairtrade production networks in a way that is consistent with the concept of social upgrading (Keahey et al., 2018: 26).

Through underpinning trade with morality, the Fairtrade label has grounded its brand in the recognition that economic production and the social development of the marginalised are not synonymous concepts, a consideration at the forefront of social upgrading (Fridell, 2014: 1180-1181; Dragusanu, 2014: 219-221). However, while the philosophy of the Fairtrade label aims to establish production networks that are intended to result in social upgrading, the practical certificatory standards and processes related to the label have cast doubt as to whether the label is actually able to achieve social upgrading (Jaffee, 2012: 99-100). Jaffee (2012: 111) argues that there are ‘deep’ and ‘shallow’ approaches to Fairtrade. The distinction Jaffee makes is similar to the bottom-up/top-down distinction made in relation to social upgrading. The argument presented regarding these approaches is that Fairtrade has shifted from its original ‘deep’ approach, which was characterised by short relational value chains between marginalised producers and concerned Global North consumers, towards a ‘shallow’ approach characterised by longer captive value chains controlled by large-scale actors (Raynolds and Wilkinson, 2007: 36; Jaffee, 2012: 111). The difference between Fairtrade’s philosophy remaining an ideal and it being realisable then depends on the approach taken to implement its values.

Jaffee’s distinction of a ‘deep’ and ‘shallow’ approach provides an insightful explanation of how Fairtrade production networks can operate in different ways, with the former approach promoting social upgrading and the latter approach limiting it. Keahey (2015) provides an additional distinction between a solidarity and benevolence model, which distinguishes how Fairtrade producers can either promote farmworker social upgrading or exacerbate issues of farmworker dependency. For Keahey (2015: 441-443), the solidarity model is characterised by equal participation, while the benevolence model is characterised by paternalism. A solidarity model of Fairtrade certification of commercial farms entails a free and equal participation for farmworkers, and an integrative approach by producers that promotes social upgrading through the transfer of skills, the creation of a dialogue between workers and employers, and the collaborative effort to address the socio-political and economic issues which plague the South African wine industry (Keahey, 2015: 442-443). This model would include the meaningful inclusion of workers, the provision of a living (rather than

minimum) wage, and reasonable working hours. In line with national legislation such as B-BBEE standards, participation entails a progressive shift in ownership of commercial farms through the provision of shares and the managerial inclusion of workers through premium committees (World Bank, 2018: 4; Krumbiegel et al., 2018: 196-200). Commercial farmers working in accordance with a solidarity model of Fairtrade would contribute to the development of their workers' communities and empower farm labourers to engage in collective open dialogue through means such as trade unions (Keahey, 2015: 443-444).

The market protection provided by Fairtrade value chains within global production networks has offered the possibility of the adoption of a solidarity model by commercial wine farms as price floors reduce the risks of trade for such farms, and the social premiums allow for the prioritisation of worker social development (Dragusanu, 2014: 219-220). Fairtrade certification of commercial farms potentially provides South African wine farms with a platform to address histories of oppression and exploitation through transforming the wine industry and empowering workers (Jari et al., 2013: 67). The facilitation of social upgrading for workers requires an acknowledgement of the systems of privilege that have configured the racial dynamics of white ownership and super-exploitable black labour (Keahey, 2015: 442-448; Bond, 2007: 3-4). In addition to presenting a lucrative marketing opportunity, a solidarity Fairtrade model could provide white farmers with a means to enact restitution for historical inequalities and help facilitate meaningful transformation in a context where it has otherwise been absent (Jari et al., 2013: 80).

As the antithesis of the solidarity model, a benevolence model is characterised by the control of workers by commercial farmers, with the Fairtrade certification of commercial farms being used as a system to maintain and perpetuate historical oppression and exploitation in a contemporary setting beneath the guise of generosity (Keahey, 2015: 443-445). The benevolence model entails consultation between commercial farm owners and farmworkers, but such consultation is used as a means of placating workers whilst maintaining racialised and gendered hierarchies of authority (Keahey, 2015: 441-448). This may result in the 'benefits' accrued to the workers of Fairtrade commercial farms being passed onto workers by the farmers as if they are evidence of the farmers' generosity. This emphasis on benefits as a justification for the exploitation of farmworkers is what may be described as soft paternalism (Atkinson: 2007: 45-47). The purpose of this delegation of benefits is then the creation of relationships of dependency, wherein workers are subject to the instruction of farm owners with resistance bearing the risk of loss of employment and lifestyle (Barbera and Ochse, 2009: 216-219).

Soft paternalism within the benevolence model entails a disregard of colonial histories of oppression and exploitation. Instead, ideologies of Afrikaner nationalism and revisionist histories are (re)invigorated to present historical and current racial, socio-economic disparities as a reflection of the inherent capabilities of white people and the ineptness of black people (Rassool and Witz, 1997: 454; Keahey, 2015: 442-448). Through emphasising the inherent ineptness of black people, paternalism is justified as a service rather than a means of control and exploitation (Vestergaard, 2001: 20). As Sidwell (2008: 28-29) notes, Fairtrade certification is available to those that can afford to meet its standards, rather than those that most need it. This means that the certification of commercial wine farms may result in the co-option of the label by white elites who seek to continue the racial capitalisation of super-exploitable black workers under the guise of benevolence (Bek et al., 2007: 314-315). As both national legislation and Fairtrade certification have not actively interrogated the social norms and power structures that define sectors such as the wine industry, the pursuit of a solidarity or benevolence Fairtrade model is subject to the will and intent of white farmers.

Global Value Chain Research has prioritised economic upgrading as the primary means of development through trade, achieved through positional improvements within value chains (Barrientos et al., 2011: 323). However, the Global Production Networks approach recognises the importance of social issues and acknowledges that systemic forms of oppression may undermine the development of marginalised groups (Selwyn, 2013: 75-76). GPNs emphasis on social upgrading allows discussions of development to shift beyond simplistic chain progression and pays attention to the improvement of worker livelihoods through things such as fair wages and consistent employment (Selwyn, 2013: 75-76). It remains the case that Fairtrade does not look to alter the productive processes in which they certify producers outside of assuring fair trade relations (Sidwell, 2008: 28). However, it is important to consider that through improved wages, secure employment, individual and community development, Fairtrade potentially presents a realisable model of development that utilises the dynamics of the world-economy as envisioned by scholars such Barrientos et al. (2011: 324-326) in linking social upgrading to a GPN framework.

### **3.8 Conclusion**

The South African Fairtrade model, in its inclusion of commercial wine farms, may entail the facilitation of a participatory solidarity model or may be co-opted by a benevolence model (Keahey, 2015: 442-444). While each of these models may ensure a degree of economic

upgrading for farmworkers, it is only the solidarity model that can ensure what may be considered to be meaningful social upgrading (Keahey, 2015: 441-442). Through sincere and altruistic participation with farmworkers, Fairtrade commercial wine farmers may facilitate transparent labour relationships wherein workers are able to bargain with their employers and assemble collectively without the fear of losing their employment or compromising a relationship with the farmer on which they depend on for survival.

As shown above, Fairtrade may be linked to the concept of social upgrading due to Fairtrade's commitment to social development, but it is crucial to consider what approach to social upgrading is advanced by Fairtrade. Fairtrade apparently aims to promote social upgrading through its mechanisms of social premiums and improved working conditions that are compatible with social upgrading's tenets of regular employment, worker rights, social protection and social dialogue (Barrientos et al., 2011: 324). However, there remains a clear concern that Fairtrade represents a hierarchal top-down approach to social upgrading due to its association with large-scale producers that may provide superficial development where elites dictate the development of marginalised groups (Selwyn, 2013: 76). This is of particular concern in industries where commercial farms are eligible for Fairtrade certification (Jari et al., 2013: 67). The ability of the Fairtrade label to meet its stated goals, therefore, depends on whether it provides a bottom-up approach to social upgrading that provides small-scale producers and workers with a voice and addresses power relations that may otherwise oppress the marginalised (Selwyn, 2013: 88; Murray and Reynolds, 2007: 5-8). This is particularly noticeable in the case of the South African wine industry. The certification of commercial wine producers may allow for the co-option of the Fairtrade label by large-scale and often white-owned wine farms. On these farms, colonial patterns of worker exploitation may be reproduced in modern production networks and under the guise of 'Fairtrade'. Therefore, it is important to carefully examine the effects of the certification of these wine farms. Before this examination, it is necessary to provide an overview of South Africa's background and context, which have shaped this industry's structural design and practices. The next chapter provides this overview.

## **CHAPTER FOUR: SOUTH AFRICAN BACKGROUND AND CONTEXT**

### **4.1 Introduction**

The Fairtrade label's application to large-scale, South African, commercial wine farms represents a departure from the long-established standard of providing certification primarily to small-scale producers (Murray and Reynolds, 2007: 5-8). FTI has justified this deviation from this norm as a necessary adjustment to the historical and contextual factors that shape the operation of the South African wine industry (Jari et al., 2013: 67).

The international wine industry often characterises the South African wine sector as a 'New World Producer' alongside countries like Australia and Chile (Ponte and Ewert, 2009: 1639). While international markets have considered the South African wine industry to be an emergent one as wines from this region have only appeared on an international scale over the past two decades, this miscategorises this wine industry. In fact, the production of wine is not a recent occurrence within the South African context and has, instead, occurred for close to four centuries (Ponte and Ewert, 2009: 1639). With the wine industry being such a longstanding sector of the South African economy, its operation is deeply entrenched in the history of the country itself, with the result being that the current configuration of this industry may only be understood in relation to this history. As the South African wine industry has had such an extensive history of colonial exploitation, FTI has had to factor in this history in allowing farms within this industry to adopt the label (Jari et al., 2013: 67). In the examination of FTI's allowance of Fairtrade certification of large-scale commercial wine farms, it is then crucial to interrogate the historical and contextual factors that have instrumentally shaped this industry.

### **4.2 The South African Wine Industry**

In 1652, Jan Van Riebeeck, as an official of the Dutch East India Company, volunteered to undertake the establishment of a settlement post at the southernmost point of Africa in the effort to improve safe passage from Europe to spice-producing East Asian countries and islands (Rassool and Witz, 1993: 451). Among the responsibilities tasked to Van Riebeeck was to maintain a refreshment post at the Cape in order to provide fresh produce to ships passing the Cape (Du Toit, 1983: 922; Groenewald, 2012: 1-5). De Villiers (2006: 108) notes that a key

item to be supplied from this refreshment post was wine, which was sometimes carried on ships in even greater quantities than freshwater due to water scarcity alongside the belief that red wine, in particular, possessed the necessary properties to prevent scurvy. Recognising that the Cape offered favourable conditions for the growth of grapes for wine, the first wine grapes in the Cape were pressed in 1659 (Ferreira and Hunter, 2017: 682). The creation of wine proved such a successful endeavour that South Africa's first wine, a Constantia wine, was bottled and exported with much popularity throughout Europe, constituting almost 90% of the exports from the region at the beginning of the 19<sup>th</sup> century (Ponte and Ewert, 2009: 1639). According to Robinson and Harding (2015: 201), the Constantia wine was one of the most celebrated wines in Europe, being ordered by Napoleon in his exile in St. Helena. The Constantia wine has also been referred to in famous pieces of literature such as Jane Austen's *Sense and Sensibility* (Robinson and Harding, 2015: 262).

While the Cape offered fertile soil and idyllic conditions to establish a colony, the Dutch East Asian Company had no interest in extending its colonial administration to the region and remained interested only in the refreshment post (Rassool and Witz, 1993: 451). This frustrated many of the officials of the company as they desired to begin trading and to accumulate more land, which resulted in the emergence of 'free burghers' who were granted freedom from contract to the company (Groenewald, 2012: 1-4). Contractual freedom came with the provision of land in the Cape as well as the ability to trade locally and expand their borders of ownership, marking a key starting point for colonial dispossession (Groenewald, 2012: 2). While the 'free burghers' were no longer employees of the company, Groenewald (2012: 2) clarifies the fact that the 'free burghers' remained as the subjects of the company, meaning that they were able to own land and grow crops, but were only able to sell their produce to the company, at prices stipulated by the company. However, as competition for farmland in the Western Cape grew fierce with 'free burghers' as a citizen class, Goldberg (2009: 256) explains that a class of 'trekboers' began to expand further into the countries interior and outside of the administrative control of the company. Bond (2007: 4-7) describes this period of colonial 'settlement' as occurring through 'accumulation by dispossession', wherein land was ascertained through forceful seizure and coercion from pre-existing populations.

In the years following the arrival of the Dutch in the Cape, a pertinent issue that arose was the lack of labour for the processes of farming and building, with the indigenous Khoisan population being insufficient as a labour force (Stapleton, 2010: 2-14). As a result, and due to Dutch colonists initially acting as an extension of the slave-trading Dutch East India Company, slaves were brought to South Africa (Stapleton, 2010: 2). For Adhikari (1992: 96-100), the

period of Dutch ‘settlement’ in the Cape may be recognised as having established a slave society, wherein slave ownership formed an integral part of the structure of an emerging colonial state. Williams (2016: 895) details an excerpt of a letter from Jan van Riebeeck to the Dutch East India Company which describes the need for slaves ‘to do the dirtiest and heaviest work in place of the Netherlanders’. Slavery of people imported from Malaysia and Indonesia worked alongside efforts of dispossession beginning in 1652 in the Cape and began with the domination of the Khoisan who, despite being unwilling to provide labour for the colonists, were forced to do so (Stapleton, 2010: 1-7). While scholars such as Stapleton (2010: 7-14) do not regard the Khoisan as being enslaved but instead as servants, it is important to recognise that the conditions were not dissimilar from the conditions imposed on slaves throughout history. Williams (2016: 899-900) explains that the Khoi were tied to their labour through vagrancy laws and passes that restricted their movement to a district at the risk of ‘domestic correction’ by their ‘masters’ or the committee of a court of justice.

A notable period of South African colonial history came in 1795 with the seizure of the Cape by the British, which began a series of wars with Xhosa groups that exacerbated the colonial dispossession of land and subjugation of black South Africans (Stapleton, 2010: 5-14). A particular impact of the British administration in South Africa was Britain’s Slavery Abolition Act of 1833, which came into effect in 1834 and introduced a ‘free-labour’ system within colonies such as the Cape (Mitton, 2005: 18-23). Illustrating the importance of slavery to the colonisation of the Cape, the Dutch general Janssens stated that ‘[t]he abolishment of slavery in South Africa would destroy all property and plunge the Colony into misery (perhaps for good) ... The whole industry in this country is based on the existence of slaves ... One of the main causes of poverty is shortage of labour’ (Williams, 2016: 896-897). Important to note, at the centre of what was fundamentally a slave economy was the wine industry (Williams, 2016: 902).

While slavery was abolished in 1834, South Africa’s institutionalised legacy of being a slave-driven society continued through the creation of a super-exploitable black labour force (Campbell and Guibert, 2007: 224; Bond, 2007: 3-4). The construction of a super-exploitable class occurred through the creation of debt applied to the black population through a system of state taxation (Phillips, 1984: 9-20). In response to the pertinent need for colonial capitalists to procure labour in the years following the abolishment of slavery, the Masters and Servants ordinance of 1841 ensured that the freedom of farmworkers remained compromised (Kaur, 2022: 3). Further, the Glen Grey Act in 1894 was enacted, which changed the existing system of communal land tenure to a system of individual ownership (Cousins, 2007: 296). This served



to create a tax on the black population, which was aimed to force black groups to shift from a subsistence-based lifestyle to become wage earners for colonial capitalists as taxes were due in money, as opposed to cattle (Phillips, 1984: 9-20). The colonial government imposed tax measures of a hut tax and a poll tax that applied to every black individual (Stapleton, 2010: 109). In creating a system of debt owed by the black population and payable as tax to the colonial state, black people were pushed from stable lifestyles of subsistence within communities to become exploited labourers (Adhikari, 1992: 97; Stapleton, 2010: 109). Through the creation of a super-exploitable class that lacked land and existed in debt to the state, key sectors such as the wine industry were able to procure a labour force that maintained the survival of white-owned wine farms and also further served to replicate master-slave relationships of control (Adhikari, 1992: 96-97; Bond, 2007: 3-4).

It is thus pertinent to note that the South African wine industry has a long history of exploitation. As described in the above section, the origins of the South African wine industry are directly linked to South African colonialism. This section has described the early origins of the wine industry in South Africa. The next section discusses the consolidation of this industry through the formation of the Ko-öperatieve Wijnbouwers Vereniging van Zuid-Afrika (KWV), which supported white wine farmers and functioned as a key actor in the South African wine industry for much of the 20<sup>th</sup> century (Williams et al., 1998: 67-69; Ponte and Ewert, 2009: 1639). In exploring the South African wine industry, it is important to expand upon KWV as a key player within this industry that has fundamentally shaped the socio-economic structure of the industry as it currently stands.

#### **4.2.1 Ko-öperatieve Wijnbouwers Vereniging van Zuid-Afrika**

The development of a wine industry in the Cape was a crucial factor in the establishment of a South African colonial state, as the farming of grapes and the creation of wine played a decisive role in the dispossession of land beginning from the Cape (Ponte and Ewert, 2009: 1639). However, the South African colonial wine industry came under threat in 1861 where prominent South African wines such as the Constantia wine were undermined by a French trade agreement making French wines cheaper to export to other European countries where these wines were largely consumed. Consequently, European buyers (and many buyers in the colonies) replaced South African wines with the cheaper and more accessible French alternatives (Ewert et al., 2005: 3). While this historical period lacked the technological advancements available in the contemporary context, it is important to note that production existed in similar production

network patterns to what is visible currently in the export of products such as the Constantia wine (Ewert et al., 2005: 3). The implication of this French trade agreement was that French wines were exported throughout the colonial world in a way that undermined South African wines. Additionally, the spread of phylloxera devastated the local wine industry by significantly damaging vineyards within the Cape (Ponte and Ewert, 2009: 1639).

In 1918, in response to the continuing decline of local wine industry, the Ko-öperatieve Wijnbouwers Vereniging van Zuid-Afrika (KWV) was created by Charles Kohler (Williams et al., 1998: 67-68; Brown, 2002: 114). KWV began as a co-operative composed of mainly Afrikaans winemakers and grape cultivators that aimed to regulate the growth, manufacture and distribution of wines and spirits (Halpern and Meadows, 2013: 46). The co-operative gained statutory powers to regulate the alcohol industry through the 1924 Wine and Spirits Control Act, which allowed the co-operative to set the prices to be paid to farmers and merchants and to dispose of the share crop that the co-operative declared as 'surplus' (Williams et al., 1998: 67-68). These regulatory powers were initially gained through the struggles and petitions of wine farmers to the colonial administration, and later through the KWV becoming closely aligned with the National Party after the party came to power in 1948 (Ewert, 2012: 227).

By forming an industry-wide cooperative, KWV was able to establish price floors and regulate the local market in a manner emphasising high yields of wine and the maintenance of a national standard (Ponte and Ewert, 2009: 1639). While prioritising high yields of wine inevitably resulted in a decline in the quality of South African wines, the creation of a national standard served to insulate those farms most heavily impacted by the struggles of the wine industry by positioning them in the same productive pool as the more successful farmers within the local production network (Ewert and Du Toit, 2005: 317-318). KWV further established and maintained a quota system that regulated the import of vine production and harvesting materials as well as the planting selections for local vineyards (Ponte and Ewert, 2007: 7-10; Du Toit et al., 2008: 7-12).

The creation of this cooperative, and its gaining of statutory powers to regulate the alcohol industry, was not only intended to serve the interests of the colonial economy but also to protect white farmers and facilitate the development of their farms (Williams et al., 1998: 67-69; Ponte and Ewert, 2009: 1639). Colonists during the colonial period easily attained farms through the dispossession of land and through state allocation and were thereafter supported by the state and protected from the difficulties of the industry, such as the devastating effect of phylloxera (Cousins, 2009: 900; Ponte and Ewert, 2009: 1639). This is evidenced by the Land

Bank of South Africa offering financial credit to white farmers and the Agricultural Credit Board further assisting white farmers who had failed to qualify for assistance by the Land Bank (Visser and Ferrer, 2015: 36). This would continue from the colonial era to the Apartheid era, with the latter beginning in 1948, as Apartheid policies enacted by the National Party largely built upon and institutionalised colonial policies which codified the separation of people in accordance with racial classifications (Barbera and Ochse, 2009: 221). KWV, in this regard, continued the perpetuation and protection of white interests from the colonial administration to the Apartheid state (Ewert and Du Toit, 2005: 317-318). Where the existence of Apartheid in South Africa would result in the creation of international sanctions against the country from international trade relations, KWV served to protect the wine industry from its exclusion from export markets (Bek et al., 2007: 304-308). The KWV wine model simply tasked wine farmers with production, irrespective of quality, of wine that would be sold under the brand of KWV in a national market which the cooperative's statutory powers allowed it to monopolise (Bek et al., 2007: 304-305).

In the effort of extracting as much value from the country as possible, the coercion and subjugation of the black population for the purposes of creating a controlled labour force became a fundamental aspect of racial capitalism (Dagut, 1997: 18-20). Coercion, in the initial period of South African colonisation to 1834, took the form of slavery, wherein the labour force was controlled as the property of the slave owner by direct rule (Adhikari, 1992: 103-107). However, with the abolishment of slavery, colonial coercion was reconceptualised through the administration of spatial and socio-economic laws, which created an extensive black class of super-exploitable labour desperate for living spaces and income (Stapleton, 2010: 109; Bond, 2007: 3-4). In the creation of a super-exploitable class, white capitalists were able to not only exploit black labour but also to make black South Africans dependent on these relationships of exploitation (Dagut, 1997: 18-20).

The discussion above provides an explanation of how socio-economic, spatial and political-institutional structures of racial exploitation were established in South Africa and the ideological drive behind them. However, more is to be said as to the socio-cultural structures of colonialism and Apartheid that justified and rationalised systems of exploitation (Atkinson 2007: 42-45). It is important to consider that while white capitalists such as wine farmers in the Cape were connected and governed by a capitalist system, which operated at an international scale until sanctions were imposed on South Africa during Apartheid, they still maintained their own perspectives regarding the exploitation of the black population (Bek et al., 2007: 302-305). Fundamental to the rationalisation of black exploitation and subjugation,

particularly amongst farmers that remained in close proximity to their workers (compared to mine owners, the other dominant industry), was the ideology of paternalism (Bek et al., 2007: 305).

#### **4.2.2 South African Farm Paternalism**

Farm paternalism describes a social order that justifies and legitimises unequal power relationships between farmers and farmworkers where the former, as a superior agent, acts on the behalf of the latter, as an inferior agent, in the belief that such action will promote the interests of the latter agent (Atkinson, 2007: 44-47). This relationship of superiority and dependency is likened to the relationship between a father and child, where the father acts for the child by virtue of understanding the child's interests more so than the child is capable of due to the child's immaturity (Sylvain, 2001: 727-728). The British used paternalistic language to justify the kinds of relationships that emerged as slavery was replaced by other forms of exploitative labour (Gibbon et al., 2014: 174-178; Bek et al., 2007: 305-306). While slave owners were resistant to the abolishment of slavery as an institution, perceptions would change towards paternalism as it produced a super-exploitable labour class that is not greatly distinct from slavery (Dagut, 1997: 18-20; Bond, 2007: 3-4). However, a notable difference between the institution of slavery and the practice of paternalism is that slavery imposed a directly oppressive rule over enslaved people, whereas paternalism portrays exploitation as being beneficial to those oppressed through social practices (Dagut, 1997: 4-6).

South African farm paternalism has historically entailed the creation of relationships of dependency between white farmers and black and coloured farmworkers through the conjoint issues of farmworkers lacking property and requiring wages. As black people during colonialism and Apartheid were forced out of their villages and communities by taxes requiring them to earn wages, and as urban areas remained segregated in favour of the white population, black people were relegated to working on farms or in the mines (Phillips, 1984: 9-20). For farmworkers, dependency was then established by the farmworkers having to reside on the farms on which they work, resulting in a reliance on farm owners for both employment and residence. This provided farmers with a labour force coerced into subordination and susceptible to indirect, paternalistic control (Bek et al., 2007: 304-305).

Farm paternalism was predicated on the perception of black inferiority being interpreted as a child-like inferiority that required the supervision of white people as parental figures (Vestergaard, 2001: 20-21; Sylvain, 2001: 727). While farm paternalism began as a form of

racial capitalism that protected farmers and stabilised the wine industry, paternalism was rationalised by farmers as being for the sake of their workers, as they viewed the workers as child-like and dependent on the farmers for survival (Bek et al., 2007: 304-305; Sylvain, 2001: 727). This signalled a shift from the rationalisation of slavery, whereby slaves were perceived as property meant to be used as tools of white interests, to a view that perceived the farmer as providing necessary governance over a 'child-like' black workforce (Sylvain, 2001: 727-728).

In practice, farm paternalism entailed the provision of housing, food, wages, medical care and water for workers by farmers (Bek et al., 2007: 304-305). This entailed farmworkers being placed in a position of dependency on farm owners for survival (Atkinson, 2007: 42-47). Through ensuring that black labourers gained a vested interest in the upkeep of the farm, as the survival of the black worker was made reliant on it, paternalist narratives imply that both the farm owner and the farmworker are in a position of understanding each other and working towards a common goal, rather than there being a relationship of exploitation (Atkinson, 2007: 46-47). This narrative not only justifies exploitation but also portrays farmers as feeling fatherly goodwill towards their workers, thereby suggesting that workers owe the farmers their loyalty (Sylvain, 2001: 735-736). In constructing the relationship between farm owners and farmworkers this way, farmers were able to enact soft paternalism that motivated labourers to work in the pursuit of a shared goal and hard paternalism that entailed the farmer revoking interlinked 'privileges' such as housing and wages (Atkinson, 2007: 47). While hard paternalism and soft paternalism differ in the method of administration, there is importantly a fundamental link of justification for the 'superior' white farmer to act with control over the lives of the 'inferior' farmworker (Keahey, 2015: 441-443).

Farm paternalism rendered home life and work indistinguishable for farm labourers, making the farm the living place of the farm labourer's family (Atkinson, 2007: 46). This served two essential purposes within the framework of farm paternalism: firstly, this heightened the pertinence of farmworkers maintaining the goodwill of the farmer so as to keep a roof over their families' heads; and secondly, this living dynamic provided a free labour force in the wives and children of the predominantly male labourers who were expected to 'help' around the farm (Ewert et al., 2005: 3). This tied the labourer and their family to the farm and made them dependent on the farmer. The implications of job loss were so severe that the farm labourers remained desperately dependent on the exploitation of the farmer (Atkinson, 2007: 46). This provided the farmer's such extensive control over the lives of their workers that, most prominently amongst coloured labours, farmers were even able to create a 'dop system'

wherein alcohol was used as a form of payment in lieu of monetary wages (Bek et al., 2007: 305-308).

In examining the history of the 'dop system', Gossage et al. (2014: 7407) notes that the consumption of alcohol has been a consistent feature of South African society since the beginning of colonisation in the 17<sup>th</sup> century. For Williams (2016: 894-898), the history of the dop system may be traced back to the establishment of a slave society in the Cape of Good Hope in 1658, with alcohol forming a part of the daily rations of slaves and farm servants. The consumption of alcohol is noted by Campbell and Guibert (2007: 223-227) as being essential to the growth of the wine industry as wine was used as a substitute for actual payment for farmworkers following the abolishment of slavery. This practice (similarly to slavery) kept production costs as low as possible while maximising profits (Campbell and Guibert, 2007: 223-227).

Gossage et al. (2014: 7407) notes that while the 'dop system' existed purely to benefit Dutch farmers, this system was portrayed to workers as a benefit of their employment on the farm. The resulting alcoholism exacerbated farmworker dependency, securing their extremely exploited position on the farm and slave-like servitude for the farmer (Bek et al., 2007: 304-305). London (1999: 1411-1412) notes that farmers justified this system using the stereotype of coloured people being inherently alcoholic, a stereotype that continues to this day. Gossage et al. (2014: 7407) point out that workers were provided with low-grade wine up to five times a day on some wine estates in the manufacture of farmworker alcoholism. Williams (2016: 907) elaborates on this process of farmers manufacturing alcoholism among farmworkers in explaining that workers were provided with the first serving of alcohol very early in the morning to start a 'craving for the stimulant' which would be followed with additional servings throughout the day.

While the 'dop system' was abolished in 1961 through the amendment of the Liquor Act of 1928 to outlaw the use of alcohol as formal payment, the provision of alcohol as a 'gift' was still permitted with the result that no formal prosecutions have come as a result of the Act despite the continued provision of alcohol on wine farms persisted despite the Act (London, 1999: 1409). May et al. (2019: 3713-3715) notes that while the institution of the 'dop system' no longer exists, the living legacy of this system remains in culturally shaped patterns of alcohol abuse in the Western Cape Province in particular. As a result, the 'dop system' provides a crucial example of farm paternalism and dependency (Campbell and Guibert, 2007: 227-229).

This system has created a long-lasting legacy of alcoholism alongside poverty that remains a pertinent issue in areas such as the Western Cape to this day, particularly amongst farmworkers (Moseley, 2008: 294). The ‘dop system’ remains evidence of the extensiveness and scope of the power provided to farmers by the institutionalisation of farm paternalism (McEwan and Bek, 2006: 1026-1027). By recognising farm paternalism as a worldview which justifies racial capitalism, it is possible to see how systemic racism is embedded in the social and cultural structures that have shaped the South African wine industry (Bek et al., 2007: 305-308).

#### **4.2.3 Gender Oppression and Farm Paternalism**

As a result of South Africa’s history of colonialism, racism is often identified as a defining feature of socio-economic realities (Akinola, 2019: 75-80). However, a form of discrimination persistently understated in the process of interrogating South Africa’s history is that of gender-based discrimination (Ross, 1995: 35). Discussions of colonialism and apartheid are predominantly concerned with the issue of systemic racism as a form of collective power exerted over black people by white people over a period of time to the point of becoming institutionalised (Akinola, 2019: 75-80). In defining systemic power, Frantz Fanon (2008 [1952]: 87-88) has argued that such power is larger than legislation and extends to social, spatial (territorial), economic, political and cultural structures of domination that exist as the foundations of a society and permeate throughout all facets of existence as a result. Fanon’s analysis of power is often used in the analysis of systemic racism, providing powerful insights regarding the embeddedness of systemic inequality within society (Cashmore, 2004: 153-155). However, the reality of gender inequality, despite the persistent misidentification of it as case-by-case aberrations, is that it exists as a systemic issue encompassed by the structures identified by Fanon (2008 [1952]: 87-88) that have been seminal to societal development. There is then a pertinent need to reconcile systemic issues of race and gender as intersecting, as the absence of either is a failure to recognise oppression in South Africa in its entirety (Morell, 1998: 613-620).

Morell et al. (2012: 12) argue that there is a tendency in South African literature to blame all issues of gender inequality as being a product of colonialism. However, the reality of male power and privilege through the subordination of women within the South African context is far more nuanced than this simplification suggests (Lemke et al., 2009: 196-197). Scholars such as Morell et al. (2012: 12) have directly engaged this complex issue by approaching

masculinity differently in order to identify three different forms of hegemonic masculinity: white masculinity, African rural masculinity, and 'black' urban masculinity.

White masculinity, in the South African context, relates to the patriarchal practices brought by European colonists (Morrell, 1998: 616-619). For the British, this represented capitalist patriarchal divisions that relied on women to remain in the home, performing unpaid and unrecognised labour pertaining to the home and its administration, justifying the servicing of men (Seccombe, 1986: 56-58). Among the Dutch and later Afrikaans groups, particularly after the implementation of Apartheid, the relevance of patriarchy extended beyond the capitalist exploitation of women to being underpinned by religious meanings of gender roles perpetuated by groups such as the Dutch Reformed Church (Vestergaard, 2001: 20). African hegemonic masculinity is noted by Morell (2012: 12-15) as being embedded in institutions such as chiefship that not only subordinated women by dictating gender roles but further relegated women to the periphery of village society by prioritising men within communal land tenure and within customary law. Morrell (1998) shifts from analysing 'African' to 'black' hegemonic masculinity as this conceptualisation of power concerns black African, coloured and Indian groups that existed within urban areas. In this regard, Morrell (1998: 625-629) argues that through the procurement of a wage (albeit the result of labour exploitation), the urban black man is able to exert power over the black woman by virtue of being the breadwinner. While these modalities of hegemonic masculinity remain distinct, there remains a congruency in the systemic oppression imposed on women, with these modalities collectively impacting black women through the intersection of race and gender (Sylvain, 2001: 732).

While farm paternalism is often considered in South African history as a system of racial oppression, paternalism is conceptually grounded by the concept of the male. Thus there is an important gendered aspect to paternalism (Bek et al., 2007: 305-308; Du Toit et al., 2008: 10-11). Farm paternalism has been conceptually adapted from familial kinship, which gives the father of a family sanctioned power over the wife and children (Dagut, 1997: 5). This paternal authority is reasoned to be qualified by the innate superiority of the adult man in supposedly possessing reasoning and intelligence beyond the capabilities of the minors of the family (Ewert et al., 2005: 3-8). Paternalism is then the product of the patriarchal structure, which reinforces patriarchal gendered divisions by justifying the subordination of women and children (Vestergaard, 2001: 20). Farm paternalism merely extends the application of this patriarchal rationalisation from kinship relationships to quasi-kinship relations through the representation of black labour as a 'child race' in need of authoritative guidance (Sylvain, 2001: 727-728). The child of the farmer, particularly the males, were then made to be recognised by



black farmworkers as the 'kleinbaas' (little boss) as it was considered that while the child existed in a state of immaturity, this would change over time by means of inherent capability (Sylvain, 2001: 728).

It is indeed the case that black workers were viewed as a 'child race' within the framework of farm paternalism, subordinated by the farmer through quasi-familial relationships that perpetuated the dependence of workers on the farmers for survival as a means of exploitation (Vestergaard, 2001: 20; Sylvain, 2001: 727). This allowed the farmer to justify the provision of menial wages, harsh living conditions, the control of access to food, clothing and medical care, as well as the authoritative rule over the lives of the workers (Sylvain, 2001: 732). In addition, the farmer delegated patriarchal control of the black women and children to the black male (Bek et al., 2007: 305-306; Sylvain, 2001: 29). This is illustrative of the congruency between white, African and black urban hegemonic masculinity, as black women were made to do 'work around the house' of the paternalistic white farmer as well as maintain the home of the paternalistic black male breadwinner (Sylvain, 2001: 732-733). The labour of black women thereby went unrecognised as she remained subject to the subordination of both the white and black man, occupying the lowest rung of power and facing the highest degree of oppression.

#### **4.2.4 Farmer Worldviews and Reconstructed Histories**

Farm paternalism presented a means of indirect control over black people, subjugating them as labour in a manner able to replace the direct rule utilised through slavery (Bek et al., 2007: 304-305; Gibbon et al., 2014: 174-176). This worked alongside state regulation which sought to create a super-exploitable black workforce for both the mines and farms (Bond, 2007: 3-4). Legislation such as the Land Act and the later Group Areas Act were pivotal in dividing the land in a manner that accrued the overwhelming majority of it to the white population, while taxes on huts and individuals ensured that black people could not remain on the little land they were relegated to and were instead dependent on extremely exploitative work (Akinola, 2019: 78; Atkinson, 2007: 26-27). While the mines created patterns of black migration that required black males to live in close proximity to the mines and away from their families who lived in the black 'homelands', entire black families were moved onto farms and provided the farmer with both an exploited black male labour force and unrecognised female and child labour (Sparks 2019: 9-13). In thriving agricultural sectors such as the wine industry, there remained

a heavy degree of reliance on state legislation to provide a black workforce as well as to ensure that the workforce remained super-exploitable (Bond, 2007: 3-4).

The paternalistic nature of the racial capitalism that was characteristic of the colonial and Apartheid period was obscured through a discourse presenting farmers as the saviours of the 'child-like' black race and drivers of development (Legassick, 1972: 9; Sylvain, 2001: 727). According to Rassool and Witz (1993: 449-456), this narrative of white saviourism functioned as a justificatory framework for racial exploitation as did the evolutionary and religious theories of biological white superiority that were respectively held by the British and Dutch. This justificatory framework operated through the rationalisation that colonial domination existed as an inherent claim of entitlement, whether divine or biological (Cashmore, 2004: 85-87). While this provided the basis for farm paternalism, in the consolidation of ideological constructions of black people as an inferior 'child race', the shift of the colonial state to the Apartheid state saw a revision and reassertion of 'settler' history in a manner that reconstructed the justificatory framework for racial exploitation and oppression (Vestergaard, 2001: 20; Sylvain, 2001: 727). After the 1948 election of the Afrikaans National Party, attempts were made to reinvigorate a sense of Afrikaner nationalism which had dwindled following the 1910 formation of the Union of South Africa by the British colonial government (Ferree, 2011: 49; Stapleton, 2010: 113-115). The Apartheid government began a state-wide revision of Dutch colonial history that emphasised 'settlers' as coming to South Africa as liberators and pioneers of civilisation (Rassool and Witz, 1993: 449). Colonists such as Jan Van Riebeeck were then celebrated through festivals as noble travellers that, through ingenuity and brilliance, civilised a wild land (Rassool and Witz, 1993: 449-450).

The reconstruction of the role of the 'settler' in South Africa presented colonialism as a moral endeavour that brought civilisation to an uncivilised land and people (Rassool and Witz, 1993: 449). In this process, the Apartheid government managed to revive a sense of Afrikaner nationalism in a manner that both bolstered support for the National Party and instilled a sense of righteousness and entitlement to Afrikaans people, who occupied the majority of farming land within the country (Rassool and Witz, 1993: 449-451). While colonialism was a capitalist endeavour of greed and depravity that destroyed the livelihoods of African people who had existed successfully prior to colonial interaction, this 'settler' narrative emphasised by the National Party justified colonialism as meeting the need for civilisation of colonised people. This provided an important ideological support structure to the framework of farm paternalism as it provided the reasoning that the dependency of black workers on white farmers is inherent rather than manufactured and beneficial to the worker.

In exploring the history of farming in South Africa, it may appear reasonable to prioritise the economic and legislative factors within colonial development, particularly concerning agricultural sectors such as the wine industry. However, it is important to also recognise the role of farm paternalism, which provided a key cultural structure that rationalised racialised histories of exploitation and oppression in a manner that justified the position of both the white farmer and the black worker (Bek et al., 2007: 304-305). This is important to consider as these social and cultural structures of systemic racism exist independently and of their own volition (Fanon, 2008 [1952]: 86-87). The implication is that while legislative structures of colonialism and Apartheid were dismantled by the implementation of democracy in 1994, these socio-cultural structures are active in the reconstructed justifications and validations of both colonial history as well as contemporary reactions to inequality. This has major implications for areas such as the wine industry as these revisionist perspectives of South Africa's history have created an issue of what McKaiser (2015: 69-70) terms as 'racial narcissism'. In this sense, some members of the wine industry resist racial and gendered transformation of this industry in the belief that contemporary issues of socio-economic and spatial inequality are the product of inherent white capability as opposed to systemic exploitation (Du Toit et al., 2008: 10-14).

#### **4.3 Post-Apartheid Economic Policies and their Effect on the Wine Industry**

One of the most monumental moments in contemporary South Africa is undoubtedly the 1994 election, with this being the first democratic election to be held within the country of which saw the transition from the National Party-led Apartheid government to the African National Congress-led democratic government (Duncan, 2013: 66-70). This moment was enshrined by a hopefulness for a South African future that would no longer be premised upon division and racial subjugation (Barnett, 1999: 274-275). While this remained one of the brightest moments in South African history, addressing the implications of over four centuries of institutionalised dispossession and mandated inequality remained the arduous task of the incoming democratic government (Cousins, 2009: 900). The foremost response to South Africa's legacy of colonialism and Apartheid was the adoption of the constitution of the Republic of South Africa in 1996 (Dickow and Møller, 2002: 183). This constitution has been praised for being one of the most progressive constitutions of any government and is dedicated to ensuring the creation of a non-racial, non-sexist society offering equality to all of its citizens (Leftko-Everett, 2012: 127-128).

The constitution set the groundwork for policies to follow as a state-led endeavour of transformation towards a democratic South Africa and, as a result, has provided a definition of change that fundamentally shaped South African discourse (Dickow and Møller, 2002: 183). Notable Post-Apartheid policies that followed are the socio-economic orientated Reconstruction and Development Programme (RDP) and the macro-economic orientated Growth, Employment and Redistribution (GEAR). These policies framed the early socio-economic and political climate of the democratic state, invariably shaping all that happens within it. This has, importantly, created a shift from social equity and development under RDP to a prioritisation of macro-economic stability under GEAR (Visser, 2004: 8).

The Reconstruction and Development Programme (RDP) of 1994 provided an essential socio-economic framework for the newly democratic South Africa, creating a social security grant system and a social housing programme that South Africans continue to rely on to sustain themselves (Maloyi, 2010: 34-35; Le Roux, 1997: 55). Additionally, Ponte et al. (2007: 933) observe that the RDP is often recognised as initiating the ANC's Black Economic Empowerment policies, which initially aimed to improve black ownership of businesses and enterprises by ensuring mandatory quotas for black African, coloured, Indian South Africans. While the RDP aimed to directly address issues of social inequality, the subsequent Growth, Employment and Redistribution (GEAR) programme of 1996 looked to address issues such as poverty and unemployment through improving South African macro-economic stability and fiscal conservatism (Maloyi, 2016: 59-62). However, GEAR has been criticised by some as a 'panic response' to the pressures of South Africa's re-entry to the world-economy, which resulted in 'jobless growth' within an anti-development neo-liberal framework (Le Roux, 1997: 45-56; Bek et al., 2007: 304-305). Despite these criticisms, the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) and the New Growth Path (NGP) have respectively aimed to add to the foundation set by GEAR (Maloyi, 2016: 59-62).

These key policy programmes are important to acknowledge as they structured the post-Apartheid economy in which Fairtrade now operates. While the RDP favoured state involvement in economic activity, subsequent economic programmes like GEAR, AsgiSA and the NGP have consolidated a distinctly neo-liberal policy framework that is accused of over-emphasising the developmental role of the private sector while disempowering the state to enact transformation (Aliber and Cousins, 2013: 142; Maloyi, 2016: 7-12).

The World Bank (2018: 42-43) describes South Africa as the most unequal country in the world, characterised by an enormous disparity between the wealthy and the impoverished. Contemporary inequalities largely reflect the systemic inequality visible during Apartheid. In

exploring the implications of Fairtrade extending its label to commercial wine farms, it is important to consider that Fairtrade has prioritised social development in a South African context that prioritises macro-economic stability even where it may lead to the perpetuation of an extremely unequal society. The capacity of Fairtrade to promote social upgrading within the contemporary wine industry is affected by policies such as GEAR that have been criticised for exacerbating existing issues of inequality and exploitation (Le Roux, 1997: 45-56).

#### **4.4 The Contemporary Wine Industry**

The 1990s presented a crucial point in the (re)establishment of the South African wine industry. The country underwent significant changes to the political, social and economic landscape as a result of the 1994 democratic election, ending nearly four centuries of colonial and Apartheid rule (Ewert et al., 2005: 8). This had a major impact on the labour market due to the creation of a minimum wage and the introduction of a more robust framework of labour rights (Ponte and Ewert, 2009: 1639). The most impactful change to the wine industry, however, was the end of state-led patronage of the white farmers that benefited from the colonial and Apartheid states (Moseley, 2008: 296).

The end of state protection of white Afrikaans farmers entailed the end of KWV as a co-operative with state-appointed regulatory powers (Ewert, 2012: 225-228). KWV, in response to the removal of its regulatory powers, privatised its brand so that its assets and capital gained while operating as a state-supported co-operative from 1924 until its privatisation in 1997 were kept (Williams et al., 1998: 67-68; Halpern and Meadows, 2013: 46). Litigation between KWV and the Ministry of Agriculture was settled out of court with KWV's creation of the South African Wine Industry Trust (SAWIT). However, Ewert and Du Toit (2005: 330-331) argue that this allowed KWV the ability to dictate their contribution to national transformation and that SAWIT has used only a fraction of its funds to assist 'new farmers' and farmworkers as agreed. However, for the farms already established prior to the 1994 election, the democratisation of the wine industry and removal of international sanctions entailed a re-entry of local farms to global production networks within the world-economy (Bek et al., 2007: 304-305).

The contemporary insertion of the South African wine industry into global production networks has proven to be a somewhat successful endeavour for local winemakers. South Africa is now the eighth largest producer of wine, with 75% of local exports going to the countries of the European Union, generating five billion Rands in export value (Ferreira and

Hunter, 2017: 682). The South African Wine Industry Information and Systems (2015: 23) observed in 2015 that approximately 289 151 people are employed both directly and indirectly by the industry, which is mostly based in the Western Cape. An important implication of a successful export market has been the establishment of wine tourism (Ewert et al., 2005: 1-2). This has vastly expanded the complexity of GPNs within the local wine industry as wineries throughout the Western Cape have become nodes within networks of tourism routes that operate within a ‘winescape’ of wine tourism regions (Ferreira and Hunter, 2017: 684-688). The export and tourism markets are noted to work in tandem, with the establishment of a tourist market contributing towards an attractive representation of South African wines and improving the position of local wines among international circles (Ewert et al., 2005: 1-2).

#### **4.4.1 Governance of the Wine Industry**

The re-entry of the South African wine in the global market resulted in the restructuring of the systems of governance that ultimately define the industry (Moseley, 2008: 296). Governance under Apartheid was distinguished by the ‘hands-on’ model of regulation administered by KWV that relied on the production of wine prioritising quantity rather than quality, to be sold domestically under the KWV brand name (Ponte and Ewert, 2009: 1639). However, since democratisation, there has been a greater focus on quality, which creates divisions of wine production according to the quality of the wine produced within contemporary production networks (Ponte and Ewert, 2009: 1639-1640). Importantly, with democratisation, domestic production networks are now inextricably assimilated within global production networks.

The current structure of the South African wine industry is shaped by four acts of legislation: Liquor Production Act 60 of 1989, Liquor Act 59 of 2003, Western Cape Liquor Act 10 of 2010, and the Broad-Based Black Economic Empowerment Act 53 of 2003. The Liquor Production Act sets the requirements for what may be considered to be wine within the South African context and establishes regulations relating to the exportation of liquor. As specified by section 11 of the Liquor Act of 2003, the actual registration of liquor manufacturers and distributors is subject to the discretion of the Minister of Agriculture following an application made by the prospective manufacturer or distributor. This is followed by section 12 of the Liquor Act that grants the Minister the powers of registration described in section 11. Section 13 specifies that the Minister must consider the applicants’ commitments to black economic empowerment and their contribution to combating alcohol abuse and promoting diversity of ownership as conditions of registration. If the Minister of Agriculture

approves an application for, say, for example, the creation of a wine farm, a certificate of registration is provided to the farm that remains until the registration is cancelled or deregistered. Section 37 of the Liquor Act establishes the National Liquor Policy Council, which consults on the norms, standards, legislation, regulations as well as any issues concerning the liquor industry.

The Western Cape Liquor Act establishes the Western Cape Liquor Authority. Section 9 of the Act specifies that the Western Cape Liquor Authority holds the power to grant liquor licences that permit the trade of liquor. This is particularly relevant to discussions of wine farms, as the majority of wine-grape growing areas in South Africa are found in the Western Cape (Moseley, 2008: 296). The Broad-Based Black Economic Empowerment Act aims to provide a more structured legislative framework for black economic empowerment, building upon the fundamental idea introduced by the RDP (Stewart, 2015: 291-293). The B-BBEE Act importantly introduced codes of good practice within section 9 of the Act that supports the Act through further interpretation and expansion of black economic empowerment. This has resulted in the creation of the 2005 Codes of Good Practice document, which created a generic scorecard for black economic empowerment that standardised definitions and set targets. This scorecard serves not only to certify if a business is BEE compliant but also to calculate the degree to which a business may be compliant. In terms of the latest (2013) codes, the scorecard is calculated to a total of one hundred points, with a score of less than forty being recognised as ‘non-compliant’ (Forbes, 2018: 13-14). The points are divided among five categories with twenty-five points being allocated towards ‘Ownership’, fifteen points towards ‘Management and Control’, twenty points towards ‘Skills and Development’, forty points towards ‘Enterprise and Supplier Development’ and five points towards ‘Socio-Economic Development’ (Forbes, 2018: 95). It is important to note that the Fairtrade Foundation (2010) has made compliance with these standards mandatory within certified farms.

The exposure of the South African wine industry to international export markets has also led to changed expectations regarding labour practices, resulting in the influence of certificatory bodies such as WIETA (Wine and Agricultural Ethical Trade Association) and Fairtrade that aim to certify social development within the wine industry (Bek et al., 2007: 314-317). While such standards are not unique to South Africa, what is noteworthy in the South African context is the onus of proving that contemporary wines are distinct from those previously internationally sanctioned (Bek et al., 2007: 304-305).

In addition to ethical certifications being an important requirement among wine GPNs, wine quality is an important factor that is distinguished by markers that maintain the standards

for export eligibility. Local wines, particularly those within the top quality tier, are therefore required to establish a uniqueness to their bottle that applies both to the wine as well as to the winemaker (Ferreira and Hunter, 2017: 693). While important, the endorsement of critics among the mid-range wines is not applied as rigorously as with top-quality wines, with factors such as brand and variety being key factors to selection (Tomasian et al., 2016: 39-40). Basic quality wines, in contrast, are primarily selected in accordance with their prices and promotional support (Ponte, 2007: 21-22).

As a result of the demands of quality governance, particularly in the production of top to mid-quality wines, South African wine producers have to adhere to rigorous standards so as to remain eligible for exports to the international market (Tomasian et al., 2016: 48). These regulatory standards refer to packaging, consumption safety, labelling of the bottle, recyclability, shape-weight, alcohol level, acidity, residual sugar content and flavour profile (Ponte, 2007: 20-22). These wine standards not only create pressure for local wine producers to meet the demands of international markets for entry but entail pressure to remain connected to these GPNs (Ferreira and Hunter, 2017: 682). Ponte (2007: 20-23) has noted that this pressure increases over time, as the United Kingdom's position as South Africa's primary wine export market requires local wines to adapt to the demands of the UK's market, such as providing retail-ready packaging for wine and replacing corks with synthetic closures. These demands are indicative of a change in the status of wine from being a luxury item to becoming a fast-moving good that requires adaptability amongst winemakers (Ferreira and Hunter, 2017: 682). As wine has become a fast-moving item, personal inspections of quality are no longer practical for retailers in Europe and the United States, with these retailers instead relying on independent certificatory bodies to ensure quality (Ponte, 2007: 25-27).

In exploring the local and international wine market, it is evident that the South African Fairtrade wine industry greatly benefits from its export market, particularly in the Swedish market, where South African wine producers are amongst the most prominent suppliers (Ponte, 2007: 29). The task of local winemakers is then to produce high-quality wine at competitive prices with a distinct flavour profile and a certifiable standard of ethical production. Consequently, brands certified by labels such as Fairtrade are primed for international success (Visser and Godfrey, 2017: 2-6).



#### **4.4.2 Perceptions of Upgrading in the Wine Industry**

A Value Chain perspective can be used to understand the South African wine industry's progression from an isolated industry subject to international sanctions to the eighth largest producer of wine in the international market (Moseley, 2008: 292-296; Bek et al., 2007: 304-305; Ferreira and Hunter, 2017: 682). From a Value Chain perspective, the South African wine industry's international success in democracy is evidence of upgrading having taken place that has allowed local wines to adhere to international standards of wine quality (Tomasian et al., 2016: 39-40).

As wine produced under the KWV label prioritised quantity over quality, South African winemakers were required to work extensively towards the improvement of local wines, particularly in the effort to enter top-quality orientated markets such as that of the United Kingdom (Ferreira and Hunter, 2017: 682-683). This improvement of South African wines may be considered to be a form of product upgrading, which Barrientos et al. (2011: 323) observes to occur through the introduction of more advanced product types. The improvement of local wines has been accompanied by process upgrading, where the process of production has changed to promote efficiency. Visser and Godfrey (2017: 2-6) note that while lead actors in GPNs, which are primarily located in the Global North, do not require all of their suppliers to adhere to 'social codes', there is an expectation for producers in countries with a reputation for labour abuse, such as South Africa, to adopt certificatory labels such as Fairtrade as a prerequisite to enter GPNs. As a result, ethical certifications have become a key means of process upgrading for the South African wine industry.

Within the analytical framework of Value Chain research, as described by Gereffi and Lee (2016: 29), the growth of the South African wine industry through product and process upgrading would likely be indicative of an imminent expansion towards a functional upgrade within the industry. Functional upgrading entails the transition of the wine industry from generating value from wine production and export to branding and marketing that links the wine industry with other industries such as tourism (Barrientos et al., 2011: 323). In examining the South African wine industry, functional upgrading may be said to have taken place through the rise of wine tourism which Ferreira and Hunter (2017: 688-194) note as attracting international tourists to South Africa to experience the South African wine industry. Functional upgrading, in this regard, is intended to signal economic growth as well as producer independence, creating new production networks such as wine tourism in a manner that signifies an evolution of the wine industry (Barrientos et al., 2011: 323). However, while the rise of wine tourism has proven to be a profitable endeavour for local wine farms, the majority

of revenue generated by the wine industry remains the result of exporting wines (Ewert et al., 2005: 1-2). Functional upgrading may thus be more complex and less obviously desirable than previously suggested by scholars such as Gereffi and Lee (2016: 29) within a GVC perspective. A careful analysis of GPNs is therefore necessary to fully understand the South African wine industry.

Ponte and Ewert (2007: 76-77) explain that South African producer-wholesalers and marketers who used to have their own agencies in the UK and Europe have had to either divest or enter into joint-ventures with Europe-based branders and marketers, resulting in the most successful South African wines in the UK being owned by local UK companies. The reliance on European ownership for the means of branding and marketing provides a partial entry into such markets but relegates South African producers to stagnation in market value and dictates relationships of production of which align with core and semi-peripheral understandings of the world-economy (Ponte and Ewert, 2007: 76; Hopkins and Wallerstein, 1977: 116-117). As a result, product and process upgrading thereby become the result of necessity as opposed to an opportunity, as winemakers are forced to adapt to the standards and specifications of powerful Northern retailers or swiftly be replaced by competitors. Understanding this competitive pressure is crucial to understanding the contemporary state of South African wine producers: high demands for product and process upgrading alongside the pressure to keep prices low can result in farmers seeking to reduce their labour costs (Ewert et al., 2005: 16). While Value Chain research has proposed a clear possibility for upgrading in the assumption of an unbiased global market, exploring networked factors, such as social embeddedness and global positionality, reveals a far more complex picture.

#### **4.4.3 Labour Exploitation within the Post-Apartheid Wine Industry**

South African post-Apartheid development has been defined by the prioritisation of macro-economic growth over social development and transformation on the assumption that the former will stimulate the latter (Tsheola, 2012: 161-163). The contemporary South African wine industry suggests that this neo-liberal structuring has failed to reform the spatial, social and economic legacy of Apartheid and has instead facilitated the rise of new issues such as labour casualisation, automation and outsourcing (Aliber and Cousins, 2013: 140-144; Maloyi, 2016: 51). An implication of South Africa's market-led approach to development is that sectors such as the wine industry are exposed not only to domestic issues but also to the pressure of a

late re-entry into a world-economy distinguished by a core, semi-peripheral and peripheral structure (Ferreira and Hunter, 2017: 682; Hopkins and Wallerstein, 1977: 114-117).

As explained earlier, the South African economy was characterised by systemic exploitation through colonial and Apartheid-era dispossession in pursuit of white interests (Corder, 1997: 184-187). While the post-Apartheid spatial and economic structures have remained largely similar to those of the Apartheid state, re-entry into the world-economy has led to mandatory adaptations to the pressures of global production networks (Le Roux, 1997: 48-56). The deregulation of the South African wine sector and exposure to international markets has brought with it a demand for higher quality products at competitively low costs by powerful buyers of the Global North, forcing local commercial farms to either upgrade both the product and processes of production or become alienated from the export market (Moseley, 2008: 292). This pressure is crucial to exploring disparities between economic and social upgrading, as South African wine farmers, who remain predominantly white, are no longer free to handle their own administration but are, instead, now bound to the standards of international buyers (Ferreira and Hunter, 2017: 682).

Visser and Ferrer (2015: 21) has noted that within the current structure of the South African wine industry, 51.1% of farmworkers are employed permanently, 25.2% are employed for a short duration, and 23.6% are employed for an unspecified amount of time. These statistics reflect a structuring of the modern labour market of the domestic wine industry in a way that utilises workers seasonally, through casual employment, as means of cost reduction within the productive process (Visser and Ferrer, 2015: 50-51). The use of casual labour has allowed farmers to pay workers substantially less than is required for permanent workers. It also enables farmers to avoid providing other goods such as pensions and accommodation (Visser and Ferrer, 2015: 51). The casualisation of labour has effectively signalled a change in an industry previously defined by paternalism. Due to casualisation, many workers are often no longer permitted to live on the farms on which they work (Cousins, 2009: 902-903; Wilderman, 2015: 09). While labour laws have aimed to prohibit labour casualisation, farmers have circumnavigated these measures by using labour brokers as intermediaries, allowing farmers to legally distance themselves from exploitative practices (Visser and Ferrer, 2015: 51).

While race is a central factor in the casualisation of labour, as this remains a living legacy of the creation of a super-exploitable black class, labour casualisation is further predicated on intersectional gendered oppression (Cousins, 2009: 900-901; Bond, 2007: 3-4; Atkinson, 2007: 34-35). Throughout the South African economy, women face far harsher prospects for employment, with a 37% employment rate compared to the 50% employment

rate of men of working age (World Bank, 2018: 4). A gendered disparity is further reflected in poverty rates in accordance with the heads of households, wherein 51.2% of female-headed households have fallen into poverty, whereas that remains the case for 31.4% of male-headed households (World Bank, 2018: 13). As black women are disproportionately exposed to poverty, they frequently form the population of casual workers as intersecting forms of systemic oppression have alienated black women from the economy and created a perpetual state of susceptibility towards labour exploitation (Morell, 1998: 629-630).

#### 4.4.4 **The De Doorns Uprising**

As shown above, the South African wine industry has historically been the site of racialised and gendered labour exploitation. Consequently, the industry is under pressure to present an image of transformation (Bek et al., 2007: 304-305). An early challenge to the creation of such an image came from John Platter (a respected commentator in the wine industry). In an interview with the British Broadcasting Corporation (BBC) in 1997, Platter exposed the continuing legacy of labour exploitation by local winemakers (Visser and Godfrey, 2017: 8). Wide coverage of these issues brought with it threats of mass boycotts of the South African wine industry, leading local winemakers to turn to certificatory bodies to assure the reputation of local wines through the provision of ethical certification (Visser and Godfrey, 2017: 8-9). This resulted in the formation of the Wine Industry Ethical Trade Association (WIETA) in 2002, which began to conduct audits on wine farms that had become members of the association (McEwan and Bek, 2006: 1027). In 2003, the first South African wine farm received Fairtrade certification, with both FTI and WIETA certifying compliance with national legislation regarding labour, health and safety (Herman, 2012: 1121-1130). Certificatory bodies, such as these, began to play a role in the South African wine industry because local wine farmers needed to distance themselves from South Africa's history of exploitation and oppression in order to gain secure access to the international market (Moseley, 2008: 292-294).

De Doorns, within the Cape Winelands, has featured as a prominent location for the production of table grapes historically. Between 2012 and 2013, it became apparent to consumers that such transformation was not occurring, as farm labourers began to protest for the raising of the minimum wage and against issues of labour casualisation (Visser and Godfrey, 2017: 15; Visser and Ferrer, 2015: 177). This resulted in a backlash that impacted global wine value chains as media coverage of the protests reached Northern wine buyers and

resulted in Systembolaget, the Swedish wine monopoly, issuing a red flag status to the South African wine industry (Visser and Godfrey, 2017: 8).

While the De Doorn uprising began with calls for higher wages, the protest shed light on the more general experience of farm labourers within the wine industry, revealing that workers were working unjustifiably long hours while lacking access to water and toilets and adequate protection from dangers such as pesticides. Wilderman (2015: 09) notes that in the effort to improve product and process efficiency, 80% of the workers of De Doorn had been casualised and held little job security for employment that was already exploitative. Workers further lacked collective bargaining power as union action for casual workers is not a possibility in a work environment that already offers precarious social security (Visser and Godfrey, 2017: 15-20).

Protesting workers refused to work and disrupted highways to draw attention to their plight. In February 2013, they successfully increased the minimum wage from R69 to R150 a day (Wilderman, 2015: 7-10). While the increase in the minimum wage signalled an important victory for farmworkers, Visser and Godfrey (2017: 40) have pointed out that R150 is still not enough for a family of four with two breadwinners to meet their basic nutritional needs. The De Doorn uprising had a wider impact through the backlash of the European market, with some European countries, such as Sweden, threatening to boycott South African wines which did not have ethical certification (Visser and Ferrer, 2015: 177). An important outcome of the De Doorn uprising was the increased importance of certificatory bodies as a means of assuring foreign markets that domestic wine production had taken place ethically. The uprising presented an image of a wine industry unchanged from a historical period previously characterised by international sanctions and institutionalised oppression (Visser and Ferrer, 2015: 177). The two prominent certificatory bodies to gain from this shift are WIETA and Fairtrade, which both aim to improve worker conditions, with the former measuring working standards against labour legislation and the latter producing entirely new 'fair' production networks within the wine industry (Visser and Godfrey, 2017: 1-6). Amidst the threat of sanctions against trade with South African wine producers, such as with Systembolaget's issuing of a red flag status, the De Doorn's uprising signalled an important change to the wine industry as ethical certification became a marketing necessity for access to international markets rather than merely an option.

#### 4.4.5 **Bitter Grapes**

The South African wine industry would come under scrutiny again in 2016 with the release of the documentary *Bitter Grapes*, which featured on Danish and Swedish television and depicted harsh working and living conditions of wine farmworkers (Visser and Godfrey, 2017: 35-36). These conditions were deemed so dire by Swedish and Danish consumers that working conditions of South African farmworkers were described as a modern iteration of slavery (Hastings, 2019: 928-933). Scandinavian nations are an important export destination as South African wine is the second most popular wine of origin in Sweden, and exports to Denmark grew by 78% in the decade before the release of *Bitter Grapes* (Visser and Godfrey, 2017: 36). The backlash from the screening of this documentary threatened to alienate the South African wine industry from an important Northern market (Hastings, 2019: 928-933). As a focal point of the documentary, Robertson Winery bore the brunt of international discontent, with Danish supermarkets temporarily pulling Robertson Winery wines from shelves and Norwegian and Swedish importers beginning to conduct audits of South African wine farms (Visser and Godfrey, 2017: 35-36).

While local winemakers such as Robertson Winery faced potential international boycotts because of the documentary, *Bitter Grapes* placed WIETA as the centre of the labour violations witnessed among local farms as it had entirely failed to sanction non-compliant winemakers (Visser and Godfrey, 2017: 38). A key criticism of WIETA was that its certification of misrepresented conditions on the farmers to consumers who, by implication, were made to inadvertently support slave-like productive processes (Hastings, 2019: 931-937). This criticism, however, was not initiated by the documentary but was the product of local unions of Commercial, Stevedoring, Agricultural and Allied Workers' Union (CSAAWU) and BAWSI Agricultural Workers Union of South Africa (BAWUSA) penning a letter to the Nordic-based Ethical Wine Trade Campaign (EWTC), identifying slave-like working conditions as well as a 'toothless' WIETA certificatory body (Visser and Godfrey, 2017: 36). As a response to the backlash, WIETA has aimed to better incorporate NGOs and Trade Unions within its structure going forward (Hastings, 2019: 925-931).

As a recent occurrence within the South African wine industry, the *Bitter Grapes* documentary has provided a number of important insights. The first insight is that in over two decades of democracy, the conditions on many wine farms remain comparable to the wine farms of the early colonial slave society (Hastings, 2019: 228-935). Secondly, within a neo-liberal South African democracy that has left trade to the control of market forces, trade unions have become an important driver of social change (Maloyi, 2016: 51; Visser and Godfrey,

2017: 3). Lastly, while the wine industry has become reliant on certificatory bodies to monitor transformation, these bodies are not necessarily driving such transformation (Visser and Godfrey, 2017: 36). However, WIETA has argued that the harsh conditions witnessed in the documentary are not only the result of the decision-making of local winemakers or of the inaction of certificatory bodies but also the product of the global market into which South Africa has been inserted through state deregulation of the wine industry (Hastings, 2019: 933-937).

In addition to the *Bitter Grapes* documentary making a powerful statement regarding the reality of many South African wine farmworkers, it further questioned the checks and balances of international retailers that buy South African wine (Visser and Godfrey, 2017: 35). This raises a very important point that the issues raised by the documentary are not limited to individual farms but involve the wider networks that these farms are a part of. As process and product upgrading has been imposed on the South African wine industry to meet the mandatory standards of Northern markets, a culture of labour exploitation is perpetuated by Northern buyers such as the Danish and Swedish, as ‘New World’ producers are under pressure to provide a high-quality product at a very low price to remain competitive (Visser and Godfrey, 2017: 35-36). As a result, it is not reasonable to expect that individual farms will be able to address the conditions of wine farmworkers without changes being made to the far larger GPNs (Hastings, 2019: 228-934). Fairtrade, therefore, appears as a more likely instigator of social change within a context such as the South African wine industry, as its certification is not limited to the individual wine farm but extends to the entire production network of which the wine farm forms part (Jari et al., 2013: 81).

Another issue that has affected the perception of South African farms in international markets is the debate about farm murders. As will be shown below, many of the claims about farm murders lack a factual basis, unlike the issues depicted in the *Bitter Grapes* documentary. However, claims of widespread farm murders can affect the perception of South Africa amongst global production networks.

#### **4.5 South African Democracy and an Imagined White Genocide**

In 2018, Donald Trump, former president of the United States, called for an inquiry regarding the ‘land and farm seizures and expropriations and the large-scale killing of farmers’ in South Africa (Akinola, 2019: 77). As observed by the Pulitzer Center (Progue, 2019) in an article titled ‘The Myth of White Genocide’, this notion of South African farm murders described by

Trump has been the subject of a moral panic among numerous international figures, such as Fox News anchor Tucker Carlson and former Australian Prime Minister Tony Abbott. During this moral panic, it was claimed that a white farmer is killed in South Africa every five days (Progue, 2019). These are very serious allegations, particularly in the case of South Africa, a country that narrowly avoided a civil war in the effort to replace a racist, authoritarian Apartheid regime with democracy (Stapleton, 2010: 159-166). In the discussion of Fairtrade in South Africa, it is important to examine these allegations and the impact that they may have on the credibility of the Fairtrade certification of South African products.

While South Africa, remarkably, managed to transition to democracy, this allegation suggests this peaceful transition has not taken place and that South Africa is now threatened with ‘white genocide’ and government ‘land seizures’. However, these serious allegations, which may endanger South Africa’s position within the global economy, are unsubstantiated. The South African Police Service (2019: 21-30) reports that between April 2018 and March 2019, only 47 of the 21 022 murders that occurred were ‘farm/smallholding-related’. It is important to consider that this category is not limited to white farmers but refers to any person (of any colour) who resides, works or is visiting a farm or agricultural holding and is murdered (Akinola, 2019: 77). Over the next year, the number of farm-related murders rose to 49 out of 21 325 (South African Police Service, 2020: 21-30). While the murder of any person is both horrifying and unjustifiable, these statistics raise questions about why ‘farm/smallholding-related’ murders have been reduced to the murder of white farmers and why this issue has been elevated onto an international scale. As Marx Knoetze (2020: 59-61) argues, the claim of a white genocide is not substantiated by statistics. Rather, this myth has arisen due to the mass media hype created by groups such as AfriForum and the Suidelanders that have correlated national efforts of land reform with the murder of white farmers.

In 2018, a Washington Post op-ed by professor Carolyn Holmes titled ‘Tucker Carlson, those South African white rights activists aren’t telling you the whole truth’ points out that the moral panic surrounding the issue of farm murders is the result of international lobbying of South African white-interest groups such as AfriForum and the militant Suidelanders. These campaigns have brought the issue of farm murders to international audiences. For example, the Suidelanders, a white ethno-nationalist group preparing for a race-based civil war as predicted by a 19<sup>th</sup> century Afrikaans prophet, have campaigned throughout the United States in the effort to draw attention to the issue of anti-white farm murders and land expropriation (Progue, 2019). As of the 4<sup>th</sup> October 2020, AfriForum (2020) has been officially registered with the United Nations (UN) as a non-governmental organisation with special consultative status. In the



announcement, Ernst Roets, Head of Policy and Action at AfriForum (2020), explains that this platform will be used to continue campaigning about the perceived issues of ‘expropriation without compensation, farm murders, corruption and minority rights’.

This connection between the supposed systematic murder of white farmers and land expropriation is also highlighted by political groups such as the Vryheidsfront Plus (Freedom Front Plus), who have campaigned for farm murders to be recognised as priority crimes (Van Niekerk, 2020). The Vryheidsfront Plus argue that farm murders are the result of discussions of land expropriation by political groups such as the African National Congress (ANC) and Economic Freedom Front (EFF). Another white-led political party, the Democratic Alliance (DA), has reiterated this plea for farm murders to be considered a priority crime and has written to international human rights organisations to ‘pressure’ the South African government to act (Kohler Barnard, 2020).

While groups such as AfriForum, the Democratic Alliance, Vryheidsfront Plus and Suidelanders continue to fight for white ‘minority’ rights, it is important to consider the position of the white ‘minority’ in a country declared by the World Bank (2018: 42-43) to be the most unequal country in the world. In examining this extreme inequality, Oxfam (2018: 47) points out that South African CEOs earn an average of 541 times more than their workers. A study by Wachira (2019: 210) has further confirmed that among the companies listed on the Johannesburg Stock Exchange, 86.1% of CEO positions and 83.8% of executive directors are white. In terms of land ownership, an audit by the Rural Development and Land Reform Department (2017: 07-09) found that of all individually owned agricultural holdings and farms, 72% are white-owned. This is despite white South Africans constituting 7.8% of the country’s population, according to a mid-year population estimation from the department of Statistics South Africa (2020: 9). This illustrates the living legacy of South African colonialism and Apartheid which is in dire need of address.

The existence of these unsubstantiated narratives is vital to consider in the discussion of the Fairtrade model in South Africa and, particularly, in the wine industry. The Fairtrade Foundation (2010: 4) has recognised the importance of black economic empowerment, land restitution and land reform in South Africa. The Fairtrade Foundation (2010: 5) has further indicated its intention to support B-BBEE policies and improve the position of historically disadvantaged black populations. Fairtrade International’s inclusion of commercial, and often white-owned, farms within their standards is supposed to be a way to create ‘fair’ trade relations in the South African wine industry. In this study, the impact of this inclusion is examined. The purpose of this section is to highlight a potential barrier that may prevent the South African

Fairtrade wine model from achieving its stated goal of supporting the empowerment of historically disadvantaged black populations.

Visser and Godfrey (2017: 4-6) explain that because private ‘social codes’ (such as the Fairtrade label) are created to reassure Northern consumers that workers in the Global South are being treated ethically, public attacks on the credibility of the code through the media may provide a powerful lever to ‘shame’ lead firms and to pressure their supply chains to enact better conditions. Groups such as AfriForum, the Suidelanders, Vryheidsfront Plus and the Democratic Alliance have voiced an unsubstantiated message of white victimisation, witnessed in the murder of white farmers, which has gained the platform of the United Nations and has been echoed by international leaders such as, former president, Donald Trump. This presents a complication for the stated goals of the Fairtrade Foundation (2010: 5) to support national black economic empowerment policies and land reform strategies when historically empowered white farmers are being portrayed as victims to international audiences. This issue demonstrates that the inclusion of commercial wine farms in Fairtrade certification standards faces not only the challenges of existing issues of extreme racialised inequality but also the challenge of white-interest groups resisting meaningful change to these inequalities.

#### 4.6 **Fairtrade South Africa**

While Fairtrade certification is typically reserved for small-scale producers, the label has expanded its certificatory standards within the South African wine industry context to apply to commercial wine farms (Kruger and Du Toit, 2007: 200-210; Jari et al., 2013: 67-70). This has come with the recognition of South Africa’s historical and contemporary context as a pertinent factor within making local trade relations ‘fair’ (Herman, 2012: 1123-1124). As South Africa has been shaped by the colonial dispossession of land, which has not been reversed since the end of Apartheid, farming land for wine production remains predominantly white-owned (Cousins, 2009: 900). Thus far, South Africa’s land reform policy has relied on a ‘willing buyer, willing seller’ policy (Akinola, 2019: 77). However, there is an effort to change this policy, with President Ramaphosa initiating the process of adapting the country’s constitution to permit land expropriation without compensation to meaningfully address the extreme inequalities of land ownership (Marx Knoetze, 2020: 58). As a result, historically marginalised groups have struggled to enter the wine industry as producers, frequently lacking the capital to purchase land or establish the infrastructure to support wine production (Ewert et al., 2005: 8). The result of this dynamic is that the Fairtrade label would be unable to assist small-scale

producers within the South African wine industry as such producers have not been unable to emerge, let alone maintain FLO-CERT's standards for certification (Renard and Pérez-Grovas, 2007: 148; Jari et al., 2013: 67-70). As a semi-peripheral nation, South African spatial dynamics reflect a disparity between a class of land-owning elites and a historically exploited labour force (Tsheola, 2012: 161-163). For FLO-CERT, the key to ensuring the restructuring of South Africa's trade relations in a manner that may be deemed 'fair' to farmworkers is then to certify commercial wine farms (Kruger and Du Toit, 2007: 200-210).

The certification of commercial wines has served as a direct response to issues such as labour casualisation that have defined the South African wine industry within democracy, particularly in light of events such as the De Doorns uprising and release of the *Bitter Grapes* documentary (Visser and Godfrey, 2017: 15-35). In this regard, FLO-CERT's certification of commercial wine farms has served to go beyond the certificatory measures of WIETA by not only prescribing certain standards as 'fair' but also including South African winemakers within Fairtrade GPNs, alleviating a degree of pressure from international markets (Kruger and Du Toit, 2007: 200-210). The incentive for local commercial farms to adopt the label is thus two-fold. Firstly, local wines bearing the label can separate themselves from the image of South African colonialism and Apartheid and instead convey stories of empowerment and participation (Du Toit et al., 2008: 24). This image facilitates access to international markets. Secondly, certification presents commercial winemakers with an avenue for product and process upgrading whilst protecting them from the harsh pricing standards of the international market through Fairtrade price floors (Dragusanu, 2014: 219-221). Through such means, the Fairtrade label has sought not only to require social transformation of the South African wine industry but also to incentivise it.

Jari et al. (2013: 81) argue that the applications of Fairtrade's certificatory standards to the South African wine industry illustrates pragmatic flexibility in the implementation of the label and shows support of national legislation and developmental efforts. FLO-CERT's application to the wine industry is intended to facilitate the implementation of B-BBEE policies. Indeed, the Fairtrade Foundation (2010: 5) states that certified South African producers are not only bound by Fairtrade standards but are also by B-BBEE codes and requirements. As the South African government has struggled in ensuring compliance of producers to B-BBEE standards, Fairtrade has utilised its powers of annual re-certification and regulatory measures to facilitate the application of B-BBEE codes within the wine industry (Zackrisson and Apelberg, 2016: 23-24). Fairtrade commercial wine farms are tasked with developing the communities of their workers, providing workers with shares of the farm,

including workers in a managerial capacity through premium committees and assisting workers in the establishment of their own farms (Jari et al., 2013: 69). In the effort of including workers in the managerial operation of commercial farms and through the assistance of workers establishing their own farms, the South African Fairtrade model has aimed to ensure the facilitate a transition from farmworkers exclusively remaining labourers to becoming farm owners (Jari et al., 2013: 79-81).

The expansion of Fairtrade certificatory standards to include commercial farms has seemingly created a closer link between farmers and farmworkers in an industry increasingly characterised by labour casualisation (Jari et al., 2013: 67; Ewert et al., 2005: 8-9). However, in the address of one pertinent issue stands a danger of invigorating a longstanding issue within the South African wine industry: dependency. A critical point of contention regarding the South African Fairtrade model within the wine industry is that it has entered a social and spatial context historically defined by racial oppression articulated through farm paternalism (Du Toit et al., 2008: 10-11).

Jari et al. (2013: 80) argue that FTI's extension of Fairtrade certification to commercial wine farms presents farmers with the opportunity to enact positive change as a departure from histories of systemic oppression, allowing commercial farmers a platform to act out of altruism through the provisions of 'fair' labour relations. However, more critical scholars, such as Bek et al. (2007: 315), highlight how this inclusion may contradict the goals of the FLO. They quote Kruger and Hamann who comment that 'surely it will be a supreme irony if white commercial farmers, who ten years ago faced sanctions, are now rewarded with Fairtrade status without having contributed to social change in South Africa' (cited in Bek et al, 2007: 315). While the end of Apartheid resulted in a legislative and political shift from colonial rule, there has been little progress in addressing systemic social, economic, spatial and cultural structures of oppression as the South African government has prioritised macroeconomic development as the primary means of development (Tsheola, 2012: 161-163). Within a neo-liberal democracy, little has been done to actively reconceptualise social dynamics, such as in the wine industry, that have been defined by paternalistic relationships founded on the establishment of a super-exploitable black labour class (Maloyi, 2016: 51; Bond, 2007: 3-4). As Fairtrade commercial farms both facilitate and rely on close relationships between farm owners and farmworkers, the question remains whether Fairtrade certification will result in equal participation or what scholars such as Atkinson (2007: 45-47) refer to as soft paternalism.

#### **4.7 Conclusion**

As this study examines the impact of the inclusion of commercial wine farms in Fairtrade certificatory standards, this chapter has explored the context in which these farms operate. This chapter has examined the extensive history of the South African wine industry, which has spanned four centuries, beginning with the colonisation of the Cape. Throughout this time period, the industry has been plagued with the exploitation of the black population. This history has seen the use of slave and slave-like labour as the driving force of the colonial administration and Apartheid government. The extreme exploitation upon which the South African wine industry has depended has been justified by farm paternalism. In this chapter, I have highlighted a key difference between a soft paternalism that highlights the shared interests between the farmer and his workers gained from work on the farm, and a hard paternalism which emphasises the potential loss of farmworker 'benefits' if the farmers' authority is not respected. In this discussion of Fairtrade's certification of large-scale wine producers, practices of farm paternalism have been identified as a potential barrier for social upgrading on Fairtrade commercial wine farms.

While social upgrading may appear less important than economic upgrading, the majority of farm labourers are either poor or on the verge of poverty, making economic upgrading of little value if it occurs beneath a glass ceiling (Mosely, 2008: 299-301). In this regard, farmworkers that are the victim of soft paternalism experience economic improvements in a way that makes them further dependent on commercial farm owners, particularly as these 'improvements' may not signal a departure from being poor (Atkinson, 2007: 47). At the heart of such paternalism is a contradiction between the desire to maintain a super-exploitable black labour force and the desire to present white farmers as benevolent and superior (Keahey, 2015: 443-447; Bond, 2007: 3-4). As systemically entrenched cultural beliefs of Afrikaner nationalism have defined the South African wine industry, it is dangerous to assume that a social context that has not meaningfully addressed these cultural constructions of white supremacy is free from practices of dependency and beliefs of white supremacy (Rassool and Witz, 1993: 448-450). Social upgrading is then a key marker of meaningful development, as it symbolises the liberation of historically marginalised groups from racialised and gendered systemic oppression and presents marginalised groups as able to delineate their own trajectories for socio-economic development in the absence of institutionalised repression (Barrientos et al., 2011: 323-325). In order to determine whether the inclusion of commercial wine farms within the South African Fairtrade model will promote social upgrading, it is necessary to first gain an understanding of the GPNs that this Fairtrade model applies to. The following chapter

aims to map out the structure and operation of Fairtrade wine GPNs, which ultimately influence the potential of social upgrading or dependency for farmworkers of South African Fairtrade commercial wine farms.

## **CHAPTER FIVE: FAIRTRADE PRODUCTION NETWORKS**

### **5.1 Introduction**

The aim of this study is to examine if the Fairtrade certification of large-scale producers within the South African wine industry creates social upgrading among farmworkers or if this certification perpetuates the dependency that has defined this industry since its inception. However, while the discussion of social upgrading and dependency describes a relationship between farm owners and farmworkers, this relationship's scope extends beyond the individual farmer or worker and is further shaped by the networks in which these farms exist. In examining the issue of social upgrading or dependency, this research utilises a Global Production Network framework that acknowledges that the capacity by which social upgrading may occur is impacted by a network rather than an individual actor such as the Fairtrade farmer. As Fairtrade is marketed primarily to European and North American consumers, the production networks that impact the ability of South African Fairtrade farmworkers to experience social upgrading are integrally influenced by international, primarily Northern export markets (Keahey, 2016: 414-421). To reiterate, this study asks if the South African Fairtrade wine model is able to guarantee social upgrading for farmworkers, as the primary research goal. This chapter will explore the experiences of farm owners, the expectations of export markets and the perspectives of key stakeholders within the South African wine industry. In doing so, I argue in this chapter that international markets are also responsible for the social upgrading of Fairtrade farmworker livelihoods. In the discussion of Fairtrade production networks, it would be important to include the perspectives of FTI and FLO-CERT representatives, However, while both organisations have been contacted for the purposes of this study, requests to engage with this study have been ignored in the case of the former organisation and rejected in the case of the latter. Therefore, their perspectives could not be included in this chapter, and those to follow, will rely on various other actors who form part of the global production network of Fairtrade wine.

In the discussion, I critique the 'shallow' approach to the export of South African wine. This approach is preoccupied with creating the impression that local wines are produced in a way that aligns with the Fairtrade model, rather than actually creating the conditions which will encourage South African farms to truly align with the values promoted by the Fairtrade

organisation. Pseudonyms are not used for the participants in this chapter, although I do use pseudonyms later in the thesis, when discussing the views of farmworkers. In a Fairtrade wine industry that appears reluctant to engage with researchers, these participants offered transparency and willingness to participate in research that may potentially place scrutiny on their operations. These participants serve as positive examples of what should be common within this industry and, for this reason, are acknowledged through the use of their real names. Additionally, this is not the first time that some of these producers have participated, and have been named, in research. Kaur (2018: 119), in particular, has previously engaged with and named Origin Wines and Du Toitskloof in 2012 and 2013, who are among the Fairtrade producers named in this study. This long history of open engagement among such producers should be recognised and differentiated from the numerous other Fairtrade producers that have refused to engage with studies such as this one.

Beginning with an analysis of the process of Fairtrade certification, this chapter will include information provided by: three wine producers and traders (Du Toitskloof, Origin Wines, Spier Wines); a Fairtrade consulting firm (Swart, Kruger & Associates); two South African wine-related organisations (Wine and Agricultural Ethical Trade Association, Wines of South Africa); and two Scandinavian state alcohol monopolies (the Norwegian Vinmonopolet and the Finnish Alko). As previously discussed in Chapter Four regarding the *Bitter Grapes* documentary, the Wine and Agricultural Ethical Trade Association (WIETA) is a South African certificatory body that exists alongside the Fairtrade label and similarly audits farms adopting its label per its environmental and social standards. Wines of South Africa (WOSA), in turn, is an organisation that markets South African wines and facilitates the entry of local producers into global markets.<sup>1</sup> Swart, Kruger & Associates are a consultancy firm that producers hire to assist local farms in meeting certificatory standards for labels such as Fairtrade.<sup>2</sup> Vinmonopolet and Alko exist as government entities that hold the sovereign right to the procurement and sale of alcohol within their respective countries.<sup>3</sup> The experiences of these entities are useful in determining how the Fairtrade network operates and in demonstrating the influence that international players have in determining the operation of the Fairtrade wine sector in South Africa.

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<sup>1</sup> Email correspondence with Mayrna Calow, Communications Manager of WOSA, 14<sup>th</sup> August 2020 to 7<sup>th</sup> September 2020.

<sup>2</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>3</sup> Interview with Sasha-Monique Elvik, Senior Sustainability Advisor at Vinmonopolet, Video Interview, 16<sup>th</sup> July 2020; Email correspondence with Mika Kauppinen, Senior Category Manager of Alko, 5<sup>th</sup> August 2020 to 10<sup>th</sup> August 2020.



## 5.2 Fairtrade Certification

In Chapter Three of this research, which introduced the Fairtrade concept, I explained that Fairtrade certification is typically aimed at marginalised and small-scale producers who work in co-operatives. However, in mapping out South African Fairtrade production networks, the inclusion of commercial wine farms creates a more complex arrangement of Fairtrade production networks than what is required of small-scale producer co-operatives. Among the production networks of Fairtrade wine, FLO-CERT (2020) provides certification for sixteen countries under the product category of ‘wine grapes’. This category is distinguished by seven certificatory functions as illustrated by Figure 1: Importer, Intermediate Distributer, Licensee, Manufacturer/Processor, Producer, Producer and Trader, and Trader. As illustrated, South Africa is the most active country in terms of creating Fairtrade wine, most notably in the categories of: Licensee, Manufacturer/Processor, Producer, Producer and Trader, as well as Trader. These functions operate in a productive role in producing wine grapes, bottling wine, and trading wine with exporters. As such, this research will refer to these groups as collectively ‘Fairtrade producers’.

	Importer	Intermediate Distributer	Licensee	Manufacturer and Processor	Producer	Producer and Trader	Trader	
Argentina				8	4	6	2	1
Belgium		2		2				3
Canada		1		1	1			1
Chile				1	2	8	2	1
Denmark		1		2	1			
Finland		3	2	6	1			3
France		3	1	1	2			3
Germany		9	3	14	7			6
Italy				1				
Japan		1		1				
Netherlands		1	1	4				6
South Africa			2	39	39	18	9	38
Sweden		8	3	27	2			8
Switzerland		2	2	1	1			2
United Kingdom		10	5	12	9			9
United States				1				

Figure 1: Table compiled by author based on information from the FLO-CERT database prior to the 2020 Fairtrade audits. <https://www.flocert.net/about-flocert/customer-search/> [Accessed 22 August 2020].

Fairtrade producers such as Origin Wine operate in the capacity of a trader that sources wine from a number of smaller affiliated farms (also required to be Fairtrade certified) with Origin Wine collecting their respective wine grapes and bottling these wine under the Origin Wine brand.<sup>4</sup> As such, Origin Wine does not own the farms which produce its wine grapes but rather collects and bottles wine from the affiliated wine grape farms to be sold as 'Origin Wine'.<sup>5</sup> For Origin Wine or Du Toitskloof to enter international Fairtrade markets, these wines may be sold to an importer (which may be specifically a Fairtrade wine importer).<sup>6</sup> The importer may then supply an organisation like, for example, Vinmonopolet that may then sell the wine to Norwegian consumers.

In the discussion of social upgrading amongst the farmworkers of Fairtrade wine farms, the prevalence of South Africa as a producer of Fairtrade wine presents an important avenue of social upgrading if the Fairtrade model in the wine industry succeeds in its stated purpose. This potential for social upgrading is with particular consideration of South Africa's extensive history of exploitation and oppression within the wine industry, as the success of the Fairtrade model in this industry entails the restructuring of an extremely unequal sector of the South African economy (Jari et al., 2013: 67). However, the status of South Africa as a key supplier of Fairtrade wine, as illustrated in Figure 1, suggests that if dependency remains an issue on local Fairtrade wine farms, it is then an issue in terms of the entire Fairtrade wine production network.

As the South African wine industry is the largest producer of Fairtrade wine, the success of the Fairtrade wine model relies on the success of the South African Fairtrade wine industry. This means that the question of whether the inclusion of large-scale commercial wine producers in Fairtrade certification standards promotes social upgrading or dependency extends beyond the South African wine industry and speaks to the success of the Fairtrade wine model as a whole. If this inclusion of large-scale, often white, commercial wine producers promotes social upgrading amongst historically exploited and marginalised black and coloured farmworkers,

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<sup>4</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>5</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>6</sup> Interview with Sasha-Monique Elvik, Senior Sustainability Advisor at Vinmonopolet, Video Interview, 16<sup>th</sup> July 2020.

then that speaks to the success of the Fairtrade wine industry. However, if this inclusion by FTI exacerbates issues of paternalism and dependency, the very mission and idea of ‘Fairtrade’ could be critically undermined. If dependency issues continue to exist even within the South African Fairtrade model, this would suggest the possibility that the Fairtrade label has been co-opted as a means for local producers to gain entry into global markets.

In exploring the perceptions of Fairtrade producers regarding the social upgrading of workers or perpetuation of dependency under the Fairtrade model, it is important to consider the incentive offered to South African wine producers to become Fairtrade certified. For Mr Strydom of Origin Wine, a key reason for applying for Fairtrade certification is to improve relationships between farm owners and farmworkers.<sup>7</sup> He states that:

I’ve been working with farms and cellars with regard to their Fairtrade certification over the last four years or so. I can definitely tell you that there is a huge difference between farms that have the Fairtrade certification and those that don’t, especially in the relationship between the farm owner or manager and the workers themselves. The whole reason that the Fairtrade thing was started was for the farmworkers to improve that relationship – [Fairtrade] included the farmworkers. For the farm owner also, [before Fairtrade] he didn’t get enough money for his grapes, so [Fairtrade allows him to have] enough money to pay his farmworkers decent salaries.<sup>8</sup>

For Mr Strydom, improving social dynamics remains at the centre of consideration in volunteering for Fairtrade certification. From his perspective, Fairtrade provides an opportunity to evolve the wine industry in terms of social responsibility that he notes to be absent among non-Fairtrade farms.<sup>9</sup>

Mr Louw of Du Toitskloof provides another reason why wine producers want Fairtrade certification, explaining that such certification facilitates entry into international export markets:

In the Scandinavian markets as well as in the UK markets, it gives you an advantage. It gives you an opportunity to sell larger volumes, to sell more volume into those markets.... All in all, there is a very definite advantage in selling the Fairtrade wine into the Scandinavian markets and the UK markets.<sup>10</sup>

What is highlighted in this quote is that Fairtrade, beyond offering an alternative approach to farm owner/worker dynamics, also provides entry into international production networks.

Following the introduction of democracy to South Africa in 1994 and the withdrawal of international sanctions, the wine industry faced the task of rebranding local wines to enter

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<sup>7</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>8</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>9</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>10</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

international markets in a productive capacity (Bek et al., 2007: 304-305). What is indicated by Mr Louw in the above statement is that Fairtrade offers wine producers the opportunity to join the productions networks outlined by the functions identified in Figure 1.<sup>11</sup> This opportunity arises from FTI verifying the capacity of a supplier such as Du Toitskloof to produce wine at the ethical standard desired by international markets through Fairtrade certification. For a company such as Du Toitskloof, being Fairtrade certified allows their wine to occupy a position in international markets that it may not be able to otherwise. Mr Louw has elaborated on this point in estimating that more than half of Du Toitskloof wine is exported as Fairtrade wine, stating that:

In total ... we do export about fifty to sixty percent. It depends on which month of the year, but on average it's about sixty percent of our turnover that goes into exports. In terms of value, most of the export goes into Scandinavian countries being Sweden, being Finland, a little bit into Denmark but also in Germany.<sup>12</sup>

This statement by Mr Louw indicates that Fairtrade certification indeed offers an entry point into international export markets.<sup>13</sup> This statement illustrates that the Fairtrade label has allowed South African producers such as Du Toitskloof to adapt to the contemporary global context and to separate themselves from the association with the Apartheid regime. This indicates that the Fairtrade label offers a distinct advantage for South African producers in being certified. Adopting the Fairtrade label allows producers such as Du Toitskloof to access an exclusive Fairtrade market from various positions, as illustrated in Figure 1.

Ms Kruger of Swart, Kruger & Associates (SKA) is optimistic regarding the success of the South African Fairtrade wine model.<sup>14</sup> She argues that FTI has played an important role in shifting priorities on Fairtrade farms from economic survival to considerations of social upgrading, saying:

If we think back to how things were in 2003, 2004 and 2005 in the Rawson area, for example, in the Du Toitskloof area, the picture there is a very different picture from the one that you've got now. ... [W]hen we've, for example, had BSCI (Business Social Compliance Initiative) training [sessions], Fairtrade producers are sitting there amongst their peers in the industry that are not Fairtrade certified and in a workshop on worker involvement and capacity building ... the managers and owners and people working on Fairtrade certified farms are really able to give a valuable

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<sup>11</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>12</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>13</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>14</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

contribution to their peers in terms of how to encourage worker participation, worker involvement. They have gained that experience and capacity.<sup>15</sup>

What is emphasised by Ms Kruger in this statement is the belief that the process of Fairtrade certification has created an evolution of Fairtrade producers from a prioritisation of farm survival to being able to invest in things such as worker involvement and capacity building.<sup>16</sup> From this perspective, this appears to be in keeping with the concept of social upgrading. Importantly, Ms Kruger argues that in the growth of Fairtrade wine producers, there is a wider impact on the South African wine industry as a whole through local Fairtrade wine producers sharing their expertise in what may be regarded as social upgrading with non-Fairtrade peers.<sup>17</sup>

For Mr Louw of Du Toitskloof, an important factor in this growth in expertise is that Du Toitskloof had a good starting point regarding fair working conditions before receiving their Fairtrade certification.<sup>18</sup> Following this, Mr Louw highlights the importance of incorporating new methods into the farm's practices as a method to maintain the Fairtrade certification, such as through the addition of a project coordinator to streamline the process of certification readiness, saying:

I joined the company in 2010... I wasn't actually a part of the original business model in 2005 when we established Fairtrade, but from what I have heard from other wineries and colleagues, it is quite an involved process. I wouldn't say that it is a lengthy process. If your auditing requirements and your minimum standards to start the Fairtrade project is relatively good, it's quite an efficient process. What we have found that helps most is that we invested some good money into a project coordinator that works very closely with the seller. And that project coordinator liaises continually with the seller and management of the Fairtrade project in order, obviously, to ensure that expectations are being met because I think that is the very first hurdle.<sup>19</sup>

Through the employment of a project coordinator, Mr Louw notes that the cellar can meet the demands of certification, ensuring that the producer remains in line with Fairtrade regulations and that there is a congruence between the management and workers.<sup>20</sup> While this poses an additional cost, Mr Louw argues that it is crucial to the farm's success, particularly as certification occurs annually across the production facilities, cellar and various farms.<sup>21</sup> Additionally, Du Toitskloof covers the costs of an auditor being flown in from Germany as contracted by FLO-CERT.

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<sup>15</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>16</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>17</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>18</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>19</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>20</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>21</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

While Du Toitskloof operates as primarily a producer, this process differs for Origin Wines that has many roles in the wine industry including sourcing wines, with Mr Strydom noting that:

FLO-CERT is situated in Observatory (Cape Town), so all their auditors are local. Look, it's a bit different for Origin. We pay the certification fees on behalf of the four farms that we work closely with. So that is our contribution to help the farms. I think that it's €2000 and that will be your audit fee which goes into your yearly fees. So Origin Wines pays for the four farms, and the cellars that the grapes go to that make the wine. So basically, we pay for seven Fairtrade certifications a year, which is, let's say, R150 000 a year. It's an expensive certification, but we are happy to make that contribution to those producers. And obviously, we are looking out for our own because if those farms lose their Fairtrade certification, we lose those wines. So we [work to secure] our supply chain because let's say that we are selling to the UK and we say that we will sell 500 000 bottles in a year - if a Fairtrade farm loses its certification, then we can't meet that requirement.<sup>22</sup>

While the Fairtrade certificatory process for Du Toitskloof and Origin Wines differ as related to their respective functions within Fairtrade production networks, what is indicated by the above statements is that the process of certification has promoted growth in the operation of each producer. In the case of Du Toitskloof, this has entailed enlisting a project coordinator. For Origin Wine, certificatory requirements have resulted in a greater degree of assistance being offered to the smaller farms that supply the brand's wine grapes. There is an important sentiment in this, as these statements suggest that the wine industry is a work in progress. For producers such as Du Toitskloof and Origin Wine, Fairtrade plays an important role in facilitating such change.

Ms Kruger argues, in this regard, for the importance of recognising that the Fairtrade wine industry has grown significantly from its initial years in the South African wine industry in arguing that:

There were a lot of impact studies done maybe within three years or in five years of starting Fairtrade in South Africa, and [based on] those impact studies [it was] difficult in a way to say that there's a clear finding. More recently, I'm returning to those farms that we worked with ten years earlier and going back to them now and seeing just the difference in power dynamics and relationships between managers and premium committee members. Those premium committee members are capacitated, they've got skills, and there's a place for that for their input in that space. That's a change. That's a massive change.<sup>23</sup>

While growth in the operational capacity of farms (such as enlisting project coordinators) is important, a key site of growth and improvement that decides the success of the Fairtrade model

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<sup>22</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>23</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

wine resides in the Fairtrade premium committees mentioned by Ms Kruger.<sup>24</sup> Fairtrade has historically prioritised small-scale, and otherwise marginalised producers. For such producers, gaining access to international markets in Fairtrade production networks is intended by FTI to directly facilitate fairer trade relationships (Sidwell, 2008: 10-11). In identifying what ‘fair’ trade means to the South African wine industry, it must be acknowledged that most wine producers in the past and still today are white and are not systemically marginalised (Visser, 2017: 3). Fairer trade relationships depend on the social upgrading of black and coloured farmworkers livelihoods. As such, the success of the Fairtrade model in the South African wine industry depends on the success of the Fairtrade premium worker committees as a key mechanism.

### **5.3 Fairtrade Premium Committees**

As previously outlined in Chapter Three, Fairtrade certified products are sold at a higher price than non-Fairtrade products due to an additional amount being allocated to a Fairtrade premium aimed to be invested directly into the workers' communities. Fairtrade premiums are not generally paid to workers as an addition to their salaries. Instead, they are invested in projects decided by a premium committee consisting of elected farmworker representatives (Zackrisson and Apelberg, 2016: 40). Premium committees are intended to function independently of the operation of the farm and are meant to represent the collective interests of the farmworkers. This structure, in theory, supports the concept of social upgrading as worker development is recognised as being something more than an improvement of salaries and instead allows workers to decide their development by their collective needs (Selwyn, 2013: 77-79).

When describing the construction of the premium committee for Du Toitskloof, Mr Louw emphasises that the election process is a democratic one with worker representation being at the forefront of consideration as the success of the Fairtrade premium is dependent on workers being represented.<sup>25</sup> He explains it as follows:

Well, the worker committee is pivotal in the organisational structure of the premium committee. So the worker committee bi-annually elects representatives to the premium committee. Each and every farm needs to have a representative. That also ensures that one farm or one production unit doesn't get all the shine. It's important to us that it is a well-balanced representative body that gets chaired by one of the members, and he gets voted in every four years as the chairman. There's an annual

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<sup>24</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>25</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

general meeting, and at the annual general meeting, the financial results get discussed, and new projects are evaluated and even initiated. The workers themselves run the project. They decide on money being spent. They decided on priorities being given. The worker committee consists of fourteen people, and those fourteen are being elected by the different farms. And those fourteen are being chaired by a chairman being elected by the worker committee. They then make decisions for all these little initiatives like the mobile library, the clinic, because they sit with all the numbers and all of the financial liabilities and all of that. So it is not a specific elected member responsible for project A and another member elected for project B. They all take collective responsibility for the project.<sup>26</sup>

This statement emphasises a clear structure that dictates how Fairtrade premiums are to be used and how workers voices are intended to be incorporated into the decision making process. However, this creates a complex managerial structure for farmworkers that often are not equipped to manage the Fairtrade premium and projects.

Due to this complexity, some farm owners and managers enlist the help of consultancy firms such as Swart, Kruger and Associates (SKA) to assist farmworkers in managing the Fairtrade premium committee and its various projects.<sup>27</sup> For Ms Swart, a key SKA training module and starting point for premium committee concerns the roles and responsibility of the Fairtrade premium committee in describing the need for community-needs assessments which decide which projects are to be funded using the Fairtrade premium.<sup>28</sup> She explains:

So there are different needs, but mostly what we would start out with describing the roles and responsibilities of the premium committee. So because you know, they need to do community needs assessment before they consider big premium projects. And then another module that we did quite often was the management of premium projects. Something that we did in that Citrusdal area was to get input from workers and that because it is quite challenging, you can imagine now that you're a farmworker and now you come onto a premium committee, and now everybody's putting up their hand as a worker for a different premium project. So you find you have to debate to see what are the needs here, prioritise the needs, make sure that everybody's needs are seen to.<sup>29</sup>

Ms Swart notes here the importance of prioritising the collective needs of the farmworker community in deciding which projects should be invested in and how to manage these projects after that.<sup>30</sup>

Similar to what has been stated by Ms Swart above, Mr Strydom also emphasises that the purpose of the premium is in its investment in projects that prioritise community needs over

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<sup>26</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>27</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>28</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>29</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>30</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.



the needs of any individual farmworker.<sup>31</sup> Within this is a sentiment of long-term development in terms of the premium not being dedicated necessarily to the immediate needs of farmworkers but the progressive upliftment of farmworker communities, with a point of emphasis for both Mr Strydom of Origin Wine and Mr Louw of Du Toitskloof being the investment in children.<sup>32</sup> These respective Fairtrade producers recognise a danger in farmworkers being locked in a cycle that further captures their children in eventually becoming workers on the very same farms. Mr Strydom argues that the Fairtrade premium presents an opportunity to break this cycle, stating:

It falls into the project. You know, the schooling, the literacy project, the medical centre, the computer course, the reading, the library. It's all got to do with benefiting the culture, benefitting those that are growing up in the area, specifically children, people having access to clean drinking water, people having access to well-developed houses, people having access to computers and computer courses. That costs money, and that is what is funded by the project.<sup>33</sup>

Mr Strydom, in identifying that the benefit of the Fairtrade premium is in the pursuit of long-term community-orientated goals, believes that it is of the utmost importance to communicate this with the farmworkers at the outset of the projects. He notes that this is something that he and his team are hugely aware of and emphasises to all parties involved that Fairtrade certification is not for the express reason of making money but serves the long-term investment in farmworker communities.

Mr Louw expresses similar sentiments to Mr Strydom, emphasising the need to consider and incorporate children and the elderly in the implementation of Fairtrade projects:

I try and start each of the projects so that the project caters for children, largely, as well for the elderly. So the people working on the farms, they are occupied, and they do their thing, and they earn their living working on the farm, but the children are a concern. And obviously, the adults, the people taking pensions that are still staying on the farm but are not working on the farm as such. So we make sure that we allow for training and we allow for access to medical centres for specifically the adults, and we allow for computer literacy to both the children and the elderly. You can imagine that if you're like sixty years now, you haven't had access to a computer, or maybe not even had access to reading materials. Those are still valuable to having some feeling of worth when growing old.<sup>34</sup>

In the context of social upgrading, this sentiment of dignity and worth is a crucial consideration. Particularly concerning the history of the South African wine industry and in the wake of the

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<sup>31</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020; Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>32</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020; Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>33</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>34</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

dop system whereby black and coloured labourers were paid with alcohol (Bek et al., 2007: 304-305; Williams, 2016: 907). Investment in the elderly is also an important issue as South African wine farms are not only characterised by generations of white familial ownership but also often host generations of familial worker labour.

The priority in the use of the Fairtrade premium, as expressed by Mr Louw and Mr Strydom, respectively, is to invest in the elderly, many of whom were previously farmworkers, and to invest in the children of farmworker communities so that more may be available to them than a future on the farm.<sup>35</sup> However, Mr Louw notes that while these long-term goals have importance, the lack of immediate results in the Fairtrade project may deflect from its success being recognised.<sup>36</sup> As such, communication of goals and the power of workers to ultimately decide on the projects is crucial, saying:

If they consider it to be a priority, then we act according to their wishes. So that's how it is run. I did make mention of the full-time project coordinator. It is hugely valuable because he moves between the production units, he moves between the members of the premium committee, and he communicates. People can ask questions, and if they want to see the numbers, if they want to see the success of this or the not so much of a success of that, it needs to be shown. Otherwise, people start to talk. They start to gossip even, a tail gets added to the story, and that is dangerous. If you start getting that, the belief in the project is being diluted.<sup>37</sup>

For Mr Louw, as illustrated by the above statement, and for Mr Strydom, transparency in the operation and structure of the Fairtrade committee is a key consideration and is noted by each participant to be an essential aspect of the function of the Fairtrade premium committee.<sup>38</sup> Fairtrade premium committees consist of elected farmworkers to fairly represent the workers and communities sourced by the Fairtrade farm from what has been represented in this section. The purpose of these committees is to decide on using the Fairtrade premium, which has been noted to be invested in projects such as children's crèches, literacy programs, medical centres, among other projects that are community-orientated in their scope and purpose. The aim, in this sense, is the long-term investment in not only individual farmworkers but in the communities in which they reside.

While investment in farmworker communities is an important factor in considering social upgrading for farmworkers, a key site of worker development resides in worker

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<sup>35</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020; Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>36</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>37</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>38</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020; Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

independence. If the paternalism that has instrumentally shaped the South African wine industry historically is to be addressed, there must be opportunities for worker independence. In this regard, Ms Swart and Ms Kruger note that paternalism continued to characterise the South African wine industry when Fairtrade was first introduced to the South African context in the early 2000s.<sup>39</sup> Reflecting upon the initial years of their work in SKA as a consultancy, they note that initially training workers was often a prescriptive process wherein they utilised templates for ‘how to write minutes’, ‘how to keep an attendance register’, ‘how to write in debit and credits’, ‘how to read your bank statements’ and so on.<sup>40</sup> However, Ms Swart notes that, in her experience, this process has transformed over time to the point where she believes that the process has empowered some workers and a far more independent than in the early years of Fairtrade certification in the wine industry, saying:

They're becoming quite innovative. Many people are just making videos with their phones because that's really cool, and Fairtrade accepts that as a record. So I also think ... the level that we engage or that we are asked to engage with premium committees is more advanced. It's not so paternalistic like ‘let me give you templates for your meeting minutes’ like it was ten years ago. ... I think it is a lot more inclusive, consultative and less prescriptive. Less prescriptive is a very good way of explaining it. So, in a nutshell, it's almost like our engagement with premium committees and the ability of premium committees has developed parallel to the changing approaches in standards and certification. It's more independent, more realistic, more inclusive.<sup>41</sup>

In noting this, Ms Swart suggests that there has been a growth in the operation of worker premium committees from something previously highly prescriptive and paternalistic to something far more practical and inclusive to workers.<sup>42</sup>

The foregoing discussion paints a very optimistic picture of the Fairtrade model in the South African wine industry. However, there are some important cautionary considerations that need to be introduced at this point. Firstly, while Ms Swart’s account suggests that social upgrading has taken place in her experience with Fairtrade farms, the farm owners and managers that seek out a consultancy such as SKA may be those who are already seeking meaningful change to the farm environment and may represent the more positive examples of Fairtrade wine farms.<sup>43</sup> Secondly, through exploring the perspectives of Fairtrade producers, such as Du Toitskloof and Origin Wine, and experts, such as the SKA consultancy, we are provided with a top-down understanding of the Fairtrade premium committee and the success

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<sup>39</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>40</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>41</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>42</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>43</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

of the Fairtrade wine model as a whole. While this offers informative insights that contribute to the understanding of whether the Fairtrade wine model promotes either social upgrading or dependency, this should not be taken as a conclusive answer but instead a perspective that needs to be compared with the lived experiences of farmworkers. Thirdly, while Du Toitskloof and Origin Wine have presented themselves as transparent and dedicated to the success of the Fairtrade model, they ultimately form a small portion of the South African Fairtrade wine industry.

Something that has been noted by all of the participants referenced thus far is that while there may be success stories within Fairtrade wine in South Africa, there may also be many producers that aim to use the Fairtrade label as a marketing tool while reproducing paternalistic relationships. In asking if the Fairtrade model in the South African wine industry promotes social upgrading or dependency, much like the wine industry as a whole, some farms will work extensively to promote social upgrading. In contrast, others will work to maintain dependency. Therefore, an important question is if the Fairtrade model promotes social upgrading or if the farms where it may occur would have found ways to implement social upgrading irrespective of the Fairtrade certification. In this regard, it should be considered whether Fairtrade certification actually contributes towards social upgrading. If not, it is possible that the certification reflects attempts by producers to present a public image which satisfies the expectations of national legislation and international export markets in terms of ethical standards and social transformation. The danger of Fairtrade as a form of public performativity is that it is a costly endeavour. These costs could potentially be mitigated by labour exploitation and/or mechanisation such that labour is externalised to temporary workers or where some workers are replaced by machines. It is crucial to explore the costs and administration of Fairtrade South African certification in the wine industry. This is a deciding factor in the success of the Fairtrade wine model, particularly in terms of worker social upgrading.

#### **5.4 Costs and Administration**

A common conclusion for the participants of this research is that Fairtrade certification is an expensive process. As mentioned in the previous chapter, for Origin Wine, Fairtrade certification comes at an annual cost of R150 000 for each certification. These certification costs include the four wine grape supplier farms closely affiliated with Origin Wines. In addition, Origin

Wines employs an administrator, Mr Strydom, to manage their supply chain.<sup>44</sup> Mr Strydom explains his role as follows:

We buy grapes from quite a few farms. We are closely involved with four farms, three are in Worcester, and then there is one up in Vredendal. So those four farms are the ones that we are closely involved with where I go every month to just go see if there's any problems or financial difficulties or anything that I can help with .... There's a large amount of paperwork that needs to be done as part of the Fairtrade certification. So that's also what I help the farms with because you have to realise that the farm owners, they are farmers, they are not admin people or people with the best computer skills.<sup>45</sup>

As noted by Mr Strydom, Fairtrade certification has entered South African farmers into a space that requires new skills such as computer literacy which are novel to the South African agricultural sector.<sup>46</sup> This is not exclusive to Fairtrade certification but is the result of South African having re-entered global productions networks following the dissolution of international sanctions against South Africa, which, in general, entailed a technological surge (Bek et al., 2007: 304-305). However, and more specifically in the case of Fairtrade certification, the label's adoption comes with the requirement of a degree of accountability in the form of reports and paper trails (Murray and Reynolds, 2007: 19).

Importantly, this not only places learning demands on farm owners and managers but, under the Fairtrade label, places extensive demands on the farmworkers in terms of the premium committees. In this regard, Mr Strydom notes that in addition to assisting farm owners, a supply chain manager such as himself or a project coordinator is needed to assist workers in saying:

And also, the Fairtrade premium group on the farm, they are eventually supposed to run the whole Fairtrade premium thing on their own without the help of people on the farm. It's like a small business on each farm. So they also have to be registered as a legal entity like an NPO or a trust or association. But obviously, the farmworkers, like I had mentioned, they often don't even have a matric, so we can't expect them to do financial reports and budgets, project planning and stuff like that. So for the last four years, I've given them training like two or three times a year regarding project planning and financial management. Basically admin work. It's so that they can eventually do it on their own. Currently, a lot of the paperwork is done by the [farmers' wives] - they do all the admin. And it's a lot of admin to do every month to keep up with Fairtrade and their requirements.<sup>47</sup>

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<sup>44</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>45</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>46</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>47</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

Mr Strydom importantly notes here the growth in complexity of the Fairtrade wine model in South Africa.<sup>48</sup> Initially, Joint Body commissions were set up which required worker inclusion in managerial meetings with the farm management, but later farms were required to establish premium committees that exist as separate entities intended to be managed by the workers themselves (Jari et al., 2013: 69; Krumbiegel et al., 2018: 196-200). This illustrates an extensive and complex structure in the management of Fairtrade farms and Fairtrade premium committees that operate legally as individual entities. In a South African Fairtrade model that is open to all, from South Africa's largest wine producers to its smallest, such extensive administrative processes and costs favour the larger-scale producers that have access to more capital to fund these administrative costs.

For some producers, maintaining the Fairtrade label is simply too expensive, which calls into question the issue of accessibility as only large-scale commercial wine farms may meet the requirements of Fairtrade certification. As a member of the Spier management team notes, maintaining the Fairtrade certification for Spier Wine, who the member described as a smaller commercial farm, was too costly to be sustainable:

Fairtrade is a great model for ensuring that farmworkers benefit equitably from the economic benefits of trade through a verifiable and transparent procurement process on top of compliance to a universal ethical code of conduct. However, one either has to be a very large farm or part of a cooperative, to make the Fairtrade model work. It is not a suitable model for small farms such as ours. [It is] cumbersome, costly and the brands linked to the Fairtrade model must be profitable. If not, expectations from the farm community are difficult to manage. Audit costs, as well as inputs to maintain the compliance systems, were very high. Quarterly reporting on the product sold and fees to use the logo on the product, required extra inputs versus other audits. Cost of compliance (beyond ethical issues) such as maintaining a separate statutory vehicle to house the flow of funds [also creates additional costs] and FLO-CERT also keep raising ethical standards beyond current legislation and beyond the reach of most farms. Unless these farms can afford it, it makes the farms' costs of doing business far higher than competing farms who are also ethically compliant.<sup>49</sup>

While larger farmers may manage these administrative costs, this respondent suggests that Spier Wine is too small a farm for the Fairtrade wine model to be practical, which resulted in Spier's management deciding to de-certify from the Fairtrade label.<sup>50</sup> According to Spier (2017), the estate consists of a 620 hectare property, an expansive area of land that may hardly

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<sup>48</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>49</sup> Email correspondence with Marina Kaiser, Global Brand Manager at Spier Wines, 29<sup>th</sup> June 2020 to 30<sup>th</sup> June 2020.

<sup>50</sup> Email correspondence with Marina Kaiser, Global Brand Manager at Spier Wines, 29<sup>th</sup> June 2020 to 30<sup>th</sup> June 2020.

be considered 'small-scale'. However, it is important to note that according Spier (2022), only slightly more than 80 hectares of the land is used for wine grape vines and, in this way, may be considered to be 'small-scale' as a wine producer. Spier's brand manager says that the farm has continued its efforts in terms of social and environmental responsibility despite the Fairtrade de-certification, but that it has simply chosen to do so through more affordable alternative ethical certifications.<sup>51</sup> This suggests that the South African Fairtrade wine model is accessible primarily to large-scale producers and that the model puts pressure on both farm management and farmworkers to manage and mitigate the administrative demands and costs of Fairtrade certification.

According to Ms Kruger and Ms Swart, FTI has responded to some of these difficulties by introducing a system whereby farms do not need to meet all the requirements immediately.<sup>52</sup> A six-year certification process has been created where the requirements for certification become progressively more demanding but do not all need to be met at the outset. However, while this may ease some producers into the Fairtrade standards, it may also provide a glass ceiling to Fairtrade certification, with Ms Swart noting:

I think, to be frank, for many South African producers, Fairtrade is a difficult and expensive certification. So we also saw that some of our old clients, say over the past three, four years, voluntarily de-certified because of the cost and administrative burden of certification.<sup>53</sup>

This chapter has shown that some Fairtrade producers, such as Du Toitskloof and Origin Wines, have a stated commitment towards creating fairer trade relationships and that some industry experts, such as SKA, are optimistic about the success of the Fairtrade wine model. However, it has also shown that there are concerns regarding the practicality of the Fairtrade label in the wine industry.<sup>54</sup> The Fairtrade certification process is clearly an expensive and administratively demanding process. While it provides South African wine producers with the opportunity to engage in global production networks, the certification process privileges South Africa's largest producers.

Fairtrade has evolved and has attempted to address points of contention, such as by incrementally progressing Fairtrade standards from year zero to year six. However, the continuously growing administrative demands of the Fairtrade label may make certification impractical after a certain time which may result in farms de-certifying, as shown in the case

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<sup>51</sup> Email correspondence with Marina Kaiser, Global Brand Manager at Spier Wines, 29<sup>th</sup> June 2020 to 30<sup>th</sup> June 2020.

<sup>52</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>53</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

<sup>54</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

of Spier Wines.<sup>55</sup> This issue of accessibility not only raises the concern that Fairtrade certification may carry an expiration date for local wine producers, but also raises a concern regarding the future of Fairtrade premium committees and projects. An additional concern, and an issue that will be discussed in the subsequent sections of this chapter, regards the risk of de-certification from Fairtrade in light of the post-apartheid South African economy being inextricably linked to the global economy. To begin this discussion, it is important to start with the issue of transparency within the wine industry.

Of the thirty-two Fairtrade farms contacted for this research, only three wine producers and traders were open to discussing the subject of Fairtrade and social upgrading with me. The other farms either ignored requests to participate in this research or, in the case of three farms, actively rejected the request. The experiences of Du Toitskloof wines (a Fairtrade wine producer), Spier wines (a formerly certified Fairtrade wine producer) and Origin Wine (a Fairtrade wine trader) have been discussed above. All three expressly identified a need to be transparent. However, the general reluctance among Fairtrade farmers to discuss Fairtrade suggests a general lack of transparency on Fairtrade wine farms.

Transparency remains an issue not just within Fairtrade but within the South African wine industry as a whole. An example of this issue is visible in the *Bitter Grapes* documentary, which shook the South African wine industry with its account of slave-like conditions on South African wine farms while facing persistent criticism of having failed to include the perspective of farmers in the documentary (Visser and Godfrey, 2017: 35-36). In discussing the *Bitter Grapes* documentary and its impact on the South African wine industry, Ms Lipparoni, the CEO of WIETA and an expert within the wine industry, notes that while she had openly spoken with Tom Heinemann (the *Bitter Grapes* documentary director), many producers had declined to be interviewed by him:

[Tom Heinemann] did reach out to some of the producers, and they refused to speak to him. I think that there were perhaps considerations that when he was going around visiting farms, he was going with the trade unions, and I think that those particular trade unions, and not all trade unions have the same ideological approach, have their own strategic approach or operational approach. I think that the assumption that they would make is that if he was associating himself with a particular trade union, then they didn't necessarily want to engage. Our approach is that if you don't engage with a

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<sup>55</sup> Email correspondence with Marina Kaiser, Global Brand Manager at Spier Wines, 29<sup>th</sup> June 2020 to 30<sup>th</sup> June 2020.



journalist, you can't defend anything. He's going to make claims from one particular view, and you haven't defended that, or you haven't demonstrated that there is an alternative view.<sup>56</sup>

For Ms Lipparoni, it is the responsibility of producers and stakeholders within the wine industry to be upfront and transparent.<sup>57</sup> Failure to do so ultimately harms the industry, as seen in the wake of the *Bitter Grapes* documentary.

As noted in earlier chapters, the South African wine industry is one of South Africa's oldest. It has developed alongside the extreme inequality that has plagued much of the country's documented history. It is implausible to assume that South Africa has experienced an overnight transformation from the brutality of Apartheid to a post-racial and non-oppressive utopia as it is simply impossible to make such changes within such a recent democracy. Ms Lipparoni argues for the acknowledgement of a legacy issue in the South African wine industry and commends the documentary for bringing these realities to light in saying:

It was just like, you know what, you had the opportunity to share that with Tom Heinemann, and that is something important for the industry, don't shy away from criticism or claims of transgressions or violations. We're a fairly young democracy. The wine industry does have its challenges that are rooted in very structural impediments. From my point of view, there are very key issues that came out of [the documentary by] Tom Heinemann. It wasn't just about poor working conditions but some of the structural and social conditions that farmworkers live and work under. So if you look at things like the legacy of the dop system, we still have binge drinking and alcohol and drug abuse on farms and among farmworkers. And if you look throughout the Eastern and Western Cape, it happens to be a trend, and that is because it's a legacy issue. The issue of housing, the legacy of slavery and in the Western Cape, in particular, farmworkers weren't given the opportunity as many people haven't been throughout South Africa to lay claims to land. There wasn't any claim to that, so then you have housing issues. So then you have legacy issues in the story that Tom Heinemann told.<sup>58</sup>

What Ms Lipparoni clarifies is that it is crucial to recognise that the South African wine industry requires change and growth as an industry dominated by a brutal and oppressive history spanning centuries of colonial rule.<sup>59</sup> Facilitating fairer relationships between farm owners and farmworkers requires more than just the examination of current relationships but also an interrogation of South African history and its legacy, in particular regard to farm paternalism.

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<sup>56</sup> Interview with Linda Lipparoni, CEO of WIETA, Video Interview, 27<sup>th</sup> July 2020.

<sup>57</sup> Interview with Linda Lipparoni, CEO of WIETA, Video Interview, 27<sup>th</sup> July 2020.

<sup>58</sup> Interview with Linda Lipparoni, CEO of WIETA, Video Interview, 27<sup>th</sup> July 2020.

<sup>59</sup> Interview with Linda Lipparoni, CEO of WIETA, Video Interview, 27<sup>th</sup> July 2020.

In this regard, it is important to acknowledge the production networks that surround the South African wine industry. While the lack of transparency that remains pervasive in the wine industry may appear as the fault of farm owners avoiding accountability, it is important to acknowledge that the production networks in which South African wine farms are embedded discourage farmers from acknowledging problems within the South African wine industry. An important example of this form of discouragement came in the wake of the *Bitter Grapes* documentary, where the reality of the farms exposed by the documentary very nearly resulted in the boycott of South African wines among Scandinavian markets (Hastings, 2019: 928-933; Visser and Godfrey, 2017: 35-36). The implication of these boycotts would have been the removal of South African wines from GPNs linked to markets of the Global North. For Ms Lipparoni, it is desirable to have an open and transparent recognition of the South African wine industry as a work in progress and facilitate inclusive dialogues regarding South Africa's legacy of systemic inequality and oppression.<sup>60</sup> However, she acknowledges that while this is the approach that is needed for the South African wine industry to facilitate meaningful social upgrading, it is not necessarily the approach that is being taken, reflecting upon her discussion with Tom Heinemann in saying:

But at the end of the day, I am going to speak to him quite openly, but at that point, I mean, he was asking a whole bunch of questions, and we were aware of the risks. When he said 'well, these people are certified'. Yes, they were certified, but they were certified with risks. If they are certified, they are certified with massive risk behind it. But in fact, what we were saying is that every farm needs to take responsibility for what's happening on the farm. You need to share what's the good and what's the bad.<sup>61</sup>

While it is of the utmost importance to acknowledge that ethical certification, such as with Fairtrade, comes with risk due to the expectation placed on local producers, this risk is not necessarily acknowledged by export markets to the extent that it should.

For local wine producers, engaging with researchers or journalists such as Tom Heinemann, therefore, comes with tremendous risk, regardless of the conditions of a farm. This risk is because any potential issues exposed by researchers or journalists may endanger the position of local producers in GPNs, as witnessed in the wake of the *Bitter Grapes* documentary. Transparency is ultimately disincentivised as it carries the risk of alienation from international export markets. Such disincentives place constraints on the operation of the South African wine industry as a whole and, in particular, the operation of Fairtrade in the wine

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<sup>60</sup> Interview with Linda Lipparoni, CEO of WIETA, Video Interview, 27<sup>th</sup> July 2020.

<sup>61</sup> Interview with Linda Lipparoni, CEO of WIETA, Video Interview, 27<sup>th</sup> July 2020.

industry. The expectation from international export markets and consumers in the Global North is that the South African wine industry must demonstrate that it already meets all the requirements for comprehensive, fully fair trade. However, a more reasonable expectation may be that the South African wine industry should demonstrate a commitment to progressively moving towards these requirements. This speaks to the complexity of the South African Fairtrade model in its inclusion of large-scale, commercial wine producers in considering issues of systemic inequality and white privilege, which have been extensively present throughout South African history and remain present today.

### 5.5 **Fairtrade Global Production Networks**

The preceding section emphasises that the Fairtrade model is costly for producers, administratively demanding and creates a risk of decertification which influences the transparency of producers regarding their operation. These factors suggest that Fairtrade certification appears to create certain difficulties. However, producers such as Mr Louw of Du Toitskloof feel optimistic about a future with Fairtrade in citing the Fairtrade premium as making the process of becoming and maintaining Fairtrade certification worthwhile in saying:

Ja, it very much has to do with the projects. I think that the social responsibility of those projects are close and dear to my heart, but as a business, it is also important that you are able to open up new markets and to sell more products. So it is a business decision as well, but for us, I must admit, we've been working on the project for fifteen years, so to us, it is very much a decision that, so much of who we are and what we stand for, would be at risk if we ceased to be a Fairtrade operation.<sup>62</sup>

While Mr Louw openly acknowledges the economic benefit of Fairtrade certification for Du Toitskloof as a business, particularly in entering European markets, he emphasises that the purpose of Fairtrade certification is most importantly to do with funding projects for Fairtrade farmworkers.<sup>63</sup> However, the fact remains that these Fairtrade wine producers are still businesses and while the idea of Fairtrade premium projects might satisfy the consciences of caring producers, there is still a concern about the interests of the business. In addition to the administrative costs of maintaining Fairtrade certification, Ms Calow of Wines of South Africa (WOSA) notes that another problem is that South African wines are often undervalued by international markets through being categorised as being 'cheap and cheerful' wine:

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<sup>62</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

<sup>63</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

There is still a perception, especially in Europe, that SA wine is ‘cheap and cheerful’. The reality is, however, very different. Sadly, many consumers still don’t know this and aren’t willing to buy premium wines from South Africa. From a Fairtrade perspective, we also have major concerns around the pricing of even Fairtrade wines on European shelves. To see South African wines with the Fairtrade mark selling at €2.99 is shocking as there’s no way that this can be construed as a sustainable price for the producers and, therefore, also for the workers .... From a producer’s perspective, I feel that the reality is that the margin for a producer at that price point must be absolutely minuscule and, therefore, also the funds set aside for the various Fairtrade projects that might be covered .... When we buy Fairtrade coffee or chocolate, we pay a premium, knowing that firstly, the money goes to supporting a good cause, and secondly, you’re paying for a premium product. A €2,99 bottle of wine can never be ‘premium’ in anyone’s books. Herein then my issues with regard to the wine that is promoted under the Fairtrade label. How fair is it really?<sup>64</sup>

An important concern in terms of South African Fairtrade wines being undervalued by European markets is that an initiative such as Fairtrade may very easily become inaccessible to producers soon after entering Fairtrade production. As discussed in section 2.8 on Dark Value, the concept of ‘value’ is the driver of production networks in terms of being the worth of a productive effort. However, in the discussion of exploitation, the concept of ‘surplus value’ is distinguished from the concept of ‘dark value’. The former concept refers to the profit generated from the labour of workers and highlights worker exploitation in the workplace, whereas the latter concept refers to the profit generated from the unrecognised labour of semi-proletariat households, thereby drawing attention to other, more hidden ways in which workers and their families may be exploited (Clelland, 2014: 80-81). As the workplaces and the homes of farmworkers are interconnected through practices and ideologies of paternalism, dark value is a relevant consideration. When considering the power dynamics at play between farmworkers and farmers and between local wine producers and international buyers, the consideration of surplus and dark value are both relevant.

As discussed earlier, Fairtrade administrative costs increase over time, so if the wine receives a low price due to South African wine being undervalued by Fairtrade buyers, farmers may decide to reduce the salaries of farmworkers. As FTI only requires that farmers pay the national minimum wage, farmers who wish to maintain the label can find ways to reduce labour costs, provided they continue to create the impression that they are meeting Fairtrade requirements. In this sense, the surplus value generated from the undervaluing of South African

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<sup>64</sup> Email correspondence with Mayrna Calow, Communications Manager of WOSA, 14<sup>th</sup> August 2020 to 7<sup>th</sup> September 2020.

wine may conceivably promote the generation of dark value by farmworkers for local wine producers in their effort to remain competitive.

While approaching the subject of farmworker social upgrading may appear to relate exclusively to the relationship between farm owners and farmworkers, it is of the utmost importance to recognise that international markets can play as much of a role in farmworker social upgrading as farmers and farmworkers. Ms Swart of SKA discusses the impact of international markets on South African wine producers, arguing that there is a concerning disconnect in the attitude of international Fairtrade actors who are effectively saying ‘I want your ethical certification, but hands-off in assisting you in it’.<sup>65</sup>

This statement highlights the impact of international, primarily European, markets on the social upgrading of South African Fairtrade farmworkers. Fairtrade’s administrative costs and the undervaluing of South African wines by international markets, place economic pressures on local producers, resulting in the relegation of issues such as social upgrading to the periphery of consideration. These pressures may exacerbate existing inequalities on Fairtrade farms, which may ultimately impact the functioning of the entire network. As illustrated by Figure 2 below, Fairtrade GPNs concern numerous economic, social and political actors and structures. As a result, the apathy or advocacy of international retailers in buying South African Fairtrade wine has an impact on the success of the Fairtrade model itself, meaning that if international markets desire ‘fairly traded’ wine, these markets have a role in ensuring that South African wines meet these standards.

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<sup>65</sup> Interview with Sandra Kruger and Marthane Swart, SKA Consultancy, Video Interview, 27<sup>th</sup> July 2020.

# Fairtrade Wine Global Production Networks

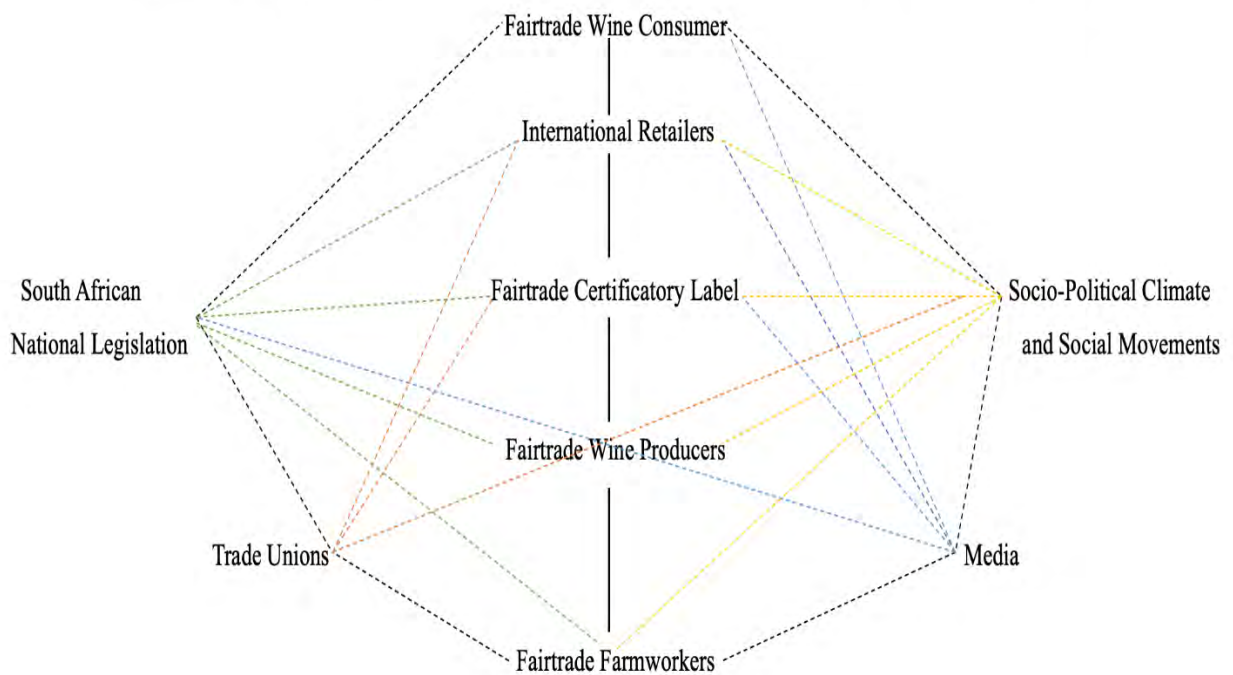


Figure 2: Illustration created by author depicting Fairtrade wine global production networks.

While Fairtrade remains a voluntary certification, the International Trade Centre (2011: 22-28) has found that private certifications such as those offered by FTI are increasingly taking on a regulatory role within production networks. Meaning that while membership of organisations such as Fairtrade are theoretically voluntary, the standards advocated for by such bodies are increasingly becoming mandatory for participating within some GPNs. By undervaluing South African wine as ‘cheap and cheerful’ while nevertheless expecting wine farmers to meet the requirements of certification bodies such as the FLO, international buyers may, in fact, exacerbate existing issues within the South African wine industry. The expectation from international buyers that wine must be ethically produced wine is not matched with a willingness to pay for such ethical production to take place. As discussed earlier in this study (Chapter Three, Section 3.7), FTI has shifted from a ‘deep’ approach that created a closer relationship between international markets and marginalised producers towards a ‘shallow’ approach that prioritises economic profit at the expense of social development despite products

being marketed as 'Fairtrade'. Jaffee (2012: 111) warns of the increased likelihood of the co-option of the Fairtrade label by producers in Fairtrade networks governed by a 'shallow' approach, as the priority is to generate profits using the Fairtrade label as a marketing tool, rather than a developmental project. This chapter has highlighted factors that may contribute to the risk of Fairtrade wine GPNs adopting a 'shallow approach', particularly as the 'cheap and cheerful' narrative places pressure on local producers to reduce their costs.

In identifying the dangers of a 'shallow' approach by the international buyers within Fairtrade wine production networks, it has been emphasised that Fairtrade's success depends on a balance of social development with trade relationships, a key prerequisite of what may then constitute a 'deep' approach. An example of a 'deep' approach to social upgrading by an international buyer may be taken from the Norwegian Vinmonopolet, particularly concerning the Norwegian alcohol monopoly's response to the human rights violations exposed by the *Bitter Grapes* documentary.<sup>66</sup> Ms Elvik of Vinmonopolet explains their approach as follows:

*Bitter Grapes* came out in 2016, and it came out on the same day [that] Vinmonopolet's new director, CEO, a lady called Hilde Britt Mellbye [took up her position]. So her first day of work was very challenging because there were certain board members that wanted to boycott South African wines based off that documentary. And when I saw that documentary, I wasn't working here, and the answer that Vinmonopolet gave was that, first of all, they had to see if the allegations made by the documentary are true, not [in relation] to the producers specifically, but to the system in general. And then they had to figure out if they could make a positive impact, instead of boycotting, which is very much a Norwegian attitude. It's about how can you make positive change.<sup>67</sup>

What is illustrated in this statement is that to be hands-on as an international buyer in supporting the social development of marginalised farmworkers requires not only a simple response to human rights violations (such as boycotting). Instead, being a responsible buyer requires a proactive effort to further understand the pertinent factors surrounding contexts such as the South African wine industry. As has been previously noted, amidst the outcry concerning the results of the *Bitter Grapes* documentary came a call for the boycott of South African wines (Visser and Godfrey, 2017: 38). However, to do so would have resulted in the loss of employment of the very farmworkers that the outcry concerned and, as such, would likely worsen the conditions illustrated in the documentary. A 'deep' approach, therefore, requires a comprehensive response that considers long-term ramifications.

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<sup>66</sup> Interview with Sasha-Monique Elvik, Senior Sustainability Advisor at Vinmonopolet, Video Interview, 16<sup>th</sup> July 2020.

<sup>67</sup> Interview with Sasha-Monique Elvik, Senior Sustainability Advisor at Vinmonopolet, Video Interview, 16<sup>th</sup> July 2020.

This point has also been emphasised by Mr Kauppinen, a representative of the Finnish state-owned monopoly, Alko, in considering the structural issues that impact South Africa as a producer of wine:

Based on our experience, own audits, surveys, visits and international reports, there are certain concerns in regard South African wine industry. These concerns are mainly focusing on decent working hours and conditions, occupational health and safety issues, and overall lack of management systems to empower workers. Especially the position of seasonal workers is weak. This has made us believe that these findings and challenges seem to be industry-related and structural. Challenges that are, in some cases, very slow to overcome. Unfortunately, challenges are not only human but also environmental: climate change, drought, heat. They are as worrying and cause economic and social pressure to the wine industry.<sup>68</sup>

What is important to consider here, and what particularly defines this as a ‘deep’ approach to trade that considers social development, is that monopolies such as Vinmonopolet and Alko are not leaving the assurance of social and environmental responsibility exclusively to ethical certification bodies such as the FLO.<sup>69</sup> Instead, they are proactively taking measures to ensure that these responsibilities are adhered to. What distinguishes the ‘deep’ approach is an acknowledgement that trade relationships are not value-free interactions (which have no social impact) and that the approach of international buyers affects various actors, including farmworkers in the South African wine industry. Such an approach recognises that paying €2.50 per litre for South African wine will not support the social development of workers. This is a key departure from the approach of international buyers who undervalue Fairtrade wines and, by so doing, act as if social development can happen even while producers are not paid the price needed to actually fund such development. While Ms Elvik points out that this level of monitoring and support becomes complex as the Norwegian monopoly is geographically far removed from the site where the wine is produced, she emphasises that an alternative ‘shallow’ approach ultimately undermines the goal of Fairtrade to assist in social development through trade. According to Ms Elvik:

Now, if you are price pressured to export for €2.50 per litre, then you are barely covering your cost. And then some of that still needs to go for a premium. If you can choose the way the premium is used, the producer will probably do that. So it has to do with the willingness to pay. We have told them (the FLO) that they should have better communication with regards to price pressure to their

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<sup>68</sup> Email correspondence with Mika Kauppinen, Senior Category Manager of Alko, 5<sup>th</sup> August 2020 to 10<sup>th</sup> August 2020.

<sup>69</sup> Interview with Sasha-Monique Elvik, Senior Sustainability Advisor at Vinmonopolet, Video Interview, 16<sup>th</sup> July 2020; Email correspondence with Mika Kauppinen, Senior Category Manager of Alko, 5<sup>th</sup> August 2020 to 10<sup>th</sup> August 2020.



producers. There's a lot of time that the producers are just so thankful to just get into a market that they think that they are just going to put the price low and that in the beginning, they will just put the price low and that eventually, they will make more money. And that is not the way that it is supposed to work. It is supposed to be about having your costs covered.<sup>70</sup>

Consequently, producers in the South African wine industry are under pressure to demonstrate that they are ethical producers while also keeping prices low in order to gain entry into global production networks. As pointed out by Ms Elvik, the result is that many wine producers may accept lower price points for their wine regardless of the Fairtrade mechanism of price floors.<sup>71</sup> While this contradicts the very idea of a Fairtrade price floor, this has further been indicated to be a common practice of South African wines being undervalued in practice, as confirmed by Ms Calow and Ms Lipparoni.<sup>72</sup>

## 5.6 **Conclusion**

Importantly, the Fairtrade label has never been intended to serve as a form of charity but instead was supposed to restructure trade relationships (Fridell, 2014: 1190). What has been described 'shallow' approach by international markets seemingly exposes a contradiction in the Fairtrade label's effort as a developmental project while firmly setting its roots in trade. For international markets that place financial gain at the centre of consideration, a 'shallow' approach that adopts the narrative of 'cheap and cheerful' South African wines effectively justifies the undervaluing of these wines. However, the goal of the 'shallow' approach is one rooted in a capitalist rationale of finding a producer that will supply wine at the cheapest price point, which allows for the highest mark-up for international buyers. Alternatively, with a 'deep' approach, there is a recognition that the central aim is to use trade relationships to assist in the social development of the producers within the global production network.

State-owned monopolies such as Vinmonopolet and Alko are supported by their governments regardless of output or sales, with Ms Elvik pointing out that the purpose of the monopoly inherently works against itself to reduce rates of alcoholism or exploitative alcohol

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<sup>70</sup> Interview with Sasha-Monique Elvik, Senior Sustainability Advisor at Vinmonopolet, Video Interview, 16<sup>th</sup> July 2020.

<sup>71</sup> Interview with Sasha-Monique Elvik, Senior Sustainability Advisor at Vinmonopolet, Video Interview, 16<sup>th</sup> July 2020.

<sup>72</sup> Email correspondence with Mayrna Calow, Communications Manager of WOSA, 14<sup>th</sup> August 2020 to 7<sup>th</sup> September 2020; Interview with Linda Lipparoni, CEO of WIETA, Video Interview, 27<sup>th</sup> July 2020.

production.<sup>73</sup> At the heart of being faithful to the ethos of Fairtrade, as evident by Ms Elvik's observation, is to consider social issues within trade relationships.<sup>74</sup> The Fairtrade label appears to accommodate both international retailers that are faithful to the original motivations for the label, as well as retailers who use the label for marketing purposes while pressuring producers to provide the best quality product at the lowest possible cost.

In 1988 the Dutch faith-based organisation Solidaridad created the Max Havelaar label, a predecessor to the Fairtrade label, in order to empower Mexican coffee producers through facilitating a direct relationship between these producers and European consumers in what appears consistent with what has been described as a 'deep' approach (Robbins, 2013: 246; Jaffee, 2012: 111). This chapter demonstrates that there is a risk that the Fairtrade label can be used as a marketing tool to access international markets, rather than fulfilling the original developmental purpose for which it was created. This risk has been previously highlighted by Jaffee (2012: 111), who has criticised FTI for adopting a 'shallow' approach to fair trade:

The most powerful actors in the fair trade system have achieved dramatic success in terms of growth, but at the cost of rendering fair trade primarily an adjunct to the conventional market, rather than posing a fundamental challenge to the terms on which it operates. For social movements whose principal tool for effecting social change is a voluntary certification, then, co-optation is most likely to occur in the arena of the effectiveness, integrity, and/or rigor of standards, and the form that co-optation takes is likely to be the dilution of the content of those standards upon which the certification rests.

If FTI adopts such an approach, then why would it not attract international buyers seeking to do the same, and if Fairtrade buyers such as Vinmonopolet pursue fairly traded products regardless of the certificatory label, then what is the point of Fairtrade? In this chapter, research participants have described the desire to use the Fairtrade label as a platform to facilitate the social upgrading of workers. However, alongside the desire of these producers to facilitate social upgrading is the presence of powerful actors that exploitatively expect 'cheap and cheerful' South African Fairtrade wines despite the costs associated with producing Fairtrade wines. The expectation that South African wine should be cheap, alongside the extensive administrative costs of maintaining the Fairtrade certification, may promote the co-option of the Fairtrade label by local producers who keep their wines cheap by finding ways of exploiting workers while seeking out Fairtrade certification in order to access certain markets. To further

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<sup>73</sup> Interview with Sasha-Monique Elvik, Senior Sustainability Advisor at Vinmonopolet, Video Interview, 16<sup>th</sup> July 2020; Email correspondence with Mika Kauppinen, Senior Category Manager of Alko, 5<sup>th</sup> August 2020 to 10<sup>th</sup> August 2020.

<sup>74</sup> Interview with Sasha-Monique Elvik, Senior Sustainability Advisor at Vinmonopolet, Video Interview, 16<sup>th</sup> July 2020.

explore this issue of co-option and exploitation, the following chapter will examine the perspectives of the media and trade unions in detailing their experiences regarding the Fairtrade commercial farms.

## **CHAPTER SIX: PERSPECTIVES ON FAIRTRADE WINE FARMS: MEDIA AND TRADE UNION EXPERIENCES**

### **6.1 Introduction**

In the previous chapter, I argued that the structure of Fairtrade wine production networks encourages farmers to focus on creating the impression that they are meeting Fairtrade standards while making it difficult for them to actually meet those standards. As shown in that chapter, Fairtrade labelling entails extensive costs and administrative requirements, but South African wines are being undervalued by international markets through the narrative that South African wines are ‘cheap and cheerful’.

The Global Production Network (GPN) framework, particularly in the discussion of social upgrading, enables us to see that trade relationships are grounded in a social context. As this research is concerned with the Fairtrade model’s impact on the South African wine industry, a GPN analysis allows for factors beyond trade to be taken into consideration. A Global Value Chain (GVC) analysis would consider the question of social upgrading on South African Fairtrade commercial wine farms exclusively in terms of the actors discussed in the previous chapter (Fairtrade wine producers, certificatory bodies, and international export markets). However, as the GPN framework includes consideration of the social context, this research project must include consideration of other actors. This expansion is necessary to include social actors within Fairtrade wine production networks who advocate for non-economic issues such as worker rights. In consideration of these actors pursuing the social issues within Fairtrade production networks, this chapter will explore media and trade union experiences and perspectives relating to large-scale Fairtrade certified wine farms.

This chapter will first explore media experiences and perspectives through a discussion of media accounts on Fairtrade by Arbetet Global, followed by a discussion of the experiences of Tom Heinemann, the director of the film *Bitter Grapes*. Following this discussion, this chapter will examine the perspectives of trade union representatives through an analysis of the experience of the trade union Commercial, Stevedoring, Agricultural and Allied Workers’ Union (CSAAWU) in the South African wine industry. In doing so, the experiences of these groups are considered to offer key insights regarding the South African Fairtrade wine industry, and their perspectives are recognised as influencing the social upgrading of farmworker

livelihoods. As this study aims to examine if the South African Fairtrade wine model can guarantee social upgrading for farmworkers, the perspectives of the groups outlined in this chapter present important insights regarding the overall aim of this study.

## **6.2 Media Experiences and Perspectives**

Chapter Four (Section 4.4.5) mentions the *Bitter Grapes* documentary as an influential media report that exposed exploitative farm conditions experienced by farmworkers. The 2016 *Bitter Grapes* documentary exposed wine farm conditions as ‘slave-like’ and created a backlash among Northern markets, which threatened boycotts (Hastings, 2019: 928-933). The wine industry mitigated this backlash by emphasising South African wines' ethical certification and by promising improvement (Visser and Godfrey, 2017: 8).

This chapter examines the experiences of the media in the South African Fairtrade wine industry in recognition that the media’s actions are relevant to this study due to their ability to impact farmworker social upgrading. The *Bitter Grapes* documentary is an example of this as it offered more than just a report of a ‘story’ but instead as a form of social advocacy that resulted in the South African wine industry being placed under scrutiny by Northern markets. In this sense, media experiences and perspectives have a role to play in the social upgrading of farmworker livelihoods. However, the impact of media coverage of the South African Fairtrade wine industry may not always be positive. The following discussion of media engagements with large-scale Fairtrade wine farms will examine two contrasting examples of how media representatives may positively or negatively impact farmworker social upgrading. I will first examine the account of Arbetet Global, which attempted to draw attention to poor conditions on wine farms, but ultimately endangered the livelihoods of the farmworkers with whom they engaged through failing to acknowledge the potential harm of their interactions with workers. This is contrasted with the *Bitter Grapes* documentary, which provided a perspective of the South African wine industry that sought to produce a positive change to farmworker livelihoods while ensuring that individual workers do not suffer as collateral damage in the pursuit of larger goals.

### **6.2.1 Media Perspective: Arbetet Global Experience of the Wine Industry**

Arbetet Global is a Swedish newspaper established in 1926 that produces longer investigative and analytical articles. On the 9th of September 2019, Arbetet Global published a media report

titled 'Farmworkers paying the price for cheap South African wine' (Andersen, 2019a), which exposed the conditions on the Fairtrade-certified Leeuwenkuil wine estate. This article reveals that Leeuwenkuil operates through labour brokers on its thirty farms in the Stellenbosch area (Andersen, 2019a). These labour brokers were reported to use women as seasonal labour and to pay these women less than the South African minimum wage (Andersen, 2019a). Additionally, this article draws a connection between the colonial history of this industry and the current conditions on Leeuwenkuil's farms (Andersen, 2019a). The article notes that Leeuwenkuil was among the farms exposed by the 2016 *Bitter Grapes* documentary and that the local trade union CSAAWU has repeatedly reported the poor working conditions on the farm to Systembolaget (the Swedish government-owned chain of liquor stores). Nevertheless, the article notes that Leeuwenkuil is still participating successfully in the Swedish market through Systembolaget (Andersen, 2019a). This report by Arbetet Global has exposed the extremely exploitative labour practices of Leeuwenkuil as a producer that flourishes in markets such as in Sweden.

Leeuwenkuil's Fairtrade certification has likely assisted its entry into the Swedish market despite allegedly enforcing working conditions that remain far from 'fair' (Visser and Godfrey, 2017: 36; Andersen, 2019a). Arbetet Global's effort to expose Leeuwenkuil as severely exploiting its workers speaks to Wahl-Jorgensen and Hanitzsch (2009: 239-240) argument that political journalism can elevate the voices of otherwise marginalised groups through the use of media. In this sense, the experiences and perspectives of the media regarding socio-political issues may provide a platform for otherwise marginalised groups. Arbetet Global, within this initial report, conveyed the voices and experiences of Leeuwenkuil farmworkers to a Swedish audience in a manner capable of producing an impact (Andersen, 2019a).

However, the way in which the report reported on the experiences of the workers raises some concerns. The Arbetet Global article included the names and pictures of farmworkers. In particular, it highlighted one woman's account, using her name and picture, which irresponsibly exposed her and resulted in her dismissal by Leeuwenkuil (Andersen, 2019b). Mr de Kock of Leeuwenkuil has argued that the disciplinary hearing that resulted in her dismissal was not due to the worker simply engaging with the Swedish media but instead because of her supply of 'false information' to the media organisation (Andersen, 2019b). However, the dismissed worker notably provided (and is pictured with) her payslips which were the basis of her allegations (Andersen, 2019a; Andersen, 2019b; Andersen, 2019c). Importantly, this assertion of workers providing 'false information' to the media by the Leeuwenkuil farm management

is not unique to this instance. Mr Heinemann (2016a) similarly investigated the operation of Leeuwenkuil for the *Bitter Grapes* documentary and found uninhabitable living conditions for certain farmworkers, unpaid and exploitative labour conditions, a children's crèche located in the same building as the farm's chemical pesticides, among numerous other issues. Mr Heinemann (2016a) further notes that Willie Dryer, the owner of Leeuwenkuil, provided a written response criticising the 'false allegations' made by the documentary. Despite the assertions of Mr Dryer, the South African Department of Labour conducted an inspection of Leeuwenkuil following the release of the documentary and ordered Leeuwenkuil to demolish housing at risk of collapsing, pay workers sick leave and close the farm shop that over-charged farmworkers for products (Heinemann, 2016a). Considering this, Mr de Kock's claim that the dismissed worker provided 'false information' should be regarded with scepticism.

In a subsequent article titled 'She risks dismissal after speaking out in Swedish media', the journalist from Arbetet Global argues that the farmworker's dismissal has come from this worker speaking out (Andersen, 2019b). This article points out that Mr de Kock reported to Arbetet Global (2019b) that CSAAWU is 'feeding you with lies'. However, the first article's claims are supported by empirical evidence such as worker payslips and previous research as conducted through the *Bitter Grapes* documentary. In this second article, Arbetet Global alleges that Leeuwenkuil is imposing slave-like conditions on their workers. The article vehemently insists on workers' rights to association and representation and indicts international exporters of Leeuwenkuil wine such as Systembolaget for being complicit in the slave-like conditions of these farmworkers (Andersen, 2019b). The third report by Arbetet Global (Andersen, 2019c) on the issue, titled 'Systembolaget snubs South African Trade union', explains that Systembolaget concluded that the worker misrepresented Leeuwenkuil, without even contacting the worker herself or CSAAWU before drawing this conclusion. Instead, Systembolaget relied on its dialogue with 'various suppliers as well as with Leeuwenkuil' to conclude that this worker, CSAAWU, Arbetet Global, the *Bitter Grapes* documentary and the South African Department of Labour were all mistaken in their description of Leeuwenkuil's conditions (Andersen, 2019b; Andersen, 2019c).

In the reports described above, Arbetet Global uses the case study of Leeuwenkuil to reveal that extreme exploitation continues to exist on at least some wine farms. Additionally, these reports suggest that farms such as Leeuwenkuil are able to maintain their Fairtrade certification and their position in the Swedish market despite exploitative labour conditions. Notably, the article 'Systembolaget snubs South African Trade union' demonstrates a troubling stance by Systembolaget, which failed to even contact the dismissed worker in this case before

supporting Leeuwenkuil (Andersen, 2019c). As argued in these three reports, South African farmworkers are marginalised both by local farms such as with Leeuwenkuil and by international exporters such as Systembolaget. Therefore, this marginalised position of farmworkers requires that the media ensure that farmworkers are not further compromised by reports such as with Arbetet Global.

Unfortunately, while Arbetet Global's reports help expose the conditions on farms like Leeuwenkuil, the media organisation's approach directly endangered the employment of at least one farmworker. During fieldwork conducted in 2020 for this study, CSAAWU confirmed that the worker discussed in the articles was ultimately dismissed and remains unemployed as a result of her interaction with Arbetet Global.<sup>75</sup> Even if employment on Leeuwenkuil is akin to slavery, we cannot forget that the South African wine industry was designed to keep workers dependent on these slave-like conditions so that a loss of employment entails a loss of a livelihood (Hastings, 2019: 928-933). Furthermore, according to a CSAAWU officer, the Arbetet Global articles created conditions where other workers feared speaking out about their living and working conditions.<sup>76</sup> The continued Fairtrade certification of a producer such as Leeuwenkuil, despite evidence of severe labour exploitation, is a clear indication of a longstanding problem that is difficult to challenge, let alone change. Arbetet Global can be commended for drawing attention to these problems, but farmworkers simply cannot be used as collateral damage for media representatives seeking headshots of farmworkers to put faces to reports. While the inclusion of personal details and a photo was likely intended to humanise the issues reported by Arbetet Global, it flagrantly disregards the precariousness of the farmworker's positionality because it fails to consider the likely impact that such reports will have on the actual farmworkers.

The case of Arbetet Global detailed above highlights the fact that while media actors within GPNs may offer important insights, their involvement can negatively impact worker social upgrading. Their reports are not mere commentaries on the operation of these networks, but can influence the networks. The chapter now turns to the *Bitter Grapes* documentary to provide a contrasting example of media involvement in GPNs. The *Bitter Grapes* documentary exposed exploitation while remaining careful not to endanger workers.

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<sup>75</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>76</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.



### 6.2.2 Media Perspective: *Bitter Grapes* Experience of the Wine Industry

Following the implementation of democracy and removal of international sanctions against trade with Apartheid South Africa, the South African wine industry re-entered global wine production networks (Bek et al., 2007: 304-305). The 2016 *Bitter Grapes* documentary by investigative journalist Tom Heinemann highlighted continued exploitative practices despite the post-apartheid, democratic context.<sup>77</sup> In the documentary, filmmaker Tom Heinemann captures the dire living and working conditions of Robertson winery's supplier farms and makes the allegation of labour law violations being committed on Western Cape wine farms (Visser and Godfrey, 2017: 35). The perspective offered by this documentary has affected the perception of South African wines among international markets through documenting issues of 'modern slavery' on local vineyards (Hastings, 2019: 928-935). The *Bitter Grapes* documentary was partly funded by the Danish Ministry of Foreign Affairs and commissioned by three Scandinavian public service broadcasters in Denmark, Sweden and Norway (Heinemann, 2016b). Mr Heinemann created this documentary to investigate the implications of the recent increased popularity of South African wines in Scandinavian countries despite the damning reports of labour exploitation on South African farms by international organisations such as the International Labour Organisation and Human Rights Watch (Heinemann, 2016b). According to Visser and Godfrey (2017: 35), the *Bitter Grapes* documentary impacted this industry by comparing the certificatory standards of the voluntary labelling organisations such as WIETA against the actual practices of producers such as Robertson's winery.

The *Bitter Grapes* documentary tactically publicised the conditions of producers such as Robertson's winery in a manner that attracted the attention of European consumers while still protecting workers included in the documentary (Visser and Godfrey, 2017: 36). This is a crucial point of discussion regarding the impact of media experiences on the South African wine industry. Both the *Bitter Grapes* documentary and Arbetet Global articles shed light on fundamental issues of exploitation and dependency that relate South Africa's painful history with its current context. However, the two media interventions differed in their impact on farmworker social upgrading.

The *Bitter Grapes* documentary did not focus specifically on Fairtrade certification, but rather gave more attention to another certification scheme, WIETA, and its failure to implement its certificatory standards on South African wine farms regarding worker rights and conditions.

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<sup>77</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

However, the *Bitter Grapes* documentary does include discussion of Fairtrade and some of the farms exposed in the documentary, such as Leeuwenkuil, are Fairtrade certified (Heinemann, 2016a). In response to the question of why the film did not focus on Fairtrade certificatory practices and standards, Mr Heinemann explained that he was limited due to stalling by FTI in responding to the issues regarding Fairtrade certified farms.<sup>78</sup> Mr Heinemann highlights this issue with reference to the Fairtrade certified farm of Van Loveren, explaining:

We actually did a lot of research on Fairtrade in the vineyards. It did not come in the film due to many things, but mainly because Fairtrade up here delayed and delayed. However, one particular farm, Van Loveren, got the label stripped for four months due to my research. Now it's all back to 'normal'.<sup>79</sup>

In his experience highlighted above, Mr Heinemann notes that there were similar issues on both Fairtrade and non-Fairtrade farms as investigated in his research. He describes FTI as being less accessible than alternative certificatory bodies such as WIETA, which ultimately became the focus of the documentary.<sup>80</sup> He explained that as an investigative journalist, he has the responsibility to present both sides of a story. Mr Heinemann's experience with FTI appears to indicate a stalling process by FTI which resisted cooperating with Mr Heinemann's investigation, with the suspension of the Van Loveren farm occurring only after an extensive back and forth with FTI. This silence on the part of FTI is something that Mr Heinemann argues to be a feature of FTI itself as he has previously had the same experience in investigating the tea industry.<sup>81</sup> In speaking to trade unions such as CSAAWU, they also have pointed to FTI as difficult to contact to address their concerns regarding farm conditions.<sup>82</sup>

Among the official responses of stakeholders collected by Wines of South Africa (2016) under the heading of 'Tom Heinemann's Documentary Titled *Bitter Grapes*', FTI officially responded to the *Bitter Grapes* documentary by ambiguously addressing the subject matter of the documentary without acknowledging the Fairtrade label's relation to it in saying:

Right now working conditions at South African wine farms are being given lots of attention. That farmworkers are amongst the most vulnerable working forces in the global trade is not news to anyone. Many people work long hours for a low wage, scared to claim their rights due to a risk of

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<sup>78</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>79</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>80</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>81</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>82</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

losing their jobs. Official employment agreements, the right to freedom of association, fair wages, and basic medical care rights are often missing. When it comes to the wine farms in South Africa, only one-fifth of the workers have permanent employment, the rest are seasonal workers. The wine producers act in a very competitive market that is dominated by low prices. Competition leads to pressure on prices that go all way down the value chain, leading to very low wages for the farmworkers. To affect the situation, Fairtrade started to certify wine producers in 2003.

In this official statement, FTI discusses Fairtrade mechanisms such as guaranteed minimum wages for workers, Fairtrade premiums, FLO-CERT auditing and further emphasises the responsibility of international exporters such as Systembolaget to ensure that South African wines are purchased at fair prices. FTI then points to itself as a solution to these issues by the end of the official statement, referencing its introduction to the South African wine industry in 2003. Perplexingly, this response fails to acknowledge that Mr Heinemann has pointed to FTI as a part of this problem, in the case of Fairtrade wine farms such as Van Loveren, rather than being the answer to it.

In the case of FTI (Fairtrade Sweden, 2016), their silence before the release of the *Bitter Grapes* documentary and avoidance of responsibility subsequently indicates a concerning divide between the ethos of Fairtrade and the organisation's practices. In his experience of reporting Van Loveren to FTI, Mr Heinemann has noted that violation of Fairtrade standards resulted in a suspension time of mere months.<sup>83</sup> He points out that the purpose of suspension, as explained to him, is to allow the farm enough time to rectify the issues that have instigated the suspension.<sup>84</sup> He further notes that even within this limited suspension, there was a contradictory account of the situation put forward by Van Loveren's management in making an official statement saying that the certification could be restored immediately.<sup>85</sup> As has been argued throughout this research, the issues of dependency and exploitation that plague the South African wine industry have occurred over four centuries of colonisation. It is alarming that FTI seems to imagine that the kinds of problems described in the *Bitter Grapes* documentary can be resolved in a few months.

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<sup>83</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>84</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>85</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

In Mr Heinemann's experience of the South African wine industry, he argues that there is an unwillingness to acknowledge some of the key issues in this industry.<sup>86</sup> In the wake of the *Bitter Grapes* documentary as he notes that local broadcasters were reluctant to screen the film:

When the story broke in South African media, I was almost overwhelmed by responses and requests for interviews with me. I was live on air on a number of television and radio stations, and the most astonishing was the fact that no one at that time had seen the film. We negotiated with SABC [the South African Broadcasting Corporation], but after several months we were told that there was a 'red tape' on the story. Another thing was that many media wrote articles like: How on earth was it a foreign journalist that told the story that we should have done for decades, if not centuries. But I have seen this before. Sometimes you need a pair of fresh ears and eyes to expose what the reality in the farm industry actually is.<sup>87</sup>

Mr Heinemann points out here that the response of local media outlets was one of astonishment, as a foreign reporter exposed issues of dependency in the South African wine industry.<sup>88</sup> While these findings may have astonished these outlets, they are very consistent with the history of the wine industry and formed a part of larger systemic issues (Bek et al., 2007: 304-305).

The importance of the *Bitter Grapes* documentary was not really its exposure of issues of dependency and exploitation in the South African wine industry itself as these realities were well known. Instead, the documentary's importance relates to its attempt to appeal to European consumers' interest in ethical consumption to force a seemingly unwilling wine industry to change.

In detailing his experience of the South African wine industry, Mr Heinemann describes the South African wine industry as being governed by an 'Omerta', in arguing:

The wine industry in South Africa is based on some sort of Omerta. They do not talk to journalists. They do not accept any kind of critique. The industry is based on a post-colonial system that does not accept anything else than they define.<sup>89</sup>

An 'Omerta' describes a code of silence in the face of questioning by an authority or outsider regarding the, often, criminal activities of a mafia or cartel (Whithorn, 2014: 167-169). The unified response of WOSA (2016), VinPro (2016), WIETA (Wines.co.za, 2016) and Fairtrade Sweden (2016) seemingly corroborate the charge of cartel-like configuration of the

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<sup>86</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>87</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>88</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>89</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

wine industry. In their statements, these organisations implied that the issues raised in the documentary were particular to some farms rather than a widespread problem within the industry (WOSA, 2016; VinPro, 2016; Wines.co.za, 2016; Fairtrade Sweden, 2016). VinPro's aggressive response accused the documentary of being biased and of potentially damaging the South African wine industry. VinPro claimed that significant strides have been taken towards improving the 'plight of farmworkers' and denied the documentary's assertion that the conditions of the farms could be described as modern-day slavery (VinPro, 2016). Implicit in VinPro's argument is an acknowledgement that the allegation of slavery in local vineyards is harmful to the South African wine industry. However, we must question why VinPro seems more concerned about the exposure of these slave-like conditions on local farms than it is about the existence of these conditions in the first place. As Kaur (2022: 5) notes that VinPro exists as an offshoot of KWV, one may expect the organisation to demonstrate a greater consideration of the socio-historical implications and relevance of these allegations.

The disconnect of stakeholders in the wine industry, such as VinPro, who are more concerned about the consequences of allegations of modern slavery on South African wine farms rather than with the actual possibility that such conditions exist on these farms is a gravely concerning perspective on this industry. Worryingly, Mr Heinemann's charge of an 'Omerta' as governing the South African wine industry points to an effort to protect the industry from change rather than, following four centuries of colonial exploitation and oppression, recognising why the industry would need to change.<sup>90</sup>

FTI has not only entered its certificatory label into this industry but has further extended this certification to large-scale producers of this industry, which have historically been among the beneficiaries of South African colonialism and Apartheid. FTI should be highly responsive and proactive in enforcing standards that may be deemed 'fair' in a historically unfair industry. However, Fairtrade Sweden's (2016) response to the *Bitter Grapes* documentary points to FTI standing with the wine industry rather than actually considering the allegations which allege the antithesis of 'fair trade'. Mr Heinemann argues that this has come as a result of Fairtrade growing from an ethical movement to becoming an industry of its own in asserting:

My experience is that Fairtrade seems to have grown so big, that the responsibility of keeping up their own standards apparently is something that you push to the other side of the table at your office... Fairtrade has simply become a greenwashing tool for the industry. We have seen it in

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<sup>90</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

cocoa, coffee, tea and now wine. Fairtrade has become an industry itself, and that's the tragic part of it.<sup>91</sup>

While the fair trade movement began with a grassroots movement, Mr Heinemann argues that this movement has evolved to the point that FTI now represents a tool for the marketing of social responsibility and development in the interests of business.<sup>92</sup> This form of marketing is fundamentally different from the earlier fair trade movement's interest in social responsibility and development that advocated for the use of business as a tool for change.

The danger of this shift is that the use of the Fairtrade label as a marketing tool may cause harm to the South African wine industry, especially given that it is mostly white, commercial wine farmers pursuing this certification. In the wake of the *Bitter Grapes* documentary and its charge of modern slavery on South African wine farms, Mr Heinemann's assertion that FTI's interests reside in promoting business rather than ethics within trade is alarming.<sup>93</sup> FTI has previously justified the inclusion of commercial, large-scale wine producers within Fairtrade certification standards as a decision that has been guided by the contextual and historical factors which shape South Africa's need for social development (Jari et al., 2007: 67). It is, therefore, concerning that it seems that the participation of some South African commercial wine producers in Fairtrade certification is due to commercial interests rather than due to an interest in ethics.

The *Bitter Grapes* documentary suggests the importance of media perspectives as the response to the documentary has demonstrated the unwillingness of the South African wine industry to acknowledge the extensiveness of the changes required of it. While the documentary could not force the industry to change, perhaps the importance of such media perspectives resides precisely in their exposure of this refusal to change to international audiences and markets. An important point to be acknowledged by the very existence of the Fairtrade label, as an ethical certification, is that enough consumers care about socially responsible trade relationships and labour conditions for an entire Fairtrade market to be built around this concern (Fridell, 2014: 1190). Media perspectives such as the *Bitter Grapes* documentary, at the very least, encourage greater scrutiny by consumers and markets regarding the operation of the wine industry, which challenges the position of local producers in GPNs.

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<sup>91</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>92</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>93</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

The discussion of media experiences and perspectives in this chapter demonstrates the potential capacity of actors outside of economic supply chains to impact worker social upgrading through their advocacy. The following section will examine the influence of another actor involved in farmworker advocacy by detailing the experiences and perspectives of a trade union within the South African Fairtrade wine industry.

### **6.3 Trade Union Experiences and Perspectives**

In order to include the perspective of South African trade unions, this study draws on the experiences and insights of the Commercial, Stevedoring, Agricultural and Allied Workers Union (CSAAWU). This decision is not only due to the prominence of CSAAWU in representing workers on South African wine farms, but also due to the efforts of CSAAWU to engage with media representatives investigating issues of dependency in the South African wine industry (Heinemann, 2016a). CSAAWU has become known worldwide for protecting individual worker rights and addressing structural issues. As a result, in 2017 CSAAWU was awarded the Arthur Svensson International Prize for Trade Union Rights, specifically for their representation of farmworkers on South African vineyards (Svensson-Stiftelsen, 2020). CSAAWU is proactive in advocating for farmworkers' social upgrading. Hastings (2019: 937), highlights CSAAWU as being notable in the transnational campaigning between Scandinavian unions/NGOs and South African counterparts to help spur regulatory changes within and through international retailers. A relevant point in the discussion of Fairtrade in this study. Swanby (2021: 5-6) has further highlighted CSAAWU's effort to compile information into booklets which highlight farmworker rebellions across 25 Western Cape towns in 2012–2013 that served to challenge historic master-and-servant ideologies that are long-held among farmworkers and farmers. Visser and Godfrey (2017: 35) further note the importance of CSAAWU in highlighting Roberson Winery as a potential focus area for what Tom Heinemann would eventually create in the *Bitter Grapes* documentary, as CSAAWU was involved with a strike at the company during Mr Heinemann's fieldwork for the documentary at the time. As noted by Du Toit (1993: 336) 'unionisation certainly increases workers' autonomy', which makes the inclusion of a trade union such as CSAAWU in this study highly relevant to the discussion of farmworker social upgrading. Integral to this advocacy is CSAAWU's attentiveness to farmworkers' experiences as the foundation of their fight for individual and collective worker rights. As noted by Mr Christians of CSAAWU in his experience, some trade unions have 'succumbed' to pressure and have prioritised pacifying workers rather than

addressing their concerns and fighting for their interests.<sup>94</sup> This is marked by a lack of impact regarding worker interests.

In the discussion of social upgrading – which is a concept upheld by the four pillars of regular employment, worker rights, social protection, and social dialogue – access to trade unions remains a crucial component (Barrientos et al., 2011: 323-325). However, Mr Blaauw of CSAAWU points out that in his experience, while access to workers is not prohibited on Fairtrade farms, it is undermined:

The employer says ‘Fairtrade has said that we give you access to the meetings, and we will do it during working hours. We don’t have a problem with that’. But it has serious, serious challenges. Now the meeting has been pushed until, let’s say, four o’clock and they normally go off at five o’clock or five-thirty sometimes and when that meeting is granted workers don’t attend those meetings because it’s late in the day, number one, and they, therefore, have to rush home. So it’s a systematic way of ensuring that workers don’t attend those meetings. So there’s that subtle form of sabotage. The other thing is that most farmers under the Fairtrade label only recognise some of our persons and do not recognise all of our persons. So the union cannot work optimally when it comes to the servicing our members.<sup>95</sup>

In this sense, Mr Blaauw alleges that farmers do not technically deprive workers of access to their trade unions.<sup>96</sup> If under audit by FLO-CERT, a farmer may then easily assure auditors that workers’ collective assembly is indeed facilitated on the farm in a manner deemed to be ‘fair’. However, as indicated by this statement, while this may be unproblematic in theory, this process is subtly undermined through the configuration of meeting times by the farmer. In doing so, farm management dissuades workers from attending union meetings simply because the meeting is only permitted at a time inconvenient to the farmworkers. The difficulty of accessing farmworkers is an issue that is exacerbated by what CSAAWU representatives,<sup>97</sup> as well as Mr Heinemann,<sup>98</sup> have criticised as being a requirement to attain permission from the farm management to access workers. The official reason being that approval is required to access the farmer's private property. However, as noted in Chapter Six, farmworkers often reside on the farms where they work, although labour casualisation has seen an increase in labour recruited from those living off farms. The homes of those who continue to live on farms can be controlled by farmers This means farmers are able to declare the living spaces of workers

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<sup>94</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25 March 2020.

<sup>95</sup> Interview with Edgar Blaauw, CSAAWU Representative, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>96</sup> Interview with Edgar Blaauw, CSAAWU Representative, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>97</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>98</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.



as their ‘private property’, thereby exercising paternalistic control over workers. Farm management deprives workers of their autonomy and freedom of association as well as their rights to ownership of their homes and the land on which they stand.

Mr Blaauw goes on to point out that even in adhering to these paternalistic demands by farmers, the process of accessing workers is complicated further through the use of labour brokers or ‘consultants’ in saying:

You see in our experience, there is no real difference in how Fairtrade farms operate and how non-Fairtrade farms operate .... These employers make use of labour consultants, and they take their guidance to make decisions together with these labour consultants. When it comes to worker issues and labour matters, the employer does not make a sole decision when it comes to those areas. That employer, even if you want to speak to him or send a letter to him with regard to anything that the union wants to know, then you have to work through someone else.<sup>99</sup>

In the experience of CSAAWU, accessing workers or even farms is a process complicated through the bureaucratic scheduling of meeting times and deferral of accountability by farm owners to project coordinators or even labour brokers or ‘consultants’. An important point to highlight here is that while there may be differences between labour brokers and consultants, respondents in this study often used these terms interchangeably and seemed to be ascribing both those they called ‘brokers’ and those they called ‘consultants’ the same role as intermediaries between casualised farmworkers and the respective farms. The implication is that, in working through this bureaucracy, trade unions such as CSAAWU are burdened with expansive procedural demands which precede their access to workers and farmers and therefore undermine their representation of workers.

Mr Blaauw goes on to argue that as a result of this lack of access and collective worker assembly on Fairtrade farms, critical mechanisms of Fairtrade, such as the Fairtrade premium, can be co-opted by farmers, saying:

I think that the other place where [farm owners are undermining Fairtrade relates to the] premiums. For example, employers make decisions and will say ‘this is how your money needs to be spent’ – [money] that comes from that premium. So there again, it is completely a mess; people are being dragged by the nose with that.<sup>100</sup>

It is alarming to hear of Fairtrade premiums allegedly being paternalistically controlled by farmers. This points to the danger of workers not being able to organise collectively, such as through a functioning Fairtrade premium committee, and demonstrates why social dialogue is

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<sup>99</sup> Interview with Edgar Blaauw, CSAAWU Representative, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>100</sup> Interview with Edgar Blaauw, CSAAWU Representative, Telephonic Interview, 25<sup>th</sup> March 2020.

a crucial feature of social upgrading. Social dialogue between workers and employers ensures worker interests. These interests must be understood broadly as relating to workers' conditions and experiences, rather than only their wages (Ghai, 2006: 18-21).

### 6.3.1 **Labour Brokers and the Danger of the Fairtrade Label**

The articulation of worker interests is argued by CSAAWU representatives to be splintered by the use of labour brokers, which create a buffer between workers and farm management.<sup>101</sup> Mr Christians' impression is that the majority of workers are now being employed through these brokers:

That is the situation on most of the farms. That is the new way of how they treat labour. They also make use of many farm labourers that have been evicted from the farms. On the borders of many rural farms, you will find many shanty towns where evicted farmworkers are being dumped. And then if I have a bakkie and phone, I can go and pick them up. There are many experienced farmworkers who will go collect people there and will basically sell them to the farmer. It's like a form of slavery. People will jump on these bakkies and trucks. On some farms, farmers will also take a strong worker leader and give him a bakkie and transform him into a labour broker. So they have done all of these things to make sure that unions are not rising and that strong workers that want to join workers [in collective action] are being bought out. So they use a variety of tactics to ensure that there's no strong worker organisation.<sup>102</sup>

The existence of labour brokers in the South African wine industry has been argued by scholars such as Du Toit et al. (2008: 13) to have 'enabled many farmers to wash their hands of accountability for the conditions under which harvesting teams laboured in, and ensured that significant portions of the labour force worked outside the realm of effective regulation'. As a result, the presence of labour brokers exacerbates the problem of farm evictions and severely disrupts the regular employment of farmworkers as workers are only hired during harvesting season. The use of labour brokers directly contradicts the principle of regular employment as a pillar of social upgrading.

A common trait in the use of labour brokers is that it worsens the exploitation of black women who remain in the most exploited position in South African society and are therefore the group most dependent on labour exploitation as a means of survival (Gibbon et al., 2014: 181). According to Mr Blaauw, this is a problem on the wine farms where CSAAWU operates:

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<sup>101</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>102</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

In our experience, as I was saying, it is mainly females [who are being exploited]. And if you are a single parent with no other income, you only have your grant that comes from the state. We have had some sort of problems where some employers don't register those workers for the six to eight months in order to draw from the UIF [Unemployment Insurance Fund] because they can draw from the UIF after a certain amount of time. But those people don't get registered and battle to draw from that UIF. But, in short, those people are just at home. I'm not sure how they would survive without those grants.<sup>103</sup>

As has previously been discussed, the World Bank (2018: 42-43) considers South Africa to be the most unequal country in the world, an issue only exacerbated by the casualisation of the South African labour force. As noted by Du Toit (2008: 12-13), labour casualisation has been a pervasive issue in the South African wine industry, through shifting from the housing and wage demands of a large permanent workforce on farms to smaller workforces of permanent labourers. CSAAWU officials interviewed for this research point to the existence of labour brokers on some Fairtrade farms and suggest that there is little difference between Fairtrade and non-Fairtrade certified farms in terms of this issue.<sup>104</sup> These practices remain at odds with FTI's stated intention of dealing directly with the structural and historical issues that plague the South African wine industry in the wake of colonialism (Herman, 2012: 1123-1124). Importantly, while Fairtrade standards do allow for what may be considered casual labour, the standards specify that such work must be limited to non-regular, special tasks during peak seasons (Krumbiegel et al., 2018: 208-209). For Mr Christians, the failure to address issues such as labour brokers on the South African Fairtrade farms speaks to a lack of acknowledgement of the historical context of the country, saying:

Now there are good Fairtrade guidelines on what you should do, on paper. It is there, right. So we had, last year [2019], in September, we had a big march of about five to six thousand workers. We demanded that we meet with them [the FLO] regarding the demands of the workers but also, we had said that they must understand the historical background [of] farmworkers ... because you must understand that history. What is happening here is that this label is only here, on paper, to give the producer access to the international market- nothing to do with changing the lives of workers.<sup>105</sup>

At the time of writing, FTI has not yet met with CSAAWU regarding the issues mentioned above. Chapter Four's discussion of South Africa's background and context has demonstrated the wine industry to have been defined by white paternalism and state-mandated dependency imposed on black and coloured labourers over four centuries. Since the end of Apartheid, there has been increased casualisation of a labour force entirely dependent on their employment in

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<sup>103</sup> Interview with Edgar Blaauw, CSAAWU Representative, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>104</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>105</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

this industry. The account of CSAAWU concerningly points to Fairtrade failing to address these issues and continuing to certify farms even if they exemplify these issues.

Mr Christian of CSAAWU observes that FTI's failure to address these issues appears to be the result of a lack of consideration rather than simply the result of ignorance or a lack of understanding:

We have engaged Fairtrade around these issues. If you look at their procedures, it is impossible for poor farmworkers who have no education, who have been ravaged by the Apartheid system and alcohol abuse and all of these things. We have said to them that you cannot make laws without changing the social conditions of workers because the farmers have social control over the workers. The farmworkers entirely depend on the farm owners for their livelihood, for their water, for their transport, for their housing exactly as was created under Apartheid. That has not been dismantled. So the worker is still a slave, and the farmer has social control over the worker. So Fairtrade and all of these ethical programs know this, but they do not want to tackle that. And they must tackle that.<sup>106</sup>

It is pertinent to highlight that the certification of Fairtrade farms is provided by FLO-CERT, an independent auditing body, rather than by FTI itself (Sidwell, 2008: 4). However, Mr Christians identifies a clear disparity between the progressive standards created by FTI and supposedly implemented by FLO-CERT and the reality of the lives of farmworkers who still suffer from structural issues created by colonialism and Apartheid. In failing to address the structural issues that plague the South Africa wine industry, this section indicates that FTI may be allowing these problems to be perpetuated.

In detailing CSAAWU's experience with FTI, Mr Christians argues that the Fairtrade label is used by the South African wine industry as a marketing tool rather than a genuinely developmental project.<sup>107</sup> According to Mr Christians:

Fairtrade gets angry with us when we raise these issues. Last time we read these things to them, they argued that we don't understand these things like we don't know our own work. We have written to them; we have given them detailed exposure of non-compliance with their ethical standards. So we are not very confident in their ethical standards. We see their ethical standards as a strategy to advance their own interests. You see, it is not a strategy that deals with the actual transformation of people on the farms. We have told workers that nothing will change until there is mass mobilisation through the power of the workers. In our analysis, the reason that they are doing that is that the oppressor on the farm recognise the power of the workers if they are organised. We are of the opinion that there is a conscious design to keep farmworkers weak, to keep farmworkers divided, and it is in collaboration with these ethical schemes.<sup>108</sup>

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<sup>106</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>107</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25 March 2020.

<sup>108</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

Mr Christians suggests that South African wine farmers are seeking out Fairtrade certification in order to gain entry into global production networks, while these same farmers seek to prevent the mobilisation of workers against exploitative working conditions.<sup>109</sup>

### 6.3.2 **Worker Collective Action and the De Doorns Uprising**

Mr Christians argues that despite the factors hindering worker collective action, workers have still successfully mobilised collectively.<sup>110</sup> He gives the example of the increase in the minimum wage for farmworkers that came as a result of the 2013 De Doorns uprising (see Chapter Four).<sup>111</sup> However, he goes on to argue that local farmers ultimately accepted this increase in the effort to quell the building of collective power by the workers as a result of the uprising, stating that:

There [are] only two forces, I feel, and I may be biased. There [are] only two forces that understood what was happening after the government implemented a 57% wage increase, it was CSAAWU and it was the farmers. Because we have demanded to the unions that we accept this 57% ...that we accept this but that we don't accept it without any guarantees. Because the key thing there was that we recognised that the farmers would recognise that for the first time in the history of this country, the poor have risen up in numbers and have shown their power through action. And the state and the bosses, they have taken note...but the farmers knew that they cannot let these workers come back with this heightened consciousness... So after workers came, they dismissed workers, and there was an attack on workers. Even today, some workers feel that they are worse off than before the uprising. In a sense, the farmers have succeeded.<sup>112</sup>

In discussing the De Doorns uprising, Visser and Godfrey (2017: 40) argues that the adoption of a R150 minimum wage may have constituted an increase in worker wages but remained insufficient for a family of four to sustain themselves at nutritionally acceptable levels. However, Mr Christians argues that the most important outcome of this uprising was the heightened consciousness of the workers joining collectively to fight for wages that were an improvement on what they received previously, even though they remained inadequate.<sup>113</sup> Mr Christians argues that farmers did not accept the wage increase due to any concession to arguments of the moral depravity of having workers farm crops while not earning enough to feed their families adequately.<sup>114</sup> Instead, according to Mr Christians, the reason farmers

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<sup>109</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>110</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25 March 2020.

<sup>111</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>112</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>113</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25 March 2020.

<sup>114</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

conceded to the wage increase is that wine producers could afford the increased wages, but what they could not afford was workers collectively rising against an industry that benefited from their impoverishment.<sup>115</sup> Therefore, according to Mr Christians, farmers accepted the wage increase as a means to halt the collective action of workers, fearing that if workers continue to act collectively, they would increasingly become aware of the power of collective action and continue challenging their labour conditions.<sup>116</sup> Accepting to pay increased wages was a small sacrifice compared to the risk of allowing workers to continue challenging the very structure of the wine industry itself.

As discussed in Chapter Two, social upgrading is defined with reference to the four central pillars of regular employment, worker rights, social protection, and social dialogue. However, as argued there, we can further differentiate between top-down social upgrading and bottom-up social upgrading. The latter entails workers mapping out their developmental needs. The De Doorns uprising was a significant push for a bottom-up social upgrading by the workers, illustrating the importance of differentiating between these two forms of social upgrading. The De Doorns uprising demonstrated that workers have an in-depth knowledge of their context, their needs, and a broader scope of collective farmworker issues (Visser and Ferrer, 2015: 177). However, Mr Christians suggests that farmers accepted the wage increase in order to silence the collective articulation of farmworkers interests. In this way, the acceptance of a wage increase functioned as a protective measure by farmers to deradicalise workers.<sup>117</sup>

While this argument is speculative on the part of Mr Christians, other commentators also suggest that farmers acted to prevent the radicalisation of workers. For example, another CSAAWU representative Mr Ramahlele, also suggests that farmers have sought to prevent further worker collective power:

If you remember, there was a strike in 2013 with farmworkers, De Doorns strike. This is where it started. Before, farmworkers could go in and out of farms, and anybody could go in and out. So what happens is that after the strike is that the farmers have barricaded the farms. Mostly if you go to Stellenbosch, if you go to De Doorns and these areas, you will see that they have high electric fences. They have boom gates so that you cannot just go in. There's cameras and security on some of these farms that was something that never used to be there.

For Mr Ramahlele, this concerns a growing trend among wine farms to bolster security and impose greater control over people's movement on the farm, a problematic prospect as he

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<sup>115</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25 March 2020.

<sup>116</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25 March 2020.

<sup>117</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

argues that wine farms use this to keep workers from assembling and from further accessing trade unions.<sup>118</sup> He goes on to assert that, as a response to worker collective action, some wine farmers have come to adopt practices of worker intimidation which are then justified through the perception and fear of widespread ‘farm murders’.

### 6.3.3 **Farm Murders and the Intimidation of Workers**

In Mr Ramahlele’s experience as a CSAAWU representative, the increased security measures of wine farms make it difficult for union activists to access workers, which he argues to be the intention of local farmers.<sup>119</sup> Mr Ramahlele goes on to argue that this expansion of security measures by farmers has been accompanied by a rise in the militarisation of farmers and intimidation of workers in saying:

I’ve seen this farmer walking around with pistols on their waists, I have confronted him and he has told me about farm murders. So I asked him then why shouldn’t everyone be armed? Why should you be the only one concerned? Why don’t the farmworkers have access to guns?<sup>120</sup>

Considering the argument of the farmer referenced by Mr Ramahlele, scholars such as Thomson (2004: 9-13) describe South Africa as being plagued by violence in having one of the highest rates of murder of any country that records crime statistics. Lindegaard (2017: 499) has expanded upon this issue by clarifying that deaths by violence have an occurrence rate twice as high as the global average, indicating a very serious issue. However, the farmer questioned by Mr Ramahlele did not refer to violence in general but specifically spoke of the threat of farm murders.<sup>121</sup> As discussed in Chapter Four (Section 4.5), farm murders only make up a small minority of the murders that occur throughout the country.

South Africa certainly does have problems related to violence and murder; however, these do not disproportionately affect white farmers. In Thomson’s (2004: 9-11) analysis of South African murder rates from 1938 to 2003, he notes that in terms of race, coloured people are most likely to be murder victims. Thomson (2004: 11) cites the period of 1982 to 1990 as exemplifying this issue where 48.2 per cent of the deaths of coloured males between the ages of 16 and 30 occurred as the result of murder (compared to 15.4 per cent of white men of the

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<sup>118</sup>Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>119</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>120</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>121</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

same age category). In a more recent study, Lindegaard (2017: 503) has argued that coloured people remain overrepresented as the victims and offenders of murder in South Africa, which she claims has made coloured people an extremely vulnerable group. As the frequent victims of gang-related violence, Lindegaard (2017: 503) argues that the high rates of organised crime within coloured communities have come as the result of the Apartheid regime, which financially supported gangs as well as provided gangs with police protection in return for the provision of political information.

Thomson (2004: 13) argues that the position of gangs within coloured communities has offered (primarily) young, coloured men an opportunity to subscribe to an identity beyond the deprivation of inadequate housing, unemployment, and family dislocation. Additionally, Thomson (2004: 13) emphasises the link between violence and murder with historical issues of alcoholism, directly citing the legacy of the ‘dop system’ as an integral factor in the extreme vulnerability of coloured people:

The use of alcohol is also a key factor in creating a violent environment. Research confirms that excessive alcohol use will increase the likelihood of violence being committed, and South African research has shown that many victims and offenders of violence had high levels of alcohol in their systems. There is a long history of alcohol abuse in the coloured community, encouraged through the ‘dop system’ of paying wine farmworkers in alcohol. It should, therefore, come as no surprise that this sector of the population suffers from high rates of violence.

Coloured people are disproportionately impacted by murder as both offenders and victims. The above statement by Thomson puts forward an indictment of both the Apartheid system and the wine industry as facilitating this extreme vulnerability. In addition to the excessive exposure of coloured people in becoming the victims of murder, Lindegaard (2017: 503) points out that, that 89% of those who inhabit ‘high risk areas’ are black African.

It is then peculiar for the white farmer referenced by Mr Ramahlele to imply that he is at risk of being murdered instead of black and coloured farmworkers. While scholars such as Akinola (2019: 82) acknowledge that the victims of farm murders are often white, it is important to recognise that a total of 49 out of 21 325 murders between April 2019 and March 2020 were ‘farm-related’ (South African Police Service, 2020: 21-30). The prospect of being the victim of murder is reasonably fear-inducing for any person. However, for the farmer referenced above to carry a firearm for a statistically low risk suggests that his perception of the risk he faces may be higher than the actual risk of such a crime occurring.

Marx Knoetze (2020: 50) notes that while the narrative of white victimisation through farm murders is unsubstantiated, it serves as a tool perpetuate beliefs of white supremacy. She



further argues that many white farmers sincerely believe this narrative and that farmers' sense of a threat to their paternalistic power over farmworkers contributes to these feelings of white victimisation.

Mr Ramahlele argues that the discourse surrounding farm murders is shaping the perspectives of farmers and influencing their treatment of workers, saying:

Workers will tell me a story that because they are also working with livestock, there was a sheep that was paralysed at the back of a truck because the truck was packed, so the workers stood on this sheep. So when they offloaded this sheep, it couldn't walk, but the sheep was still alive. So what this farmer did was that he instructed one of the workers to hold the sheep by the head, and then he shot the sheep through the head in front of the workers. And these workers told us that this guy if he sees a snake, he shoots in front of them. So I've told the workers that these tactics are to intimidate you. It's not for his self-defence. Why would he shoot a sheep instead of giving you guys the sheep to slaughter? So the farmers are using these strategies to intimidate and victimise the workers.<sup>122</sup>

In sub-section 4.1 of Chapter Four, I questioned if the South African Fairtrade wine model would produce equal participation or soft paternalism. Soft paternalism justifies the exploitative relationship between the farmer/farm management and farmworkers through emphasising 'shared interests' in the form of the Fairtrade premium (Atkinson, 2007: 45-47). While soft paternalism remains a concern as a likely ramification of the inclusion of commercial wine farms within Fairtrade certification, what Mr Ramahlele describes above is better described as hard paternalism that emphasises revoking privileges provided by the farmer to the farmworkers (Atkinson, 2007: 45-47).<sup>123</sup>

The concept of 'privileges' has been described in Chapter Four, referring to examples such as farmworker housing and wages. However, the above statement indicates that the fundamental threat within hard paternalism has been extended to the threat of violence by certain farmers to control farmworkers. The practice of hard paternalism among Fairtrade certified wine farms is, on the surface, an unexpected occurrence due to the risk of de-certification. However, the presence of hard paternalism of Fairtrade wine farms demonstrates the importance of the Global Production Network framework, which incorporates an understanding of socio-political context instead of merely examining economic supply chains. In this context, the discourse surrounding the myth of white victimisation in South African

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<sup>122</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>123</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

democracy must be considered to influence the practice of hard paternalism on wine farms, even among those farms that are Fairtrade certification.

In consideration of the socio-political context, Mr Ramahlele goes on to argue that the political pageantry of politicians only worsens this situation for farmworkers in saying:

What makes it worse are the politicians like [Julius] Malema. They are making it worse for the farmworkers because they go out to the media and shout about land expropriation without compensation, and then they say that farmworkers must be the beneficiaries...So what was happening on the other side was that the farmers started attacking the workers through forced evictions. So the politicians and government are playing a role in oppressing the farmworkers. Despite what they are saying on the media, they don't live on the farms. They don't come to the farms. They don't even interact with farmworkers to understand that what we are saying is affecting farmworkers.<sup>124</sup>

In the example provided by Mr Ramahlele, the act of a politician speaking *for* farmworkers without speaking *to* farmworkers exacerbates the systemic marginalisation of such farmworkers.<sup>125</sup>

Regarding the discourse surrounding farm murders, scholars such as Marx Knoetze (2020: 50) have argued that this narrative is being used as a tool of white victimisation built upon a revisionist understanding of South African history which positions farmers as the victims of democracy, particularly with regard to the subject of the 'land question'. Marx Knoetze (2020: 56-58) argues that there is a direct correlation between the 'land question', regarding the issue of South African land reform, and the narrative of farm murders as pertaining to a perceived threat by white South Africans regarding their historical identity. Julius Malema and his party, the Economic Freedom Fighters (EFF), have popularised the issue of land expropriation, with Malema exacerbating the correlation of land reform and farm murders by making provocative statements such as that the EFF does not advocate the slaughter of white people 'at least for now' (Marx Knoetze, 2020: 56-58). Such statements do not occur in a vacuum. Instead, they exist alongside the 2013 De Doorns uprising, government discussions of land reform, and the wine industry's condemnation through media reports such as the *Bitter Grapes* documentary. All of which Mr Ramahlele has argued to have resulted in farmers closing off farms to the outside world, isolating not only the farmer but also the farmworkers:

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<sup>124</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>125</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

These farmers are paranoid because of their own doings...You can't go visit your family without first informing the farmer about your visit. He must say who can come in and out.<sup>126</sup>

Realistically, farmers often live on isolated estates which make police and private security less accessible, which is a reasonably intimidating prospect in a country that suffers from a high incidence rate of violent crime (Thomson, 2004: 9). In this sense, a degree of paranoia would be justified for any person living on a farm due to their isolation. However, what is argued in the above statement by Mr Ramahlele is that some (white) farmers are particularly paranoid both about violent crime and seem to fear such violent crime being perpetrated by the farmworkers. What Mr Ramahlele suggests here is that, on some level, such farmers are aware of their abuse of their labour and are afraid of facing the repercussions of those actions.<sup>127</sup>

In pressing a farmer regarding the issue of farmer militarisation, Mr Ramahlele has criticised the farmers' use of the narrative of farm murders to justify what the trade union representative describes as a strategy to 'intimidate and victimise the workers'.<sup>128</sup> While the farmer referenced here may sincerely believe in the threat of (white) farm murders, actions such as control the movement of people on the farm, the erection of gates, fixture of cameras, and the display of firearms has not only ensured the protection of the farmer but has further isolated farmworkers. Additionally, Mr Ramahlele has argued that workers are being intimidated by farmers' actions, such as the one described here.<sup>129</sup>

However, Marx Knoetze (2020) argues that two main factors are driving this myth of widespread farm murders. Firstly, post-Apartheid white (primarily Afrikaner) identity has been rooted in the white-Afrikaner supremacy of the Apartheid system and has now placed a greater emphasis on romanticising the idea of the pre-Apartheid 'Boer' as a sanitised understanding of South African history. This romanticised idea of the 'Boer' helps retain the sense of white supremacy and entitlement integral to the Apartheid system while distancing modern white-Afrikaner identity with the horrors of Apartheid itself. Secondly, this romanticised idea of the 'Boer' is being used to argue for the victimisation of white farmers due to land reform discussions and worker collective action, such as with the De Doorns uprising, which challenges South African white privilege and entitlement.

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<sup>126</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>127</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>128</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>129</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020

Mr Christians identified a vital outcome of the 2013 De Doorns as being the ‘heightened consciousness’ of farmworkers regarding their conditions as related to collective issues.<sup>130</sup> However, the measures taken by farmers in defence of the statistically unsubstantiated threat of farm murders has offered extensive control of farmworkers who live on the farm and dissuades from worker collective action. In addition, Mr Heinemann has argued that farmers operate under an ‘omerta’ which closes them off from communicating with others. Furthermore, Marx Knoetze (2020: 65) discusses how white farmers have created ‘enclave neo-nationalism’ which allows them to continue to lead racially segregated lives within the microcosm of the farm while ignoring the plight of other South Africans.<sup>131</sup> Marx Knoetze (2020: 65-66) argues further that farmers within these enclaves insulate themselves within an environment of racial privilege. This environment promotes a sense of entitlement to this privilege and a diminished tolerance towards information that undermines such privilege (Marx Knoetze, 2020: 65-66). Further, Marx Knoetze (2020: 65-66) argues that these enclaves have created a sense of endangerment expressed through the perceived issue of widespread (white) farm murders.

Despite the many problems evident within the South African wine industry, such as those highlighted above, Mr Christians has argued that FTI has not been very responsive in addressing these concerns.<sup>132</sup> Mr Christians describes this apathy by FTI in saying:

We have had contact with Fairtrade, and they have said that they want to work with us in terms of training us in terms of the procedures and so forth and that maybe we don’t understand the points that we were raising. So for us, to a certain extent, it’s fine, but it’s also insulting. We are on the farms, and we know what is happening. We have documented all of these things, but it is in our understanding that they are trying to push us in the direction that suits them.<sup>133</sup>

In this section, CSAAWU representatives have argued that farms (and farmworkers) have become harder to access due to the bolstering of security by farmers, which some farmers have justified as being a response to the threat of farm murders. Regardless of the intentions of these farmers, Mr Ramahlele has argued that the actions of farmers have negatively impacted the union’s ability to access the workers that they represent and has further resulted in the intimidation of workers.<sup>134</sup> These are serious accusations, particularly for farms that are

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<sup>130</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>131</sup> Email correspondence with Tom Heinemann, *Bitter Grapes* Documentary Creator, 27<sup>th</sup> September 2020 to 14<sup>th</sup> October 2020.

<sup>132</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>133</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>134</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

Fairtrade certified. While these allegations highlight the importance of considering the perspectives of trade unions, Mr Christians statement above does not suggest that FTI is interested in acknowledging these perspectives.<sup>135</sup>

As this chapter has documented the importance of including the perspectives of trade union and media representatives in the analysis of farmworker social upgrading, the allegation of apathy by FTI poses serious implications regarding the question of whether the inclusion of commercial wine farms promotes social upgrading or dependency.

#### 6.4 **Conclusion**

The Global Value Chain framework does not give adequate consideration to factors outside of the economic value chain. However, the Global Production Network framework enables the recognition of the influence of socio-political actors and institutions such as trade unions and the media. These actors are able to impact and influence the South African wine industry. This chapter demonstrates the importance of the experiences and perspectives of these socio-political actors in providing important insights regarding the operation of GPNs. The chapter shows that these experiences and perspectives are a part of GPNs, rather than existing outside of them, and may positively or negatively impact worker social upgrading in contexts such as the South African Fairtrade wine industry.

The Arbetet Global reports, which resulted in the dismissal of a farmworker, highlight the responsibility of the media to ensure that their reporting does not negatively impact workers. The *Bitter Grapes* documentary more responsibly publicised farmworkers' conditions, identifying these conditions as examples of modern slavery in a way that prioritised having a positive impact on farmworker livelihoods. An important outcome of this documentary was the exposure of the conditions of certain wine farms as being indicative of a lack of change from the exploitative and oppressive history of the wine industry. Such exposure was needed as international consumers may otherwise have believed that these practices had ceased with the introduction of democracy. Heinemann argues that there is a lack of transparency and code of silence, which serves to hide the wine industry's conditions and practices.

Regarding the perspectives of Arbetet Global and the *Bitter Grapes* documentary, each has found FTI wanting in its approach to implementing its standards in the South African wine

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<sup>135</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25 March 2020.

industry. Mr Heinemann claims that FTI was unwilling to respond to the exploitation of workers in contesting the conditions of the Fairtrade certified Van Loveren farm. CSAAWU has also challenged FTI regarding their continued certification of farms such as Leeuwenkuil farms, which CSAAWU has found to practice exploitative labour standards reminiscent of the common practice of the Apartheid regime. These groups have argued that FTI is apathetic to the issues of which the organisation has been created specifically to address, instead prioritising profit gain as a marketing tool to the South African wine industry as the largest producer of Fairtrade wine.

The South African wine industry has been defined by colonialism, forged through slave and slave-like labour, implementing farm paternalism and mandated dependency through state-supported mechanisms, and creating a legacy that continues to plague the country. While there is clearly a danger of these issues being reproduced within Fairtrade GPNs due to the inclusion of commercial wine farms, trade union representatives allege that FTI has not been very responsive to them and has suggested that what is needed is training for union members, rather than changes on the farms.<sup>136</sup> It is patronising and (ironically) paternalistic for FTI to assume to know better than an internationally recognised trade union which has raised concerns with the operation of the Fairtrade model in the South African wine industry. FTI's intention to 'train' trade unions within the wine industry rather than sincerely listen to them suggests a prioritisation of business interests rather than social upgrading.

This accusation of apathy by FTI occurs within an industry that is becoming increasingly contested by the unfounded charge of white victimisation through the myth of widespread farm murders. White farmers are, in some cases, the victims of murder. However, there is no evidence that 'farm murders' are the product of a distinct anti-white movement. In this chapter, I have argued that the threat to white-Afrikaner privilege and entitlement is being interpreted as a threat to white lives, which has resulted in the charge of farm murders.

There are four key conclusions to be made at the end of this chapter in relation to social upgrading on Fairtrade wine farms. Firstly, it is important to acknowledge that farmworkers have been active in pursuing social upgrading through collective action. An example of such efforts is the 2013 De Doorns uprising, which Mr Christians has described as creating a 'heightened consciousness' among farmworkers regarding collective power and entitlement to rights. This is important to acknowledge in relation to the legacy of farm paternalism. Secondly, the chapter shows that groups such as trade unions and media outlets can assist the collective

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<sup>136</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25 March 2020.

action of farmworkers and enforcement of worker rights by providing a platform for farmworker issues through their own experiences and perspectives. Thirdly, both CSAAWU and Mr Heinemann have argued that there is a continued legacy of dependency and paternalistic exploitation on South African Fairtrade wine farms within their respective experiences. Lastly, there are noted examples of farmers bolstering security measures and engaging in intimidation tactics of farmworkers under the unsubstantiated claim of widespread farm murders. This suggests a continued legacy of wine farm dependency, despite South African democracy and certificatory bodies such as Fairtrade.

This chapter therefore suggests that while there is a continued legacy of farm dependency, it is being challenged through farmworker collective action and representation. The next chapter further focuses on farmworker perspectives by detailing farmworker experiences and knowledge on South African Fairtrade wine farms.

## **CHAPTER SEVEN: FAIRTRADE FARMWORKER EXPERIENCES AND SOCIAL UPGRADING**

### **7.1 Introduction**

This study examines the South African Fairtrade model and its application to large-scale commercial wine farms asking whether this certificatory inclusion promotes social upgrading or dependency in its impact on farmworker livelihoods. Importantly, this research specifically aims to examine if the South African Fairtrade wine model promotes social upgrading or dependency for farmworkers. In the South African context, large-scale wine farms have historically been overwhelmingly white-owned due to colonialism and Apartheid. Previous chapters have examined the historical and current context of South Africa, the theoretical approach of Fairtrade International, the practical application of its standards and the structure of Fairtrade global production networks. This examination of Fairtrade GPNs has included the perspective and experiences of international Fairtrade export markets, stakeholders in the wine industry, Fairtrade producers, trade unions and media representatives.

This chapter will examine the experiences of the workers on Fairtrade wine farms and analyse the patterns emerging from these perspectives and experiences. These patterns will be related to the four pillars of social upgrading identified by the International Labour Organisation (1999) as key components of ‘decent work’: regular employment, worker rights, social protection, and social dialogue. I will describe the experiences of farmworkers in terms of these four pillars. Following this discussion of worker experience regarding social upgrading and dependency, I will further examine the form of social upgrading that the Fairtrade wine model can provide and what this means for the workers of these farms and the South African context. In doing so, I will examine the experiences of farmworkers on Fairtrade farms and conclude if large-scale producers within Fairtrade wine certification promote social upgrading or dependency. Before discussing the experiences of Fairtrade farmworkers in terms of the four pillars of social upgrading, this chapter will begin with a discussion of the awareness of these farmworkers regarding the Fairtrade certification of the farms on which they live and work.

While pseudonyms have not been used previously, they will be utilised here in the description of farmworker excerpts and in relation to the farms on which they work. The farmworkers interviewed work on five wine farms in the Cape Winelands. For clarification, it



is important to point out that these five Fairtrade farms are different to farms and wine producers named in Chapter Five. The relevant farms will not be named anywhere in the thesis to protect the identity of the farmworkers. It is also important to note, within the limitations of confidentiality, some of the unique characteristics differentiating the respective farms. Fairtrade Farm 1 is among the largest vineyards in the region, and cultivates canola pods as well as wine. Fairtrade Farm 2, while being an expansive plot of land, is significantly smaller than Fairtrade Farm 1, while also engaging in cross-harvesting between grape vines and canola pods. Due to the size of the farm, Fairtrade Farm 2 houses workers closely to the canola fields. Fairtrade Farm 3 is a notably large-scale wine producer that accesses the most off-farm labour of any of the farms analysed. Fairtrade Farm 4, as an exclusively a grape producing farm, is also noted for having the oldest farmworkers, who resided in relatively close proximity to the home of the farmer. Fairtrade Farm 4 further hosted workers, primarily older men, with licences to operate tractors and farm machinery. Fairtrade Farm 5 is a large farm and proved to be the most difficult farmworker community to access, as the farmworkers are housed deep within the farm and are accessible only through a labyrinth of dirt roads which require a guide knowledgeable of the area to navigate.

## 7.2 **Fairtrade Awareness**

South African commercial wine farmers have been able to access Fairtrade certification due to there being a lack of accessible small-scale and marginalised producers in the wine industry (Jari et al., 2013: 67-70). As highlighted by Fairtrade Sweden (2016), FTI had hoped that the extension of Fairtrade certification to such farmers could help to address the pertinent concerns of seasonal labour and very low wages for farmworkers. For this reason, the inclusion of large-scale producers in Fairtrade certification was justified. From everything described in this study thus far, it may be considered logical to presume that Fairtrade farmworkers are aware of this certification, particularly in light of premium worker committees' assembly. However, the overwhelming majority of workers participants interviewed for this research were unaware of the Fairtrade certification or their entitlement to a Fairtrade premium.<sup>137</sup> For example, when Mr Nel was asked if he knew about Fairtrade, he responded 'Whose Fairtrade? I don't know about the Fairtrade'.<sup>138</sup>

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<sup>137</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020; Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>138</sup> Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

Of the 30 farmworker participants interviewed in this study, only Ms Williams understood what Fairtrade referred to, particularly in terms of the requirement of the farm being audited.<sup>139</sup> Ms Williams, who had been dismissed from her position, had witnessed the auditing process.<sup>140</sup> She argued that auditors are offered a curated presentation of the farm which excludes the daily realities of the farm and in which they only interact with workers that are deemed to be unproblematic and easily intimidated, saying:

When they come, when they do audits, the employer will clean. Our bins are cleaned, they are picked up every day, and people are forced to clean so that if the auditor comes, they will find everything in good standard. What happens when the auditor comes is that the employer chooses who must talk to the auditor because, for example, me, I will never be called to an auditor because they know that I will tell the honest truth. They take people who they can intimidate, people who know that they shouldn't expose what is happening.<sup>141</sup>

According to Ms Williams, disgruntled Fairtrade farmworkers are prevented from accessing auditors through this selection process. Ms Williams alleges that this selection process silences workers who may endanger the farm's curated image being presented to the auditor, suggesting that workers may not be aware of the Fairtrade certification because they are excluded from auditing processes.

This statement is especially concerning because FLO-CERT, as the independent Fairtrade auditing body, should be alive to the reality that the farm management may attempt to mislead auditors in order to maintain the certification and should conduct audits in ways that minimise opportunities for false representation. Alongside this assertion that the farm management handpicks workers to speak to auditors, many workers argue that throughout the years on the farm that there has been little difference in how Fairtrade Farm 1 has functioned, with Ms Botha stating:

I came here in 1985. My daughter was born on the farm. She's 26. There's no changes that I've seen from those early years to now, even between me and the farmer.<sup>142</sup>

Thirty-five years (as of 2020, when Ms Botha was consulted) may be considered a lifetime spent on the farm.<sup>143</sup> For Ms Botha, there is little difference between the pre-Apartheid/post-Apartheid and pre-Fairtrade/post-Fairtrade experience of the farm.<sup>144</sup> This claim suggests a resistance towards change by farmers in the management of this farm.

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<sup>139</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>140</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>141</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>142</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020

<sup>143</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>144</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

For farmworkers that have benefitted from a Fairtrade premium project, such as the only worker to be aware of the Fairtrade certification, Ms Williams, these projects are portrayed as being the product of the farmers' generosity, with Ms Williams explaining:

The first day when [her male partner] received the vouchers [for a local supermarket] was when we heard of Fairtrade. The manager instructed them that they must share the R4500 amongst the elderly, and also, the manager was the one deciding what to buy. They told us to return the receipts, but we didn't .... The manager instructed us not to take food and groceries but to take furniture, but because I have a child, I [using the voucher given to her partner] had to take food from the shop.<sup>145</sup>

The Fairtrade premium has been identified in previous chapters as a key to the success of the South African Fairtrade wine model as the premium is intended to be directly invested in the collective development of worker communities. The Fairtrade premium is supposed to be administered through a democratically elected worker committee and is created by selling the farm's wine as the higher-priced category of 'Fairtrade wine' (Zackrisson and Apelberg, 2016: 40). The premium should not be presented as a gift from the employers' pocket as a token of his paternalistic care for his workers. It is instead a product of Fairtrade certification, which is *owed* to the workers. As highlighted previously in section 3.7, the benevolence model entails the 'benefits' owed to farmworkers being presented as the products of the benevolence of their employers (Keahey, 2015: 443-445). The allegations highlighted above appear to be consistent with this model.

A further observation by Ms Williams demonstrates the importance of regular employment as a pillar of social upgrading. She argues that this premium was specifically given to permanent, male farmworkers, with a seasonally employed woman like herself only being able to access the voucher through her male partner.<sup>146</sup> As the following section will examine the first pillar of social upgrading, regular employment, the discussion above is an important introduction to this subject. One of the few farmworkers that knew of the Fairtrade label had learnt about it specifically in terms of the inequality in accessing the benefits of working on the farm between regular and irregularly employed casual labour.<sup>147</sup>

### **7.3 Regular employment with set working hours**

Barrientos and Smith (2007: 722) have found that where employers contribute to worker-benefit programmes such as pensions and insurance for their workers, there is a significantly

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<sup>145</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>146</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>147</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

lower risk of poverty, illness and suffering due to old age for workers. However, these benefits are usually only available to workers with regular employment and not to part-time or third-party contracted workers (Barrientos and Smith, 2007: 722). Regular employment has further been found to provide greater access to legally enforceable worker rights and improved labour standards, existing as an enabling right in facilitating social upgrading (Barrientos et al., 2011: 336). In contrast, irregular work creates a barrier to social upgrading as temporary or apprenticeship contracts often keep workers in a precarious employment situation (Rossi, 2013: 227-230). In this position, workers are dependent on exploitative labour practices for their survival. Barrientos et al. (2011: 329-330) have observed that irregular work is present within GPNs that are labour-intensive and operate according to seasonal production, which exposes workers to high exploitation levels and undermines decent work conditions. In Chapter Four's discussion of labour exploitation in the South African wine industry, labour casualisation has been identified as a pervasive issue that has undermined social upgrading in this industry. Therefore, for social upgrading within the South African Fairtrade model, regular employment is necessary.

As noted by the World Bank (2018: 42-43), South Africa is among the world's most unequal countries. Oxfam (2018: 47) has further elaborated on this issue in noting that South African CEOs earn 541 times as much as the average worker, a ratio disproportionately high compared to other countries. The first factor in understanding why this may be the case requires a recognition of the history of South African colonialism and Apartheid. This history has seen the creation of a super-exploitable labour force of black workers through the expropriation of land (seized through violence and after that legislation), the imposition of debt through state taxes and the creation of labour which severely underpaid workers to the point of creating slave-like conditions (Keahey, 2015: 143-147; Bond, 2007: 3-4). Conversely, white South Africans were provided with state support and protection while also benefiting from being able to employ super-exploitable black labour (Atkinson, 2007: 8).

The second factor to consider is that, under South African democracy, the African National Congress has mostly implemented market-led macro-economic policies, which some argue produce jobless economic growth (Le Roux, 1997: 56). Critics of South Africa's economic policies argue that such jobless economic growth is a consequence of the rise of labour casualisation, automation and out-sourcing, which have resulted in a situation where super-exploitable workers have become dependent on increasingly irregular work (Ewert and Du Toit, 2005: 326-327; Bond, 2007: 3-4). As such, regular employment as a pillar of social upgrading is particularly important to the South African context. In the experience of Fairtrade

farmworkers, it is to be considered to be meaningfully 'fair'. On the Fairtrade farms visited for this study, it seems that the presence of labour brokers reduces the likelihood of farmworkers being regularly employed, despite Fairtrade standards discouraging the use of casual labour (Krumbiegel et al., 2018: 208-209).

The rise of labour casualisation has hindered South African post-Apartheid development. Casualisation allows employers to pay workers less and to pay them inconsistently while also avoiding worker-benefit programmes such as insurances or pensions (Visser and Godfrey, 2017: 41-44). Visser and Ferrer (2015: 21) observe that by 2015, only around half (51.1%) of South African farmworkers reported having permanent employment, with 25.2% employed for a short duration only, and 23.6% employed for an unspecified amount of time. Visser and Ferrer (2015: 51) report that the casualisation of workers is enabled through the use of often unregistered labour brokers who provide labour to employers. These brokers may underpay workers, and the workers may only receive work irregularly. Through the use of such brokers, the farmer is absolved from responsibility by using the labour broker as a legal buffer (Visser and Ferrer, 2015: 51). This buffer, in essence, allows employers to legally distance themselves from their exploitative and predatory practices. Casual employment has been recognised as an exploitative practice that is antithetical to the concept of decent work and preventative of social upgrading (Barrientos et al., 2011: 336).

According to South African Fairtrade standards, all regular work is to be undertaken by permanent employers, with time-limited contracts to only be permitted during peak periods for special tasks and under special circumstances and is not admissible as a means to avoid permanent contracts with workers (Krumbiegel et al., 2018: 208-209). However, it seems that the situation on Fairtrade farms does not match this supposed Fairtrade standard. In the case of the Fairtrade farmworkers consulted for this research, it was found that, through the use of labour brokers, these workers were often dismissed only to be rehired seasonally. Several farmworkers reported that it was common practice for workers to be dismissed only to be rehired as casual workers on the same farm, but employed through labour brokers.<sup>148</sup>

The workers reported that they do not believe that this process of dismissing workers and re-hiring these workers on a seasonal basis is due to the farm's financial constraints, as these same farmers are able to rapidly expand their agricultural holdings.<sup>149</sup> On Fairtrade Farm

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<sup>148</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020; Interview with Ms Pieterse, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>149</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020; Interview with Ms Pieterse, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

2, Ms Du Plessis comments on the frustration and disappointment arising from this issue in stating:

What makes my heart very sore is that we have worked our entire lives for this farmer, but we have not received any of these benefits. What we are seeing recently is that other people come onto the farm, and they are receiving these benefits in front of us. What is frustrating is that these new workers on the farm are being made permanent when we are still not permanent. What happens is that when the farmer buys a new farm, he will bring people onto this farm to work, and these are the people that will be permanent when we are still not permanent.<sup>150</sup>

This labour casualisation issue points to similarities between the labour practices on Fairtrade farms as on farms in the rest of the South African wine industry.

An additional benefit of labour casualisation for Fairtrade farmers is that by reducing the number of permanent farmworkers on their farms, farmers and farm management can better control the Fairtrade premium that is supposed to be paid out to Fairtrade workers. The Fairtrade premiums tend to benefit only or principally the permanent workers that operate on the farm. This issue signals a failure in the use of the Fairtrade premium, which, as outlined by Krumbiegel et al. (2018: 208-209), all workers (permanent and casual) must have access to the Fairtrade premium worker committee, which decides on the use of the Fairtrade premium towards farmworker projects.

Some explanation is needed to explain why ‘new workers’ may be made permanent by the farm management while those workers born and raised on the farm are not. It appears that workers born to the farm are often made seasonal by the farm's management because the farm is both their place of employment (even if irregular) and residence.<sup>151</sup> This reality makes these workers dependent on employment from the farm, even if irregular, as the alternative to unemployment. In this sense, while the casual workers interviewed have reported the desire for permanent employment, such workers consider casual employment crucial to offering a form of employment and ensuring that they are not evicted from the farms.<sup>152</sup> If this allegation is to be considered, this would mean that workers living outside of the farm are more likely to be employed permanently because their position allows them to find work elsewhere if employed seasonally, and so if they are not employed permanently, they may not be available for casual work. In contrast, workers living on the farm struggle to access work off the farm and are therefore reliably accessible as seasonal labour. By making the workers living on the farm

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<sup>150</sup> Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>151</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>152</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

casual workers, the farmer is then assured of reliable seasonal labour. Because residence and employment are linked for these workers, they are effectively primed for exploitation as casual employees due to their dependence on the farm.

While seasonal employment may not be considered to be ‘decent work’ as recognised by the ILO (1999), it is important to recognise that workers remain dependent on this employment due to their continued position of super-exploitability, even on Fairtrade farms (Bond, 2007: 3-4). However, while this is an issue faced by workers, it should not be considered an issue faced by workers equally as to assume this misses a fundamental component of farm paternalism: misogyny. Ms Williams, who was recently dismissed from her seasonal work for speaking out about the conditions imposed onto women on Fairtrade Farm 2, describes the gendered nature of exploitation on the farm where she worked:

I have been working for all the years until I got fired, I have been working all the years as a seasonal labourer, and I have never been made permanent. Even now, it’s still like that. There’s women that are still seasonal labourers, but they have come a long way with the farm .... We were still working for the company when the farmer brought in the premiums. Only the men benefitted from the premiums. We were told that we are not permanent workers. We are seasonal workers .... It’s wrong.<sup>153</sup>

The intersection of South African paternalism and racism has historically resulted in a situation where white men considered themselves as occupying the place of the father, taking responsibility for ‘their’ farmworkers (Du Toit, 1993: 320). However, it is of the utmost importance to remember that this concept has been adapted from the patriarchal structure, which has historically entailed a system of gender inequality (Keahey, 2016: 414-419; Sylvain, 2001: 718-720).

In discussing a patriarchal structure and gender inequality, Manne (2017: 78) offers a key definition of misogyny as the aspect of a patriarchal order ‘which has the overall function of policing and enforcing its governing norms and expectations’. In discussing the position of women on farms, it is pertinent to recognise the oppressive nature of this patriarchal order. Scholars such as Morrell et al. (2012: 12-15) argue that hegemonic masculinity exists as a ‘patchwork of patriarchies’ that link various forms of gender oppression in a systemic way, permeating every facet of society independently of other systemic issues such as racism. Crenshaw (1991: 1290-1293) argues that while these respective structures of domination are driven by distinct forms of oppression in racism and patriarchy, black women's position results in an intersection of these systems of oppression. In further explorations of this intersection

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<sup>153</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

and the analysis of these oppressive systems' enforcement, Bailey (2016: 2-3) has argued for the consideration of 'misogynoir', which enforces anti-black misogyny onto black transgendered and cis-gendered women. I argue that in order to fully understand South African paternalism, we must recognise the issue of misogynoir, which reduces black and coloured women to the lowest unit of the production network and most severe victim of super-exploitable labour.

It is no small statement to say that South African society is brutal towards women. In the World Bank's (2018: 4) examination of South African inequality, both race and gender were found to be prominent markers of inequality. Of all South African groups, black South African women have the hardest time finding employment and, when employed, are persistently paid significantly less than men. Furthermore, women are more likely to experience poverty, and their higher incidence rate of poverty worsens with age (World Bank, 2018: 15-16). An extreme manifestation of the brutality experienced by South African women is seen in South Africa's high rates of femicide. This issue is often perpetrated by men as intimate partners, resulting in the murder of between seven and eight women every day (Sithomola, 2020: 76-79).

As argued by Morrell et al. (2012: 12-15), the misogyny and discrimination experienced by women should be recognised as a gendered form of oppression that intersects with systemic racial oppression. In examining the misogynoir experienced by women on Fairtrade wine farms, it is possible to see how this oppression benefits farmers, most of whom are white and male. These farmers control the extraction of dark value from women by providing men with the delegated power over women through their regular employment and access to the benefits associated with employment. In this regard, Ms Smit argues of the farmer, specifically targeting women for dismissals in saying:

The farmer is targeting women, and the only way to stay on the farm is to work for him, even if that is through a labour broker. So this farmer is dismissing the women. He told us that he wants only men working for him.<sup>154</sup>

A sentiment highlighted here by Ms Smit is that while the farmer of Fairtrade Farm 2 expects women like herself to work on the farm, he expects this to be casually and through a labour broker. In doing so, Ms Smit argues that the farmer denies women the benefits of permanent employment on the farm, reserving these benefits for men.<sup>155</sup> Ms Smit highlights examples of

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<sup>154</sup> Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>155</sup> Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020.



such benefits as access to the farm crèche for the children, jackets for the cold winters and hats for the summer heat.<sup>156</sup>

As discussed above, South African women have a high incidence rate of poverty, poor access to economic opportunities and exceptionally high exposure to violence and murder. Considering Ms Smit's statement above, the reinforcement of a patriarchal structure by the farmer locks women into the direst condition of dependency as the farm's severe exploitation is also a means of survival.<sup>157</sup> This structure allows for a bonded workforce of women, exploited both by their irregular or seasonal employment and dependent on the labour broker's call.

The farmer is further absolved from these predatory labour practices' legal ramifications as he may argue that the business is with the 'contractor'. A 'contractor', in this instance, being a term commonly adapted from the farmer and used by the workers to describe labour brokers.<sup>158</sup> However, all the labour brokers encountered during this research were found to be former farmworkers who now make a living by rounding up unemployed and dismissed workers to work at the farmer's convenience.<sup>159</sup> Importantly, little sophistication was evident in the operation of labour brokers. While the term 'labour broker' suggests the existence of a recruitment agency or labour consultancy, in practice, the labour brokers in operation on the farms observed in this study are ordinary farmworkers (or former farmworkers) who are made to collect other workers and distribute wages on the farmer's behalf. An example of the way in which labour brokers emerge is provided by Mr Nel, who reports being approached by the farmer on whose property he lived with a request that he become a labour broker:

The farmer came here, and he asked me if I can work for him, and then I say 'yes, I can work for you but what work will that be?', because I was a permanent guy where I'm working [off the farm]. I worked my ass (*sic*) off to get where I am now. I was working seven days a week to get where I am now. You think I just walked in there and got that? I left school to help my mum after she got fired. Now, he [the farmer] came here last year and said that I must work for him. I must do contract work. So I must leave my permanent work, and I must leave my job to get a bakkie. I don't know where I must get a bakkie to get people. I don't know where I must get people. I'm not registered for that job, but then I must come to his farm and work there. I'm not registered for that! So I said to him that I will think about it because where am I going to get a truck?<sup>160</sup>

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<sup>156</sup> Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>157</sup> Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>158</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020; Interview with Ms Pieterse, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>159</sup> Interview with Ms Pieterse, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>160</sup> Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

At the time that this happened, Mr Nel was being threatened with eviction from his childhood home.<sup>161</sup> In questioning the reason for this eviction, Mr Nel remarked that this was due to him no longer working on the farm and his mother, a former farmworker, having retired due to her age.<sup>162</sup> As he was now working off the farm, the farmer threatened to evict him unless he gave up that job to become a labour broker for the farmer. The former worker believed that the farmer had approached him because he had a driver's licence acquired through his work off the farm.

The role of labour brokers on the farms examined was not limited to those able to drive. One respondent, Ms Smit, reported being 'contracted' by a labour broker whose job simply involved collecting workers from her area.<sup>163</sup> Ms Smit explains:

So the person that we are talking about is a farmworker, who is no longer employed on the farm, so what she does is collect all the workers that have been let go and gives them work, but they are not working for the company they are working for her. So the farmer is paying her, and she's paying us. And as far as I know, it's not proper because this woman doesn't have papers.<sup>164</sup>

The position of a labour broker is indeed exploitative. However, in the example provided by the above statement, the farmer seems to benefit more than the labour broker from this exploitation. This woman is, instead, exploited within this position as a labour broker. As a result of the irregular and seasonal work, particularly in the case of women, being a labour broker is understandable. Additionally, working for a labour broker is also understandable for the simple reason that it presents a glimmer of hope in an otherwise hopeless position.

This difficult position is described by Ms Williams, who the above labour broker had recruited. She describes being dismissed for challenging the conditions of which she and other women were faced with on the farm:

On Thursday, I asked the manager why he is not employing us. His response was that he will give us work when it's in season. For example, myself and another woman, we don't have extra work, and we have children. So it is quite a painful thing because we have to see that our children have food and clothing. I loved the work that I did because I would stand up for my sisters. Sometimes we would be made to work in the rain, and I would tell the farmer that we are women and cannot work in the rain.<sup>165</sup>

The irregular or seasonal work remains out of the control of workers and is noted above to occur at the farmer's convenience. This form of employment has been observed to create

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<sup>161</sup> Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>162</sup> Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>163</sup> Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>164</sup> Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>165</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

instability in workers' livelihoods. While this is a devastating reality for farmworkers, the danger of this precarious positioning on farms is magnified for women on farms when the issue of South African misogyny is further considered.

As described by this discussion of irregular work and seasonal work as facilitated through the use of labour brokers, the reality presented by farmworkers demonstrated a distinct absence of power or support in terms of their rights as workers. Visser and Ferrer (2015: 51) have observed that labour casualisation has become a consistent feature of the South African agricultural sector. While that may be the case, the exploitative labour practices alleged by the workers in this section should not be occurring on Fairtrade certified wine farms, where workers should find regular, secure employment (Krumbiegel et al., 2018: 208). Where Fairtrade standards should empower and protect workers, labour casualisation specifically aims to reduce labour costs for producers by eliminating workers' rights and entitlements (Visser and Ferrer, 2015: 51). This contradiction demonstrates the link between regular employment and worker rights, with the former enabling access to the latter. Having discussed the experiences of Fairtrade wine farmworkers in relation to the regularity of employment, the following section will expand upon the experience of these workers in accessing their rights on Fairtrade commercial wine farms.

#### **7.4 Legally Enforceable Worker Rights**

In an analysis of the ILO's Decent Work Agenda, which introduced the concept of social upgrading, Ghai (2006: 4-7) notes that worker rights are an essential pillar of this concept. Worker rights facilitate the achievement of the pillars of regular employment, social protection and social dialogue through enforcing the recognition of worker dignity, entitlement to fair remuneration and representation as required of employers (Ghai, 2006: 4-7). For Selwyn (2019: 74-75), workers' rights should not be considered separate from human rights, as each person is entitled to these rights regardless of context or circumstance. In Chapter Two, I discussed Selwyn's (2013: 84-85) case study of the São Francisco valley's horticulturalists which can serve as an example of a bottom-up form of social upgrading that prioritised worker interests. In this case study, the trade union Movimento dos Trabalhadores Rurais Sem-Terra (Landless Workers' Movement) leveraged the bargaining power of their highly-skilled workers through mass mobilisation and strike action (Selwyn, 2007: 543). Selwyn (2007: 543) notes that this strike action contested an industry that used child labour through labour brokers and exposed workers to noxious pesticides and poor working conditions. The situation of the workers in this

study, which can be considered a key example of bottom-up social upgrading, is very different from that of the workers in the South African Fairtrade wine industry.

Firstly, the South African wine industry has been built upon creating a colonial economy fuelled by the subjugation of black people as super-exploitable labour, which has continued for centuries, remaining largely unimpacted by the ‘hands-off’ macro-economics of South African democracy (Bond, 2007: 3-4). Secondly, farmworkers are not considered ‘highly skilled’ and are easily replaceable, particularly when employed seasonally and through labour brokers (Visser and Ferrer, 2015: 51). Thirdly, South African farmworkers have historically been subjected to the purposeful state division of ‘black African’ and ‘coloured’ racial groups. Apartheid state policy imposed a division between oppressed workers of colour, resulting in varied histories. For example, the ‘dop system’ (discussed in Chapter Four; Section 4.2.2), most impacted coloured farmworkers (Bek et al., 2007: 305). During my fieldwork research, all the workers consulted who resided on the farm identified themselves as being coloured. In contrast, workers coming onto the farm from nearby townships predominantly identified as being black African. Mr Christians of CSAAWU explained that the union fights against such differences and promotes workers' unity irrespective of racial distinctions as a key to advocating for collective worker issues in creating a mass mobilisation of workers.<sup>166</sup> However, the combination of these three factors has resulted in the workers consulted as part of this study lacking access to their rights in terms of their working conditions, living conditions, and access to healthcare and protection during the COVID-19 pandemic.

#### 7.4.1 **Working Conditions**

The working conditions encountered during the fieldwork conducted for this study were harsh and poorly rewarded, a sadly ironic situation given that the workers are producing ‘Fairtrade’ wine. During the harvesting season, Fairtrade workers of Fairtrade Farm 3 explained that they are expected to carry forty buckets of wine grapes.<sup>167</sup> These grapes are carried in rough fibreglass buckets, with the buckets only counting if the grapes are overflowing from the buckets.<sup>168</sup> If not overflowing, the worker is expected to carry the bucket back to collect more grapes. Mr Phillips explains that if the criteria of forty buckets are not met, workers are expected to sign a document at the end of the day, specifying that they did not meet their target

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<sup>166</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>167</sup> Interview with Mr Roberts, Fairtrade Farm 3, 8<sup>th</sup> October 2020.

<sup>168</sup> Interview with Mr Phillips, Fairtrade Farm 3, 8<sup>th</sup> October 2020; Interview with Mr Roberts, Fairtrade Farm 3, 8<sup>th</sup> October 2020.

for the day.<sup>169</sup> This is often grounds for dismissal as an ‘underperforming’ worker is easily replaced by another seasonal worker for the next day. Mr Phillips pointed out that while they earn R3 (\$0.21) a bucket, the first ten buckets are ‘for the farm’ as described by the Fairtrade farmer, meaning that the workers are not even paid the already low amount of R3 per bucket for the first ten buckets.<sup>170</sup> For the months of the harvesting season, workers explain that they wake up every (or near to every) day of the harvesting season with the task of carrying forty heavy buckets of overflowing grapes with the hope that the overseer deems the bucket to be adequate or else the workers are sent back.

Fairtrade workers such as Mr Roberts also complained of extreme fatigue, aching backs and cut hands resulting from this long harvesting process.<sup>171</sup> Some workers reported not even being granted the concession for human bodily functions:

We don’t receive anything. We must get our things. What happens in the vineyards is that there is no toilet for us as women. We have to relieve ourselves in the vineyards. The toilets you will see when there is an audit.<sup>172</sup>

The provision of toilets may likely appear to be erratic to farmworkers unaware of the Fairtrade label. However, Ms Williams’ awareness of Fairtrade Farm 2’s certification has resulted in her deduction that important items such as toilets are only provided when needed to satisfy auditors rather than serve a purpose for the farmworkers.

The wine produced by these grapes will likely be served at the table of Europeans who will delight in the ‘cheap and cheerful’ South African wine and feel reassured that they have been socially responsible in choosing Fairtrade wine. However, the farmworkers who produced that wine have laboured beneath the beating sun of South African summer, carrying buckets overflowing with grapes without even the dignity of a toilet.

This dehumanising daily cycle of the harvesting season not only exposes workers to indignities but may even be life-threatening as respondents reported that in their experience, farmers do not prioritise farmworkers’ health. For example, Ms Dunn describes the experience of a neighbour on Fairtrade Farm 4, saying:

That guy is suffering from high blood [pressure], so during work, he couldn’t go and get more medication, so what happened was that he passed out during working hours and he went to the hospital. The next day when he came back, he was told that he absconded from work because he was drinking too much.<sup>173</sup>

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<sup>169</sup> Interview with Mr Phillips, Fairtrade Farm 3, 8<sup>th</sup> October 2020.

<sup>170</sup> Interview with Mr Phillips, Fairtrade Farm 3, 8<sup>th</sup> October 2020.

<sup>171</sup> Interview with Mr Roberts, Fairtrade Farm 3, 8<sup>th</sup> October 2020.

<sup>172</sup> Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>173</sup> Interview with Ms Dunn, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

According to the workers interviewed, a common reality is that passing out or suffering from a medical health issue would result in a worker being sent home rather than to the hospital, ultimately endangering their lives.<sup>174</sup> However, in light of the history and living legacy of the ‘dop-system’, it seems that farm managers may even use this legacy to blame legitimate medical issues on workers’ alcohol consumption.

The experiences of Ms van Wyk, who works at the Fairtrade Farm 1 crèche, suggest that the insensitivity to workers’ health applies to other workers on the farm too, even if it applies most brutally to workers in the vineyards.<sup>175</sup> According to Ms van Wyk, the farm’s management refuses to give workers paid sick leave:

I got sick with my tonsils, and when I went to the doctor, I didn’t get paid for that day. You don’t get paid if you don’t work.<sup>176</sup>

Crèches like the one where Ms van Wyk works are supposed to be a key way in which workers on Fairtrade farms benefit from Fairtrade certification. Indeed, this crèche was created as a project using the farm’s Fairtrade premium. The creation of crèche through the use of the Fairtrade premium is a year six Fairtrade certificatory requirement for workers employed on the farm (Krumbiegel et al., 2018: 208-209). However, workers in such crèches, like Ms van Wyk, are expected to work while sick or go unpaid.<sup>177</sup>

In relation to the crèches, it is also important to note that according to those interviewed for this study, the crèches are regarded as a privilege of the permanently employed workers (who are overwhelmingly men).<sup>178</sup> Only their children may access this crèche. Therefore, it seems that only permanent farmworkers are entitled to whatever few benefits there may be from the Fairtrade premium. It is also important to note that on the farms examined, those working in these Fairtrade crèches are paid the equivalent of a farmworker’s salary despite the requirement that they have a minimum of an Educare tertiary qualification to occupy the position. For Ms van Wyk, she was inclined to accept these low-paying jobs as a means to maintain her home on the farm.<sup>179</sup>

In the case of Fairtrade Farm 1, both the crèche and Ms van Wyk’s home are temporary structures, elevated by precariously stacked bricks and built using thin wooden planks and

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<sup>174</sup> Interview with Mr Daniels, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>175</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>176</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>177</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>178</sup> Interview with Mr Phillips, Fairtrade Farm 3, 8<sup>th</sup> October 2020.

<sup>179</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

corrugated iron sheets as ceilings.<sup>180</sup> Ms van Wyk notes that this structure was supposed to be a temporary one in explaining:

After that documentary [*Bitter Grapes*], people were living in bungalows, but that was replaced by these temporary structures. These temporary structures are there so that you think that something is still going to be built. We were promised that these houses would be temporary. It is cold and when it rains the rain comes in. Also, the material is very thin and underneath the layer is thin, and air comes up. When it rains, the water comes through the window and the door. We have reported this, and nothing happens. We have reported that when you close the window, it doesn't close because the handle broke. When we reported this, we were told that we must go buy our own handles. The windows don't shut properly, and there is mould.<sup>181</sup>

As these structures are built to be temporary, they are not built with toilets, meaning that the children of Fairtrade Farm 1 are expected to use nearby portable toilets. Ms Botha, retired worker and neighbour of the crèche, living with her entire family in a 'temporary structure' the size of a shipping container, indicated that she preferred to relieve herself in the nearby bush.<sup>182</sup> She made this decision after noticing a snake living in the portable toilet that her family and the children from the crèche are supposed to use.

When asked why these 'temporary' structures had been erected, Mr Ramahlele of CSAAWU explained that this was done after the former crèche was found to be non-compliant by the Department of Labour after being reported by the union in 2016 and in the wake of the *Bitter Grapes* documentary.<sup>183</sup> In elaborating on why the crèche was not compliant, Ms van Wyk explained that the previous crèche had been located close to a place where pesticides were stored.<sup>184</sup> She pointed to a nearby building with the two adjoining rooms, one houses pesticides, and the other had been used for the crèche. A wall within the building separates the two rooms.

Workers interviewed for this study repeatedly raised a range of other concerns related to pesticides.<sup>185</sup> While being exposed to pesticides is an important concern for the workers as it directly relates to their health and safety, a common sentiment expressed by workers interviewed was the inability to report the issue. The workers on Fairtrade Farm 5 had expressed concerns over the effects of pesticides on their health but were met with hostility

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<sup>180</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>181</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>182</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>183</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>184</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>185</sup> Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Ms Pieterse, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

from the farm's management.<sup>186</sup> Mr Abrahams explains what happened when he asked the farm management to provide protective measures for those using pesticides:

The season for pesticides is now starting, and there [are] no protective measures in place to protect us against the pesticides. We go to the office to ask for more protective clothing and measures to be put into place, and the manager will yell at us. The overalls [we are using] are not meant for pesticides. They're ordinary overalls.<sup>187</sup>

A year zero core requirement of Fairtrade certification for South African wine farms is the regular training of workers in the basic requirements of occupational health and safety (Krumbiegel et al., 2018: 208-209). Additionally, a year one core Fairtrade certificatory requirement is for the regular examinations and check-ups of workers by a medical professional (Krumbiegel et al., 2018: 208-209). The issue reported by Mr Abrahams is a serious one, as it reflects a disregard for the training of workers regarding safety measures in applying pesticides, with workers instead identifying the inadequacy of the farm's protective measures.<sup>188</sup> Furthermore, the alleged hostile response to workers reporting occupational health and safety issues suggests a flagrant disregard for not only basic human sympathy but also for stipulated Fairtrade standards.

In expanding upon why workers are so overwhelmingly concerned about the use of pesticides on the farm, Mr Daniels elaborates on the issue in explaining that even the drivers (usually permanent employees) who dispense the pesticides for Fairtrade Farm 5 are only provided with masks while their skin remains exposed:

There's twenty-nine permanent workers. These are mainly the drivers and people who spray the pesticides. We get overalls but what is different about the overalls is just that they are red so that you can know that this is the spraying man. We drive open trucks, there are masks, but it doesn't cover the whole face but just the nose and the mouth. Some of the workers pass out. Some of the people get blisters and funny things on their skin. They don't take you to the hospital immediately, you get told to go home, and you must walk home. It depends on where you are working. This guy has a big, big farm. But the next day you must come back and work.<sup>189</sup>

Considering the previously mentioned year one Fairtrade requirement that workers should have access to a medical professional as a provision of the farm, Mr Daniels' account suggests that some Fairtrade farmworkers are denied access to medical care.<sup>190</sup> Importantly, while the standards mentioned earlier relate to regular, non-injury related access to medical care, an

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<sup>186</sup> Interview with Ms Pieterse, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Mr Daniels, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>187</sup> Interview with Mr Abrahams, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>188</sup> Interview with Mr Abrahams, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>189</sup> Interview with Mr Daniels, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>190</sup> Interview with Mr Daniels, Fairtrade Farm 5, 28<sup>th</sup> September 2020.



additional year zero core requirement specifies the mandatory provision of healthcare in the case of work-related illness or injury.

Beyond the fact that the only difference between the overalls of a worker dispensing pesticides and the workers in the vineyard being the colour of the overalls, Mr Abrahams reports that the process is not thorough or adequate as overalls are hand-washed by a single woman.<sup>191</sup> This despite these overalls being worn during the spraying of pesticides, explaining:

[T]here is a woman that is employed to wash the overalls for the men that are spraying pesticides. She's using her hands to wash these overalls, but after she washes these overalls, she will go home. Her day is finished.<sup>192</sup>

In a discussion of worker rights as a pre-requisite for social upgrading, these conditions, as described by the workers of the examined Fairtrade farms, display a flagrant disregard for worker rights and human rights. Furthermore, it is important to remember that to drive these trucks, which release pesticides that irritate and blister the skin, is a privilege afforded to the select few chosen to work permanently.

Seasonal and permanent workers harvesting grapes in the vineyards are not afforded the luxury of masks and instead breathe in the pesticide fumes directly. For example, Ms Smit of Fairtrade Farm 2 related this experience:

So what happens is that a plane flew over us and sprayed pesticides while we were working. Only after that did the farmer tell us to vacate, but we were already exposed to the pesticides. This thing came and sprayed pesticides while we work, and while we had our doors open and windows open in our houses nearby. And also, we had chickens, and that killed the chickens. It also killed our vegetable garden. So when this thing [crop-duster aircraft] sprayed, it also sprayed over our house, so we lost quite a lot of vegetables.<sup>193</sup>

In speaking to Fairtrade farmworkers, particularly among single women seasonally employed, food security was a common and persistent issue. While some workers have addressed this issue through planting their vegetable gardens and raising chickens, these provisions were killed by the pesticides used on the farm. In this regard, and particularly in the discussion of worker rights, the poor working conditions of these Fairtrade farmworkers often overlapped with their poor living conditions.

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<sup>191</sup> Interview with Mr Abrahams, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>192</sup> Interview with Mr Abrahams, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>193</sup> Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

#### 7.4.2 Living Conditions

The five Fairtrade farms included in this study cover expansive land areas, which may be divided into smaller farms, but which are respectively owned by a single family who relies on the use of a management team to coordinate the farming process. As explained by Mr Ramahlele of CSAAWU, this is often the result of larger farms purchasing smaller nearby farms, which are sometimes used for cross-harvesting, which, on these farms, entails the farming of wine grapes, canola and wheat.<sup>194</sup> However, Mr Ramahlele notes that while farmers are always in the process of harvesting something, there are often communities of people on the farm who are unemployed until called on by the farmer through a labour broker.<sup>195</sup> While the workers examined remain in poverty alongside the ongoing harvesting of crops, the impact that many workers experienced in introducing other crops on the farm is negative, particularly as farmers seek to use the nearby area surrounding these communities for cross-harvesting. As a result of the introduction of cross-harvesting, the areas surrounding the farmworkers houses may be repurposed to accommodate new crops such as canola or wheat. Many of these houses reside mere metres away from canola fields and are consequently exposed to pesticides.

In addition to being exposed to harmful pesticides, which have the reported effect of irritating and blistering the skin, some respondents reported that the introduction of canola led to them being exposed to bees. This is in line with research by Morandin and Winston (2005: 872), which draws a correlation between canola fields (particularly among organic crops) and the abundance of wild bees. Many of the residents of Fairtrade farms near these canola fields report that large beehives have formed within farmworkers' homes. There are also community crèches adjacent to these canola fields, which are also exposed to these wild bees. Ms van Wyk, who lives on Fairtrade Farm 1, notes that it is commonplace for children within the crèche to be stung.

In addition to being dangerously exposed to bees, workers also reported that their houses were flooded when it rains. According to Ms Williams:

We grew up on the farm. We don't know any other farm. The conditions that we live under, especially the water, the water from the rain comes into the houses whereby our children have to walk through this water. When it comes to the farmer, nothing is being done.<sup>196</sup>

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<sup>194</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>195</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>196</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

Ms Williams reported that water damage from rain is a serious and, unfortunately, consistent issue, and the housing which she and her family occupies has not been built in a way that is secure against rain.<sup>197</sup>

Numerous workers described their houses being old and in need of a renovation, with the worst-off houses belonging to workers who had drawn the farmer's ire.<sup>198</sup> However, even when houses are renovated, some workers have reported that conditions have worsened. Ms Botha, a retired woman, has been one such worker to argue of conditions worsening with the renovation and with the provision of her 'temporary' home on Fairtrade Farm 1:

I have to constantly move my bed when it rains because the water comes through. I have been here since 1979. They [farm management] have ignored me. They don't care. These houses have been standing here, from the first of November, it will be three years that they are standing here. There was a person that came here and recommended that the houses are too small and need to be extended and get a built-in toilet and bathroom.<sup>199</sup>

Ms Botha expressed exasperation with the farm's living conditions remaining unchanged and expressed the sentiment of being ignored.<sup>200</sup>

This sentiment of being forgotten was particularly noticeable amongst the women of these worker communities. Many remained on the farm as seasonal labour or as retired workers living with family members who continue to work on the farm. In Ms Botha's case, she expressed frustration that there had been a lack of change.<sup>201</sup> She reported that they had been moved out of the old housing due to CSAAWU's reporting of the farmer's non-compliance with health and safety violations.<sup>202</sup> However, they had only been moved to 'temporary' housing, which was also inadequate. In probing further, Ms Botha also commented that a man who spoke in a strange language and required a translator had been there and had assessed the temporary housing, stating that the temporary housing was too small and needed to be replaced with housing that has an indoor toilet and bathroom.<sup>203</sup> As previously noted within this research, FLO-CERT auditors are in some cases flown in from Germany to conduct audits on local farms. While the man that spoke in a foreign accent cannot be confirmed to be a FLO-CERT auditor, Ms Botha's account of the encounter suggested that the man was there as part of some form of an audit. Apparently, the farmer assured the auditor that the woman's house

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<sup>197</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>198</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>199</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>200</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>201</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>202</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>203</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

was temporary and would be replaced soon by better, permanent housing.<sup>204</sup> Ms Botha noted that no changes had been made since that encounter which occurred over a year earlier.<sup>205</sup> People within these worker communities commonly expressed a sentiment that they were being ignored and that there had been too little positive change in these living conditions throughout their lifetimes on these farms.<sup>206</sup>

An issue of particular concern in considering worker participant experience within this discussion of living conditions is their inability to address their conditions. When discussing their exposure to bees, flooding or structurally unsafe housing, the workers' expressed a need for the farmer to address these issues. This dependency on the farmer to provide and maintain the farmworkers' living conditions remains painfully reminiscent of South Africa's historical legacy of farm paternalism. This raises concern not only regarding the divide between Fairtrade standards and the alleged practices of Fairtrade certified farms but also to a lack of change in a wine industry plagued by dependency and paternalism. However, in the year 2020 (when these farmworker interviews were conducted), the South African wine industry was impacted and was disrupted by the global COVID-19 pandemic.

#### 7.4.3 **COVID-19**

If the argument put forward by scholars such as Selwyn (2019: 74-75) that workers' rights are human rights is to be considered, then it is relevant to explore how workers' rights were protected during the global COVID-19 pandemic. On the 23rd of March 2020, South African president, Cyril Ramaphosa, announced a national lockdown as a protective measure against the emergent COVID-19 pandemic, which has resulted in the death of millions of people throughout the world, impacting most harshly on the poor (Arndt et al., 2020: 100410-100415). According to Mr Strydom of Origin Wine, adjusting to the lockdown was a difficult task made easier by Fairtrade standards, which requires farmers to have an already prepared response to the spread of contagious diseases.<sup>207</sup> While Mr Strydom reported that these Fairtrade requirements helped Fairtrade farmers to respond quickly and effectively to the COVID-19 pandemic, the farmworkers on Fairtrade farms visited provided a different view.<sup>208</sup>

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<sup>204</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>205</sup> Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>206</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Ms Botha, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>207</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>208</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

Farmworkers on Fairtrade farms reported that protective gear and masks were not as accessible to workers as they should have been.<sup>209</sup> Ms Du Plessis from Fairtrade Farm 2 reports:

We are also struggling with hand sanitisers at work with the employers. We will have to approach them again. The employer doesn't comply. He doesn't give us face masks to wear. We only received one mask, and then we have two or three people sharing the same mask, but women, we have never received any face mask. It takes about three days to get more hand sanitiser, but the seasonal workers don't even get any of this.<sup>210</sup>

In addition to the exploitation and marginalisation experienced by seasonal workers, it seems that seasonal workers were also deprived of the protective gear required for survival during the COVID-19 global pandemic.

Farmworkers such as Ms Pieterse reported that only permanent workers, most of whom are men, are given access to protective gear such as hand sanitisers and masks and that workers were sometimes required to share these items.<sup>211</sup> Furthermore, the hand sanitiser provided on Fairtrade Farm 2, which was being shared among several farmworker families, seemed to only contain five hundred millilitres of presumably alcohol-based sanitiser.<sup>212</sup> On Fairtrade Farm 5, the situation was somewhat better as workers were tested for COVID-19 and were provided with masks, although children were apparently not provided with masks. According to Ms Pieterse:

We all got tested for COVID, including the children. If [the sanitiser] is finished, you can go to the office and get more. Everybody got two masks, but the children don't get masks.<sup>213</sup>

The majority of worker homes visited for this research were small and poorly built and often hosted numerous family members, including older retired workers who remained most at risk of the coronavirus. The procedures followed by the farms examined blatantly disregarded both the national policies set out by the South African government during this pandemic and lockdown, as well as the rights of these farms workers.

## **7.5 Social protection through collective and individual bargaining power**

Social protection through collective and individual bargaining power is a core requirement of Fairtrade wine certification (Krumbiegel et al., 2018: 208-209). The ILO's (1999: 8-9) Decent

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<sup>209</sup> Interview with Ms Pieterse, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Mr Joubert, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>210</sup> Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>211</sup> Interview with Ms Pieterse, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Mr Joubert, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>212</sup> Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>213</sup> Interview with Ms Pieterse, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

Work Agenda defines social protection as a measure that ensures human security and civic inclusion. Workers should be included in economic development through social dialogue between workers and employers. FTI requires that workers on Fairtrade wine farms should be able to access trade unions and engage in collective bargaining. Furthermore, Fairtrade farms are supposed to be free of anti-union discrimination or any acts of interference in union activities by the employer from two years before certification (Krumbiegel et al., 2018: 208-209). In this way, the Fairtrade label apparently provides workers with social protection and encourages social dialogue. However, to assess whether or not this is really the case on South African Fairtrade Farms, it is important to listen to the farmworkers themselves. Social protection is commonly understood to refer to work-related situations such as employer-related benefits such as health insurance, retirement benefits and unemployment insurance (Ghai, 2016: 15). However, Ghai (2016: 14-15) argues that, in the discussion of the decent work paradigm, social protection should be expanded to consider the policies and practices that work to reduce suffering anxiety, insecurity and material deprivation. In the analysis of this expanded definition of social protection, context must be considered. Social protection, as conventionally understood, has historically been provided to farmworkers through the paternalistic benevolence of white farm owners (Keahey, 2016: 414). What this has meant, historically is that farmworkers have had virtually no legal protection until 1993 (Kaur, 2018: 118). Therefore, examining the concept of social upgrading as work-related benefits may not speak to the actual level of social protection afforded to workers, particularly where access to these benefits is dependent on the benevolence of farmers. For this expanded definition of social protection, the concept should relate to workers' ability to secure the perquisites considered within the decent work paradigm. This, importantly, relates workers' ability to join collectively as well as unionise.

The ILOs (1999) Decent Worker agenda could be said to promote a top-down approach to social upgrading which emphasises the employers' role rather than the role of the workers. Selwyn (2013: 88) has argued instead for the recognition of social upgrading from a bottom-up approach which, rather than focusing on employers and institutions as the providers of social development, seeks to empower workers, as active agents, in the facilitation of their development. The reasoning is simple: workers do not need saviours; they need to be heard.

The 2013 De Doorns uprising featured the mass mobilisation of farmworkers who wanted to see increases to the minimum wage and to challenge the prominence of labour casualisation on South African farms (Visser and Godfrey, 2017: 15). At this time, the minimum wage was a meagre R69 per day, and 80% of farmworkers of the De Doorns area

worked as casualised labour (Wilderman, 2015: 07-09). The uprising was successful in increasing the workers' minimum wage. However, the key benefit of the De Doorns uprising, according to Mr Christians of CSAAWU, is the 'heightened consciousness' developed by the workers during that moment of unity against 'slave-like' working conditions.<sup>214</sup> In the wake of this uprising, Mr Christians argues that this heightened consciousness scared farmers and consequently led to farmworker dismissals, evictions and silencing as a means whereby farmers attempted to regain control over the labour and lives of workers.<sup>215</sup> This process of silencing workers suggests that the collective mobilisation of farmworkers has resulted in what Atkinson (2007: 43-47) calls hard paternalism, where farmers (as the 'superior' agent) coerce and manipulate farmworkers due to the latter group's dependency on the farm. While South African farm paternalism has historically been characterised by soft paternalism, which identifies the farmer as the provider and patriarch of the farm, Mr Christians suggests that the collective action of farmworkers, such as with the De Doorns uprising, may have influenced farmers to turn to hard paternalism.<sup>216</sup>

The Fairtrade farmworkers interviewed for this study reported experiences characteristic of hard paternalism.<sup>217</sup> Among these experiences were the loss of 'privileges' on the farm, ineffective complaint systems, farm dismissals and farm evictions.

### 7.5.1 **Reporting Complaints**

Collective bargaining may occur without the prior knowledge or approval of a farmer as the mass mobilisation of workers may lead to a bargaining process. This kind of bargaining provides a form of social protection through workers organising in a joint effort in a way that threatens the operation of the farm. Discussions with Fairtrade farmworkers reveal that workers are often encouraged to raise complaints with farm management individually rather than engaging in collective bargaining. However, farmworkers report that this kind of complaint is not effective. For example, Ms Smit reports that the farmer expects them to report to him, but he offers no solutions:

The thing is that when there is a problem, we report it to the farmer. ... It is the rules that we must report to the farmer, but they decide what happens with that. For example, this lady's daughter was dismissed, and the lady went to the farmer to explain that the daughter was sick and in the hospital,

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<sup>214</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>215</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>216</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>217</sup> Interview with Mr Cloete, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Ms van Rooyen, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

so she can't report to work. The child's sick. She did report it, but she was still fired, so we don't know why this farmer is dismissing her.<sup>218</sup>

The farmer may endorse the principle of individual bargaining through workers reporting issues in a complaint system, but this is not helpful if the complaints are not taken seriously.

It is important to consider that collective bargaining is something built into the Fairtrade wine model in the form of the Fairtrade Premium Committee, who are intended to be the voices of the workforce. In practice, Ms Williams, the single farmworker interviewed who had ever heard of the term 'Fairtrade', argues that this committee on Fairtrade Farm 2 is not functional:

I don't know who is in the committee because this committee is not functional. Even if you instruct them to go to hold meetings, they don't say what we have told them to say. They have to listen to what management is telling them. It is the employer who elected who must be in the committee. Most of the people that are on the committee were put there by the employer, and most people in the committee are those that fear the employer who will not backchat the employer. They do not choose people who are talkative.<sup>219</sup>

What is suggested here is that the Fairtrade Premium Committee is being co-opted by a farmer seeking to fill the committee with workers who can easily be intimidated by the farmer. The way in which workers on the various Fairtrade wine farms included in this study describe the Fairtrade Premium Committees suggests that they do not function in the way laid out in Fairtrade documentation.

A common sentiment among workers was that they are only represented by trade unions such as CSAAWU, which represents workers across various wine farms. For this reason, many workers rely on trade unions, rather than the Premium Committees, in their efforts to gain the power of collective bargaining and social protection. A further common sentiment among workers was the active discouragement of union activity by the farmer and farm management. The farmers prefer that workers use an internal complaint process to raise an issue with the farm management.<sup>220</sup> Ms Du Plessis of Fairtrade Farm 2 suggests that going to the union can result in one being targeted or dismissed:

Our grievances are not being listened to. The farmer will tell us that if we have a problem, we must come to them and approach them about it, but nothing gets done with our problems. It's just a matter of wasting time with the matter, which is when we go to the unions to deal with the matter, but this is when you get targeted for a dismissal.<sup>221</sup>

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<sup>218</sup> Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>219</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>220</sup> Interview with Ms Hendricks, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Mr Davids, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>221</sup> Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020.



As discussed earlier (Chapter Six; Section 6.3.3), Mr Christians of CSAAWU argues that farmers feared the ‘heightened consciousness’ of workers witnessed during the mass mobilisation of workers as part of the De Doorns uprising. He argues that farmers have made a concerted effort to undermine this consciousness.<sup>222</sup> The above assertion by Ms Du Plessis highlights how workers might be subtly dissuaded from taking collective action. Firstly, farmers emphasise individual rather than collective bargaining to workers to address problems. While individual bargaining is an essential component of social upgrading, Ms Du Plessis’s account suggests that individual bargaining is being used to silence issues rather than to address them.<sup>223</sup> Secondly, Ms Du Plessis argues that if farmworkers do decide to use collective bargaining processes by approach a trade union, they may face dismissal.<sup>224</sup> This claim suggests that farm dismissals function as a preventative measure that protects against worker collective action and disincentivises the ‘heightened consciousness’ that inspires workers’ mass mobilisation.

### 7.5.2 **Farm Dismissals**

Workers’ accounts of their experiences suggest that workers are often dismissed for arbitrary reasons. Workers in this study reported having been dismissed for missing work due to childcare responsibilities, sickness, ‘backchat’, trade union association, speaking to the media, fabricated reports as well as allegations of intoxication.<sup>225</sup> The seemingly only common trait between these dismissals is that they were immediate and unexpected by the workers.<sup>226</sup>

As pointed out by Mr Davids from Fairtrade Farm 5, the exertion of paternalist power is not exclusive to the farm owner but may also extend to the members of the farm management:

The manager is also proving a point by showing that she can dismiss people without telling the owner. You don’t get a second chance here, even if you have children. There is no mercy for you here. The manager will dismiss you on the spot.<sup>227</sup>

Mr David’s account suggests that the farm manager will dismiss workers in order to emphasise her power and control, irrespective of the farm owner’s approval or the merit of the actual

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<sup>222</sup> Interview with Trevor Christians, CSAAWU General Secretary, Telephonic Interview, 25<sup>th</sup> March 2020.

<sup>223</sup> Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>224</sup> Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>225</sup> Interview with Ms Hendricks, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Mr Abrahams, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>226</sup> Interview with Ms Hendricks, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Mr Abrahams, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>227</sup> Interview with Mr Davids, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

dismissal.<sup>228</sup> The emphasis on control over workers, dismissing workers ‘on the spot’, suggests that farm paternalism is not limited to the relationship of the farmer and farmworkers. Instead, paternalistic power appears to extend to the members of the farm's management.

Farmworkers report that their attempts to work with the union in order to escape the paternalistic control of the farmer and farm management could be met with the threat of dismissal. According to Mr Joubert:

The employer is saying that there is no need to come and complain to the union because they are not assisting us in any way. We felt very scared after being in a meeting after a worker was dismissed for speaking out.<sup>229</sup>

While the employer asserts that the union is not assisting the workers, this could be interpreted as a plea by the employer for the workers to respect his paternalistic power and recognise him as the only provider needed by the farmworkers. This plea reflected a consistently apparent sentiment of the Fairtrade farmers representing themselves as the providers and saviours of the farmworkers, which remains deeply rooted in the idea that these Fairtrade farms’ extreme exploitation is benefitting farmworkers who are perceived as being incapable of surviving outside of the farm. However, the workers were not captive to these delusions and recognised that the nature of this farm dependency was one of exploitation, even if conveyed by the farmer as benevolence.<sup>230</sup> Workers demonstrated awareness of the exploitative nature of their conditions and the deceptiveness of farmers and farm management. They did not accept the farmers’ representation of themselves and were sceptical about fruitless complaint-reporting mechanisms and the farmers’ promises to men with ‘strange accents’.

The dependency of the farmworkers is also related to their need to take care of their families, which makes it difficult for them to challenge their conditions as they fear dismissal and the consequent loss of income. In this regard, Ms Hendricks emphasises her priorities in being a mother in highlighting the incredible harm of dismissals in saying:

I used to work here, but I was dismissed. I was dismissed because I couldn’t go to work because I didn’t have anyone to take care of my child. It was during the lockdown that I was dismissed.<sup>231</sup>

Despite being dismissed, Ms Hendricks continues to work as a casual labourer due to her need to provide for herself and her child. She says that she will still answer immediately when the labour broker calls her, even if only to work during a single harvesting season.<sup>232</sup> Regarding

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<sup>228</sup> Interview with Mr Davids, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>229</sup> Interview with Mr Joubert, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>230</sup> Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Ms Smit, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020

<sup>231</sup> Interview with Ms Hendricks, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>232</sup> Interview with Ms Hendricks, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

her child, who she breastfed while making the above statement, Ms Hendricks has to find an alternative arrangement to provide care for the child while working in the field.<sup>233</sup> Unfortunately, the farm she works on does not have a crèche. The provision of a crèche is only a year six requirement within Fairtrade certification standards for workers employed on the farm, and so not all Fairtrade farms have a crèche (Krumbiegel et al., 2016: 208-209). This caveat means that if Ms Hendricks is called for seasonal work, the responsibility of ensuring the care of her child will be solely her own.

According to Visser and Godfrey's (2017: 41-44) research, labour casualisation has increased despite the introduction and enforcement of labour laws following South African democracy. These laws were intended to improve the conditions on South African farms. Unfortunately, these laws unintentionally encouraged mass farm evictions and labour casualisation as farmers tried to avoid paying workers a living wage or providing workers with entitlements to farm ownership (Ewert and Du Toit, 2005: 325-327). The existence of certificatory labels like Fairtrade has not managed to prevent these practices from occurring.

### 7.5.3 **Farm Evictions**

As discussed earlier, farmworkers have reported that contesting the conditions of the farm carries the risk of being dismissed from working on the farm. Workers have further reported that being dismissed from the farm is often convenient for these farmers, and the farmers seem able to dismiss workers without honouring any responsibility to workers.<sup>234</sup> As discussed earlier, farm dismissal often results in a situation where workers continue to live on the farm but are only employed casually through labour brokers based on the farmers' needs. However, the prospect of dismissal also presents another danger to workers as it may be followed by eviction from the farm.

Numerous farmworkers highlighted the fear of eviction from the farm as not only relating to the loss of work but also entailing the loss of a home for their families.<sup>235</sup> This fear illustrates how deeply farm dependency has interlinked the labour of these workers with their homes. Eviction from a farm not only impacts the workers but can also impact their spouses, parents and children. To avoid the risk of eviction for her family, Ms van Wyk offers an

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<sup>233</sup> Interview with Ms Hendricks, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>234</sup> Interview with Ms Hendricks, Fairtrade Farm 5, 28<sup>th</sup> September 2020; Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Mr Abrahams, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>235</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020; Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

example of how a child of farmworkers may be drawn back into work on the farm through the threat of her parent's eviction.<sup>236</sup> As she works in the crèche of Fairtrade Farm 1, she asserts that she is forced to accept a significantly lower salary than her equally educated peers:

I am a qualified person, but I get paid as if I am a farmworker. I have spoken to the social worker and told her that I'm done with my practical's. The social worker said that she would pass it on to the manager, but nothing happened. I don't know if she ever passed on that message.<sup>237</sup>

Despite having a tertiary qualification in Educare, Ms van Wyk is paid as much as a worker in the vineyards, which is significantly less than her peers who work in nearby towns. When asked if she would consider working away from the farm, she expressed a desire to do so but understood that this would mean she would not remain in her home and with her parents, who worked in the vineyards. As her parents would eventually retire, her work on the farm ensured their ability to remain in their home. Her concern was that if her parents were no longer working on the farm following their retirement, they would be evicted from their home on the farm.<sup>238</sup> To avoid the possible eviction of her parents from the farm, she has chosen to work in the farm's crèche.<sup>239</sup>

Ms van Wyk pointed out that she was born on a nearby farm and had been able to study towards a tertiary qualification due to her parents funding her studies.<sup>240</sup> She explained that there were 'no young people' in the vineyard, describing the physical toll of the work, which drove their desire to provide a better life for their daughter.<sup>241</sup> The Fairtrade premium has previously been described as investing in farmworkers' children so that they can gain more from this life than their parents in the vineyards. However, as illustrated by the account of this qualified child of farmworkers, as well as by the account of other workers born on the farm, their relationship to the farm is not one of mere employment but is instead a form of bonded labour whereby they remain working on the farm partly to protect their family's interests.<sup>242</sup>

Farm evictions are by no means a recent occurrence on South African farms, with Atkinson (2007: 47) arguing that evictions have always worked to enforce the paternalistic power of farmers. However, Atkinson (2007:84) reports that evictions increased after 1994 due to the loss of state support in sectors such as the wine industry, the introduction of labour laws,

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<sup>236</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>237</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>238</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>239</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>240</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>241</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

<sup>242</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020.

and a shift towards labour casualisation. Between 1994 and 2004, there was an ‘exodus’ of farmworkers amounting to 942 000 evicted workers (Atkinson (2007: 84). There are laws that protect against evictions – for example, the Interim Protection of Informal Land Rights Act (IPILRA) of 1996, which protects people with informal rights to land against eviction and the subsequent Extension of Security of Tenure Act (ESTA) of 1997, which provides farm occupants’ rights over private land (Christophers et al., 2017: 155). However, Ewert and Hamman (1999: 216) note that while ESTA protects persons over sixty years of age and disabled persons who have worked on the farm for over ten years from being evicted, any other eviction of farm occupants is to be decided by the courts based on ‘fairness and equitability’. Furthermore, according to Atkinson (2007: 86), many magistrates do not use ESTA to guide their decisions but rather use common-law definitions of evictions that offer less protection to farmworkers.

Atkinson (2007: 86) argues that while ESTA is intended to protect workers from illegal eviction, farmers continue to ‘short-circuit’ the legal process through creating informal agreements with workers to vacate the premise with incentive pay. This speaks to a larger issue of the legality of residence on farms for many farmworkers in the absence of a formal contract. In speaking to Mr Nel, a former farmworker of Fairtrade Farm 2 in the process of being evicted, it became clear that it is difficult for workers to prove that they have the right to stay on the farm. Although Mr Nel and others had signed a contract confirming the ownership of their homes, these contracts seemingly disappeared:

We signed the contract, all the people signed a contract, and then last year when this new farmer bought the farm, he told the people that they [the workers] own their houses here. Now, this farmer is doing evictions. All of these people are more than ten years living here, some of these people of twenty, thirty years living here... When we asked for the contracts for the house, all the people was asking for it. They said ‘no, the contract got burnt up’ and everything like that. You never see the contract. We waited all of these years. Where is the contract for the house?<sup>243</sup>

While the contracts signed by the workers for their homes may indeed have burnt in a fire, it is curious why the Fairtrade farmer kept these contracts without a copy being provided to the workers. An issue that exacerbates this situation is the lack of accessibility and knowledge of the recourse available to people such as Mr Nel, who are unaware of the Fairtrade label or legislation such as ESTA.<sup>244</sup> The main recourse highlighted amongst workers against the threat of eviction was the use of trade unions, but even with the assistance of trade unions, they face

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<sup>243</sup> Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>244</sup> Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020

magistrates' subjective interpretation of 'fairness and equitability' and the varying use of common-law or ESTA definitions of evictions.<sup>245</sup> In addition, Atkinson (2007: 87) notes that through familiarity with the procedures surrounding legal evictions built through continuous experience, farmers can increasingly follow the correct legal procedures to secure evictions with greater ease. As numerous reported by the farmworkers within this research, the result is that loss of employment on the farm may easily result in a loss of residence through eviction.

Interviews with workers suggest that a key reason for eviction seems to be the lack of productive extraction from the worker. According to Ms van Rooyen from Fairtrade Farm 5, workers who are not as productive as desired by the farmer are dismissed with the likelihood of eviction.<sup>246</sup> In this regard, Ms van Rooyen emphasises that absence from work for even a few days often warrants a dismissal and subsequent eviction, saying:

The reason for the dismissal and the evictions was that people did not go to work every day. If you stayed at home for more than two days, three days, they would just immediately dismiss you and evict you.<sup>247</sup>

The implication is that if workers are sick and unable to attend work, they may lose not only their employment, but also their homes.

While the prospect of both losing your job and your home is bad enough, workers such as Ms Snyman report that the situation is exacerbated by actions taken by farmers and farm management to ensure that the decision to evict a worker may not be contested or reversed.<sup>248</sup> In describing her fear of being evicted, Ms Snyman of Fairtrade Farm 4 explains that evictions are often followed by the destruction of the homes of those evicted:

You know what happens here is that once they get rid of you, they demolish the house immediately. So even if you do challenge it, there is no house to go back to. There was a worker near here that when he packed his last goods, his house was demolished immediately, and we were coming from church that we saw that. When they were just leaving, packing the last items onto the truck, that is when the farmer instructed the man to demolish the house.<sup>249</sup>

The house referred to by Ms Snyman may easily have been missed by an outsider as the remnants of the concrete structure were difficult to see in the long grass, formerly a modest lawn.<sup>250</sup> The worker described by Ms Snyman was apparently provided with an incentive

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<sup>245</sup> Interview with Ms van Wyk, Fairtrade Farm 1, 8<sup>th</sup> October 2020; Interview with Ms Williams, Fairtrade Farm 2, 28<sup>th</sup> September 2020; Interview with Mr Nel, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

<sup>246</sup> Interview with Ms van Rooyen, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>247</sup> Interview with Ms van Rooyen, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>248</sup> Interview with Ms Snyman, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

<sup>249</sup> Interview with Ms Snyman, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

<sup>250</sup> Interview with Ms Snyman, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

payment to facilitate the eviction.<sup>251</sup> Considering the discussion mentioned earlier of farmers ‘short-circuiting’ the legal process through informal agreements between the farmer and the farmworker, which includes incentive pay, this allegation would appear to provide an example of this process.

Evictions can be viewed as part of a broader process of worker deradicalization. Workers who challenge the paternalistic power of the farmer and fail to be sufficiently productive face eviction. The bonding of farmworker labour and farmworker livelihoods has long been a feature of South Africa’s exploitative economic system (Hastings, 2019: 928-935; Adhikari, 1992: 97-100). However, what makes the situations described above particularly egregious, is that they occur on farms that have been certified as ‘Fairtrade’, a labelling system that supposedly improves the lives of workers.

## 7.6 Social dialogue

Social dialogue, as the final pillar of social upgrading and decent work, may be regarded as a synergy of regular employment, enforceable worker rights and social protection through bargaining power (Ghai, 2006: 4-7). Regular employment is important because it is difficult for irregularly employed workers to access worker rights. Worker rights are essential for worker bargaining power and provide a framework for worker entitlements and benefits. Social protection protects workers from anti-union discrimination or any acts of interference by the employer. The culmination of these pillars of social upgrading is social dialogue, the articulation of bargaining power through clear and open communication between employers and workers (ILO, 1999: 39). Ghai (2006: 18-21) argues that the purpose of social dialogue between employers and workers is to ensure that work takes place in a manner that prioritises freedom, equity, security and human dignity.

In speaking to workers on Fairtrade farms for this study, it was immediately apparent that workers feel that there is very little social dialogue. Workers very often expressed the sentiment that they are not being listened to.<sup>252</sup> Instead, they report that communication between farmworkers and farm management mainly involves instructions given by the farm management to the workers. Workers, such as Mr Cloete, even report being told to obey seemingly random instructions, such as being instructed to smile and pose for pictures by the

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<sup>251</sup> Interview with Ms Snyman, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

<sup>252</sup> Interview with Mr Phillips, Fairtrade Farm 3, 8<sup>th</sup> October 2020; Interview with Mr Roberts, Fairtrade Farm 3, 8<sup>th</sup> October 2020; Interview with Ms Du Plessis, Fairtrade Farm 2, 28<sup>th</sup> September 2020.

farmer or farm management.<sup>253</sup> The workers were not given any explanation for this instruction, but they assumed that these pictures were for the branding of the wine. Mr Cloete, an older man residing on Fairtrade Farm 5, describes this experience:

The farmer comes and takes pictures of workers and instruct workers to sign a form. We don't know what's on the form, and we don't know what happens to that form or what happens to their pictures. We do whatever they tell us to do. For example, the jacket, after we got them, we were instructed to take pictures of us wearing the jackets. The farmer will say that it's going on Facebook.<sup>254</sup>

When asked about this issue, Mr Ramahlele of CSAAWU explained that workers had complained for many years about requiring jackets to work during the rain and cold of winters in the Cape Winelands.<sup>255</sup> The farm management did nothing in response to these complaints until the union contested the issue. Having finally agreed to provide jackets (although only to permanent employees), the farmer had presumably taken the photos to market these jackets as a generous provision given to their workers. This allegation suggests the application of the benevolence model, which describes the entitlements of workers (such as necessary work items such as jackets) being delivered through the lens of the farmers benevolence rather than as the result of a trade union enforcing farmworkers' labour rights (Keahey, 2015: 443-445). Reportedly, the women who drape themselves in bed sheets and blankets during the winters in the vineyards when they are fortunate enough to be granted seasonal work were not included in this photoshoot.<sup>256</sup>

The way employment is structured on the farms could also be said to reinforce patriarchy. As it is mostly men who are permanently employed, the women on the farm are dependent on these men for a steady income and a home. This creates a dangerous dynamic whereby men are permanently employed on the Fairtrade farms while their partners are either seasonally employed or dismissed. This patriarchal structure imposed by the farmer dangerously exacerbates gender inequalities and enables men to exploit or exercise financial control over women (Anitha, 2019: 1855-1856). These patterns of control and exploitation may result in gender-based violence and financial sabotage, whereby a man controls a woman's resources, making it difficult for her to leave the farm (Sharps-Jeff, 2015: 8).

Through this patriarchal structure, the farmer does not have to interact with women on the farm to ensure their dependency. Instead, the farmer only needs to ensure men's

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<sup>253</sup> Interview with Mr Cloete, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>254</sup> Interview with Mr Cloete, Fairtrade Farm 5, 28<sup>th</sup> September 2020.

<sup>255</sup> Interview with Boitumelo Ramahlele, CSAAWU health and safety officer, CSAAWU Office, 8<sup>th</sup> October 2020.

<sup>256</sup> Interview with Mr Cloete, Fairtrade Farm 5, 28<sup>th</sup> September 2020.



dependency on the farm through a poverty wage and the elimination of social protection provided through bargaining power. By exacerbating gender inequality and offering men on the farm a delegated power over the women on the farm, men become labour brokers for the farmer. The farmer might then demand that farmworkers' partners work seasonally while the male farmworkers control this additional income as well as any other money the women obtain (such as government childcare grants), which may otherwise serve as a resource whereby women may leave the farm and/or their male partners. As such, a farmworker's home exists as a part of the Fairtrade wine production networks for the farms examined, with women being in the most vulnerable and exploited position of this network while remaining as the keystone to this extractive process. When farmworkers retire, they are rarely given decent retirement packages, making it difficult for them to leave the farm even if they would like to do so and placing pressure on their children to continue working on the farm to support their parents. In this regard, Mr Jansen explains that the farmer of Fairtrade Farm 4 has not paid out his retirement package:

Before this farm was bought over, we were promised a retirement package, but when he sold the farm over to the new farmer, there were six of us. Some of the others had passed away, but the old farmer gave the package to the new farmer, saying that when we retire, it will be the new farmer that pays us out. That's why we are going to the farmer because we want our money. We are the oldest people to work on the farm, and we were told that our packages are with the farmer. My son went to speak to the farmer, and what the farmer said was 'is your father crazy, does he think that I am a poes (*sic*) to give your father this money. What is your father going to do with this much money?'.<sup>257</sup>

Of course, it is not at all the employer's business to demand to know what the worker will do with their retirement package. Instead, the employer's responsibility is to pay the former employee as owed. Mr Jansen, however, goes on to explain why he needs his retirement package in explaining:

That [state old-age pension] money does not last us for the whole month, we must also buy electricity, and if you don't have money for electricity, you will not have electricity. So even now, there is no power, there is no electricity. We might not have for a week.<sup>258</sup>

Interestingly, Mr Jansen went on to express a nostalgia for the farm's former owner, who ensured that the workers were able to meet their basic needs in saying:

Our previous employer was better than this one because he would give us money on credit and then deduct at the end of the month. He even provided us with food. He gave us groceries, meat, fish and

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<sup>257</sup> Interview with Mr Jansen, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

<sup>258</sup> Interview with Mr Jansen, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

mealie meal. This previous employer, you could go to him with a shopping list and his wife would then drive to town and buy you these goods knowing that you have to pay her back.<sup>259</sup>

The situation described by Mr Jansen still depicts a paternalistic structure, but this kind of paternalism can be called soft paternalism focused on ‘shared interests’, while the new farmer demonstrates hard paternalism, which revokes the ‘privileges’ the farmworkers previously had (Atkinson, 2007: 45-47). Previously in this research, distinguishing between hard and soft paternalism, it was theorised that the Fairtrade certification of large-scale commercial farms would emphasise soft paternalism through the shared interest of the Fairtrade premium. However, in practice, the Fairtrade premium process has not been seen to be functioning as prescribed on any of the Fairtrade farms examined. The farmworkers’ accounts of their relationships with farm management suggest that hard paternalism is instead practised through revoking ‘privileges’ such as permanent employment and housing on the farm.

Ms Carlow of WOSA has previously expressed great concern over the sustainability of local Fairtrade wine farms.<sup>260</sup> This concern arises because these producers are often expected to enter these GPNs at such a low price point that allocating money for the Fairtrade premium and supporting the administration demands of Fairtrade certification while still generating a profit may be difficult. For the wine farms that adhere to the FLOs standards in practice, Ms Carlow’s concerns are likely to result in the farm’s eventual decertification as the Fairtrade standards incrementally increase from year zero to year six.<sup>261</sup> This potential issue of decertification is particularly problematic when the legacy of farmworker dependency is considered. Fairtrade standards among large-scale, commercial wine farms could even be said to indirectly promote farm dependency as the benefits related to Fairtrade certification are primarily used for improvements on the farm rather than directly benefiting workers. For example, the building of a crèche using the Fairtrade premium is an improvement to the farm, which benefits workers, but access to that benefit is only possible if they continue to live and work on the farm. Decertification from the Fairtrade label may result in an increased dependency for farmworkers, but without the Fairtrade premium that drove that very increase in dependency.

The Fairtrade farmers outlined in this chapter have gone to great lengths to ensure that their workers remain dependant on the farmer for their bonded labour, with a Mr Pienaar, a

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<sup>259</sup> Interview with Mr Jansen, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

<sup>260</sup> Email correspondence with Mayrna Calow, Communications Manager of WOSA, 14<sup>th</sup> August 2020 to 7<sup>th</sup> September 2020.

<sup>261</sup> Email correspondence with Mayrna Calow, Communications Manager of WOSA, 14<sup>th</sup> August 2020 to 7<sup>th</sup> September 2020.

former worker on Fairtrade Farm 4 now working on a different farm, recalling the discovery of worker's Identity Documents (IDs) which had apparently been thrown away by the farmer:

I was one day walking on the farm with a friend of mine, and there is a hole there where you throw garbage, but we went there and saw people's Identity Documents in that hole. So we went into that hole and got those IDs of those people. Those who were still alive, we gave them their IDs back. The farmer asks for your ID and doesn't return your ID.<sup>262</sup>

By ensuring that workers do not have access to their Identity Documents, the farmer ensures that workers cannot leave the farm or even create a bank account. Furthermore, control of worker Identity Documents further allows the farmers to engage in economic transactions with or without the consent of their workers.

Mr Pienaar reports that this kind of control is also exercised when farmers take out funeral policies on behalf of their permanent employees, which creates a deduction to their salary.<sup>263</sup> Mr Pienaar alleges that such funeral policies are opened to enrich the Fairtrade farmer further rather than to benefit workers:

The farmer would come and ask for identity documents because what he was doing was opening up a funeral cover.... So what the farmer does for you when you pass away is that he will give you a hole where you can bury the deceased person, and he will buy you a coffin. The rest of the money will go to him.<sup>264</sup>

Several farmworkers on Fairtrade Farm 4 raised this issue of funeral policies.<sup>265</sup> They indicated that they had not given consent for the deduction of the funeral policy payments, but only learnt about the funeral policy when the money was deducted from their salaries. Furthermore, they alleged that farmworkers' families did not receive the benefits in the event of the policyholder's death. The workers were unsure of the legality behind this. On inspection of a printed copy of the funeral policy, it was found that the policy had been opened by the Fairtrade farmer, who had further designated himself as the pay-point for the policy pay-out in the event of a worker's death. It seems that this Fairtrade farmer has not only ensured his financial success within global production networks but that he apparently also profits from the death of farmworkers, who he has bonded to his farm.

In understanding the concept of 'dark value', this research has relied on Clelland's (2014: 82-83) description of the costs of labour being made to be less than the value of production through the exploitation of labour. This is an incredibly useful definition describing

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<sup>262</sup> Interview with Mr Pienaar, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

<sup>263</sup> Interview with Mr Pienaar, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

<sup>264</sup> Interview with Mr Pienaar, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

<sup>265</sup> Interview with Mr Pienaar, Fairtrade Farm 4, 28<sup>th</sup> September 2020; Interview with Mr Viljoen, Fairtrade Farm 4, 28<sup>th</sup> September 2020; Interview with Mr Jansen, Fairtrade Farm 4, 28<sup>th</sup> September 2020.

the nature of the bonded labour present on the Fairtrade farm examined throughout this chapter. The presence of issues such as bonded labour, racism and misogyny on the five Fairtrade farms examined in this chapter, despite the audits and standards of the FLO, indicates a shortfall in the implementation of Fairtrade standards. The decision to include large-scale commercial wine farms within Fairtrade certification suggests an assumption of a win-win Fairtrade model in a South African industry that has historically been characterised by dependency and paternalism.

### **7.7 Fairtrade's Win-Win Doctrine and Poverty Networks**

Fairtrade International was created to improve the relationship between marginalised producers and international (primarily European) buyers. For Manokha (2004: 218-219), the concept of Fairtrade, while uncritical of global capitalism in its aim to improve the functioning of existing systems rather than to transcend these systems, is still regarded as offering an overall positive impact which may alleviate issues of child labour, forced labour and slave-like conditions. In asking if the Fairtrade certification of white commercial farmers in the South African context was justifiable, Jari et al. (2013: 81) have argued that this inclusion has indeed promoted sustainable development as the benefits of Fairtrade are directed to local producers and that low-income farmworkers stand to gain the most from Fairtrade. Such accounts present Fairtrade as a mutually beneficial relationship whereby Fairtrade (white) commercial producers can enter global production networks, and low-income farmworkers can socially develop through the Fairtrade premium investment. Jari et al. (2013: 74-75) provide examples of some of the projects invested in by Fairtrade wine producers within their research in citing examples such as community centres, libraries, tertiary schooling bursaries, crèches, adult education, sporting tournaments, communal vegetable gardens, etc. While seemingly positive and beneficial, it is important to recognise that the commercial wine farm can develop through the operation of their farm, while the workers can only benefit through the farmer. This dynamic is, worryingly, similar to historical practices of soft paternalism, which emphasise shared benefits between farmers and farmworkers in the success of the farm, which hides the fact that the success of the farm is dependent on the exploitation of the farm's workers (Keahey, 2015: 443).

Anand Giridharadas (2019: 45-47) argues that while free trade and trickle-down economics have previously defined global economics, rising discontent with unfettered and exploitative capitalism has created a shift towards philanthrocapitalism. This concept is

premised on the idea that social change can and should be profitable. Giridharadas (2019: 52) argues that, despite proposing a win-win trade relationship, philanthrocapitalism stems from the desire for a social development that is favourable to business interests, arguing:

And what these winners wanted was for the world to be changed in ways that had their buy-in—think charter schools over more equal public school funding, or poverty-reducing tech companies over antitrust regulation of tech companies. The entrepreneurs were willing to participate in making the world better if you pursued that goal in a way that exonerated and celebrated and depended on them. Win-win.

By envisioning business as a positive-sum game, whereby social issues may be addressed through market-based solutions, there is a failure to recognise that industry and social issues have often worked antagonistically. Unlike these philanthrocapitalists, the fair trade movement has recognised that free trade is often harmful to the poor and marginalised. However, there appears to be an ideological departure from the original aims of the Fairtrade label, which has historically prioritised the empowerment of marginalised producers, through the application of the Fairtrade model to the South African wine industry (Kruger and Du Toit, 2007: 200-210). In many ways, the South African wine industry exemplifies how industry and social issues may work antagonistically. An example of antagonism is provided by Visser and Godfrey (2017: 40), who note that while the minimum wage for farmworkers is not enough to be sustainable, the majority of South African farmers would go bankrupt if they were to pay their workers the minimum wage. If the South African wine industry is sustained through farmworkers being paid less than the minimum wage (which is still less than what workers need to sustain themselves), has Fairtrade created a positive impact through its certification of large-scale, commercial wine farms? If the Fairtrade premium is used as stipulated by Fairtrade standards and is invested directly into the developmental needs of workers, this would undoubtedly be positive and would surely improve the lives of those workers. However, these workers would still operate on farms that may face bankruptcy if they were to pay their workers the legal minimum wage for their work. While the Fairtrade premium may improve the lives of farmworkers if Fairtrade standards are adhered to, would this be enough to consider South African wines to be ‘fairly traded’?

The reports detailed in this chapter are tragically consistent with the history of farm dependency in the wine industry. The conditions described in this chapter may not be said to signify a social downgrading (as the antithesis to social upgrading) as this would imply that conditions have worsened. Instead, the information provided by farmworkers on the Fairtrade wine farms is that their conditions have not changed meaningfully from South Africa’s history

of farm dependency. However, a key difference is that the introduction of the Fairtrade label has facilitated the entry of South African commercial wine producers into the global economy.

According to Clelland (2014: 82-83), dark value is extracted through exploitative structural relationships that form the global economy. The reports described in this chapter appear to describe dark value, as farmworkers produce goods for the global market while living in poverty, in inadequate homes and in a state of dependency on the farmer for their survival. Selwyn (2019: 73-76) argues that in such instances of poverty, imposed through the super-exploitation of workers, the term Global Value Chain should be replaced with Global Poverty Chain as the chain's success is subsidised by the dark value produced through worker exploitation. However, while Selwyn's (2019) understanding of Global Poverty Chains is insightful, his focus on market chains means that he gives inadequate attention to other systemic issues. The dependency examined throughout this project has not concerned a purely economic transaction but is instead integrally linked to a racial history that has resulted in South African commercial wine producers being overwhelmingly white and their workers black and coloured.

Chapter Four (Section 4.2) described the South African colonial economy as being built around slave and slave-like labour, demonstrating racism as a systemic issue that informs social, political, economic, cultural and spatial dynamics. Gender oppression has been discussed in terms of misogynoir, where men exert power over women through the lack of compensation for their labour and deprivation of the means of their survival. Women on farms are made dependent on men in a context where gender violence and femicide are rife. These are deeply entrenched societal issues that intersect while being rooted in their respective systems of oppression alongside other class and geographical issues. In such instances, one cannot reduce the complexity of intersecting societal issues with economic value chains, such as with Selwyn's (2019) Global Poverty Chains approach. We cannot discuss a context without consideration of the history that shaped that context. Similarly, we cannot discuss an industry without acknowledging the society in which that industry exists. To do so recognises a piece of a puzzle without a sense of the greater scope of the picture.

To illustrate this, a global poverty chain may examine the relationships between (for example) a farmworker such as Ms Botha to Fairtrade Farm 1, Fairtrade Farm 1 to FTI, FTI to an international retailer and the international retailer with a concerned consumer. While examining this chain may produce an understanding that the chain operates through the impoverishment of workers, this understanding is limited to the operation of the poverty chain. The reality, however, is that these practices of exploitation exist in a socio-political context that

is shaped by a particular history. Concerning the example of a global poverty chain highlighted above, there are numerous factors outside of the chain that are integral to understanding why such exploitation exists. In the context of the wine industry, there is a long history of colonialism that has shaped our society's social, political and economic functioning according to racial and gendered exploitation. The Global North has exploited the Global South since the beginning of colonialism, and there continue to be practices of exploitation such as the 'cheap and cheerful' narrative, which perpetuates the exploitation of farmworkers by local producers. Socio-political factors such as government discussions of land expropriation without compensation and worker collective action such as the De Doorns uprising appear to have elicited a hostile response from farmers, leading to the perpetuation of hard paternalism on the farms examined. FTI, which came about to address trade inequality, has now grown so large that some commentators say it functions as a business, apathetic (in practice) to its founding philosophy.<sup>266</sup> Limiting the analysis of the production of dark value to a single global poverty chain, therefore, lacks the nuance and depth to fully understand the various factors that produce farmworkers' poverty. Issues of racism, misogynoir and philanthrocapitalism, which relate to what has been discussed in this study, are not exclusively the fault of individual actors but are instead systemic and should be recognised as such. These issues should be understood as forming part of Global Poverty Networks in order to recognise the scope of the structure that exploits workers.

## 7.8 **Conclusion**

The application of Fairtrade to the commercial wine industry is supposed to entail a restructuring of trade relationships to the benefit of low-income farmworkers (Jari et al., 2013: 81). This restructuring of trade relationships has been beneficial previously for small producers such as the UCIRI under the Max Havelaar label (Robbins, 2013: 446). However, commercial wine farms in the South African wine industry are not small producers, meaning that FTI is now empowering large-scale actors in an industry that has historically been characterised by the extreme exploitation of farmworkers (Ewert and Du Toit, 2005: 318-325). What is concerning is that local producers in this study have pointed out that Fairtrade production networks do not function significantly differently from non-Fairtrade networks.<sup>267</sup> This

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<sup>266</sup> Email correspondence with Tom Heinemann, Bitter Grapes Documentary Creator, 27th September 2020 to 14th October 2020.

<sup>267</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020; Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

observation suggests that FTI does not appear to have restructured trade relationships but rather to have offered South African wine farmers a new means of marketing their wines to international consumers.

This chapter outlines the alleged practices on the five Fairtrade wine farms as described by the thirty farmworker participants. These alleged practices are extremely concerning because they are occurring on Fairtrade-certified wine farms which supposedly meet Fairtrade standards (Murray and Raynolds, 2007: 19). It is also alarming that the farmworkers interviewed showed little awareness of Fairtrade. These issues suggest that the social upgrading of farmworkers is left, by the FLO, to the prerogative of overwhelming white commercial wine producers in a manner that is frighteningly similar to the support provided by the Apartheid government to white farmers in controlling the lives and labour of their workers (McEwan and Bek, 2006: 1029-1030; Bek et al., 2007: 304-305). White commercial farmers have historically been enriched through the extreme exploitation of black bodies. If the allegations presented in this chapter are true, then it seems that the Fairtrade label is empowering and protecting South African commercial wine producers in a manner reminiscent of the KWV, which provided a platform for the sale of local wine alongside support for practices of farm paternalism and dependency (McEwan and Bek, 2006: 1029-1030; Ponte and Ewert, 2007: 8).

The conditions on the five Fairtrade farms visited are not conducive to social upgrading, defined as regular employment, worker rights, social protection, and social dialogue (Barrientos et al., 2011: 324). Systemic issues of oppression and dependency have been noted in farmworkers' experiences and in the accounts of media and trade union participants. The promotion of the extraction of dark value from farmworkers is further observed through the narrative of 'cheap and cheerful' Fairtrade wine, which forces local producers to find means to reduce production costs wherever possible. The Fairtrade farms described in this chapter are alleged to co-opt their Fairtrade Premium Committee, casualise their labour and perpetuate farm dependency. These implicated farms are therefore able to provide the desired 'cheap and cheerful' wine because their productivity is premised on the reliance on bonded labour, which may be recognised as a form of modern slavery (Manokha, 2004: 218-219; Gibbon et al., 2014: 174).

While farmworkers have organised collectively, such as during the De Doorns uprising, many farmers reacted to this struggle for social upgrading by seeing it through a lens of white victimisation, compounded with the narrative of 'farm murders'. This narrative mischaracterises workers' struggles for social upgrading and government efforts to address extreme inequality as a direct threat to white lives. These issues demonstrate the complexity



and nuance surrounding the inclusion of commercial wine farms within Fairtrade certification and the multi-layered barriers facing the social upgrading of farmworkers. Importantly, these societal issues point to the Fairtrade wine model structure as one that perpetuates dependency in a manner that disguises a global poverty network as 'Fairtrade'.

## **CHAPTER EIGHT: CONCLUSION**

### **8.1 Research Context**

In this study, I set out to investigate the implication of the inclusion of South African commercial wine farms within Fairtrade certification. Commercial wine farms have been predominantly white-owned and comprised of a workforce of black and coloured labourers. These demographics are the outcome of South Africa's history of colonialism and Apartheid, which has operated through the paternalistic control and institutionalised dependency of black and coloured farmworkers. However, through the political change brought by the 1994 implementation of democracy, systemic racial oppression has been considered to have ended, and a democratic South Africa has been permitted (re)entry into a global economy.

Following the implementation of democracy in the South African context, several ethical certifications were introduced to ensure that products traded from South Africa were done so in a way that reflected social ethics and development in a manner antithetical to the country's history of extreme systemic exploitation and oppression. Among these ethical certifications, the Fairtrade label was introduced to the South African context in 2003. Fairtrade International originated from the fair trade movement, which recognised that free trade was unfair towards the marginalised. A result of the fair trade movement was the Max Havelaar label by the Dutch organisation Solidaridad which certified coffee produced by the Mexican cooperative of UCIRI, successfully linking the otherwise marginalised coffee producers with European consumers concerned about ethical trade. The success of this label, which demonstrated how marginalised producers might be supported through ethical trade, gave rise to the creation of Fairtrade International in 1997. When it first began, FTI certified marginalised producers. However, Fairtrade certification has since been extended to large-scale, commercial farms, such as in the case of the certification of South African, often white-owned wine farms. This study has investigated the impact of this inclusion.

### 8.1.1 **Research Objectives**

The main objective of this research has been to determine whether the inclusion of commercial wine farms within the South African Fairtrade model results in social upgrading for the workers of such farms. Sub-objectives have included:

- 1) To describe the conditions on South African Fairtrade-certified commercial wine farms, as experienced by the farmworkers.
- 2) To investigate the individual experiences and perspectives of Fairtrade workers in exploring the subject of social upgrading.
- 3) To map out the production networks surrounding Fairtrade wine farms such as legislative policies, governance, media representation, union involvement and historical background, that contextualise the themes that emerge within this research.

### 8.2 **Summary of the Study**

This study asks if the South African Fairtrade wine model can secure social upgrading for farmworkers. A qualitative approach was adopted to address the objectives set out in this research. As this research focuses on exploring issues of farm paternalism, farmworker dependency and the prospect of social upgrading, it is of the utmost importance to prioritise the social meanings, experiences and perspectives of research participants. An essential component of the main objective of this research is the consideration that economic trade is integrally linked to socio-political context and history, which has underpinned the methodology of this research, as set out in Chapter One.

In Chapter Two, I examined the theoretical lineage of the Global Production Network framework from its origins in World-Systems Analysis, Global Commodity and Global Value Chain research. In detailing this history, I discussed the concept of dark value, which describes how production is not universally positive towards workers and how progress in production networks is not always possible due to exploitative ‘dark value’ being extracted from workers and marginalised producers. As a result, I have emphasised the need to consider social upgrading within production networks, encompassed by the four pillars of regular employment, worker rights, social protection and social dialogue. I further differentiated between a top-down and bottom-up approach to social upgrading, with the latter prioritising listening to workers. This was followed by Chapter Three, which examined the theoretical context surrounding the concept of ‘Fairtrade’ from its origins, as highlighted above, to its entry into the South African wine industry. Having explored the theoretical context related to GPNs and the South Africa

Fairtrade wine model, Chapter Four examined South Africa's background and context, beginning with South African colonisation and ending with an examination of the modern socio-political context in which the South African Fairtrade wine model now functions.

Following the discussion of the theory, background and context underpinning the South African Fairtrade wine model, Chapter Five sought to map out Fairtrade production networks. This detailing of Fairtrade GPNs included the perspectives of: international retailers such as Vinmonopolet and Alko; stakeholders in the wine industry such as WIETA, SKA and WOSA; and local producers such as Du Toitskloof, Origin Wine and Spier Wine. The purpose of this chapter was to gain an insight into the processes and realities of Fairtrade certification and the trade relationships that result from certification, which should be, theoretically, 'restructured' as a result of adopting the Fairtrade label. Chapter Six expanded upon the foundation set by Chapter Five by recognising socio-political actors in the form of the media and trade unions as a part of the Fairtrade production network. While the media and trade unions are not directly involved in trade, the global production network framework encourages the recognition of such actors as they play an integral role in Fairtrade GPNs. Chapter Seven serves as the heart of this research and focuses on the knowledge produced by Fairtrade farmworkers in detailing their experiences. While the issues raised in this chapter may not be unique to Fairtrade wine farms, with the lack of examination of non-Fairtrade farms being a limitation of this study, it is notable that these issues are being alleged on Fairtrade certified farms. As set out in Chapter One, I aimed to produce analytical generalisations through this research regarding the implications of the inclusion of commercial wine farms within Fairtrade certification. Analytical generalisations highlight empirical patterns among a small qualitative sample and relate these patterns to larger systemic issues. This final chapter will make some conclusions relating to the empirical patterns highlighted by Fairtrade farmworkers regarding the subject of social upgrading and dependency. In so doing, I will address the core question of this research regarding the implications of the inclusion of commercial wine farms in Fairtrade certification.

### **8.3 Findings of the Study**

In Chapter Five's examination of Fairtrade wine GPNs, it was found that South Africa is the largest producer of Fairtrade wine in the world. This means that the findings of this research are important not only for the South African context but for the entire Fairtrade wine model. An important finding regarding the sale of South African Fairtrade wines relates to what participants describe as the 'cheap and cheerful' narrative adopted by some international

retailers. Such retailers exploitatively undervalue South African wines. In addition to this issue, Fairtrade certification is a costly process, which means that it is most accessible to the largest and most powerful producers in the South African wine industry as they are best suited to manage these costs. In an attempt to prevent these costs from being a barrier to entry for local producers, FTI requires the incremental implementation of Fairtrade standards over a period of six years. However, this carries the risk of the Fairtrade label being unmaintainable for many local producers. Operationally, Fairtrade production networks were observed to function in much the same way as non-Fairtrade networks within the wine industry. These findings are consistent with criticisms by Jaffee (2012) of FTI having adopted a 'shallow' approach to its certification that is most accessible to powerful actors who may then exploit the Fairtrade system. This approach contrasts with the early history of the label when the focus was on empowering marginalised producers.

A key finding of Chapter Six is that while socio-political actors such as the media or trade unions are not directly involved in production networks, these actors can still impact production networks and workers (positively or negatively) through their advocacy. This chapter has found that workers actively pursue social upgrading through collective action, such as through the 2013 De Doorns uprising. Media and trade union actors have been found to promote worker collective action. Participants argue that the South African wine industry remains bound by issues of paternalism and dependency. They suggest that FTI is uninterested in addressing the issues which plague the Fairtrade wine industry. It is further argued that the South African wine industry is becoming increasingly volatile due to unsubstantiated claims of politically-driven murders of white farmers. These claims have arisen due to, and in defence against, discussions of land reform and acts of worker collective action. The allegations of paternalism and dependency made by interviewees discussed in this chapter suggest that some producers are co-opting the Fairtrade label as a marketing tool despite practices of farmworker exploitation.

Chapter Seven examines workers' experiences and perspectives on Fairtrade wine farms. Workers report being severely underpaid and having to endure unacceptable living and working conditions. In asking if social upgrading is taking place for these workers, it has been reported that regular employment is undermined by the casualisation of farm labour and the presence of labour brokers. Worker rights are compromised due to dismal living and working conditions. Workers are intimidated from gaining social protection through the threat of dismissal and eviction. Social dialogue between workers and farmers principally takes the form of paternalistic control.

#### **8.4 Further Areas of Study**

Further research is needed to investigate the operation of FLO-CERT in South Africa and its process of auditing. Further exploration of its activities would potentially explain how wine farms such as those described above can remain certified while not meeting certificatory standards. Comparative research, such as research which includes other Fairtrade wine producer nations such as Argentina and Chile, may provide important insights regarding the international Fairtrade wine industry as a whole. Future research could also compare the operation of Fairtrade and non-Fairtrade wine farms, which may produce informative insights regarding the norms and contextual factors of the South African wine industry and in relation to accessing international markets. A comparative study such as this may also deepen understanding of the actual impact of Fairtrade as a whole within the wine industry, and how the proposed benefits of the certification measure against alternative developmental efforts in the wine industry. Additionally, longitudinal studies may provide insights regarding the long-term viability of the Fairtrade certification for South African wine producers and the impacts of (voluntary and otherwise) de-certification from the label. In any further research pertaining to these issues, I implore researchers to listen to the experiences and perspectives of the workers in identifying their own developmental needs and the barriers which obstruct them, as social upgrading is most worthwhile if taken from a bottom-up approach. There is a wealth of knowledge to be learned from workers, and any future discussion of worker development should integrally consider their experiences and perspectives.

#### **8.5 Concluding Remarks**

The South African wine industry has a longstanding and painful history that began when colonists first ‘settled’ in the Cape through the barbaric murder and subjugation of the land's inhabitants. Wine production was initiated using slave and slave-like labour with the support of the colonial administration. During the later Apartheid era, the exploitation of black labour continued. Throughout this history, white supremacist attitudes and beliefs of child-like black ineptitude have justified institutionalised farm paternalism and farmworker dependency. In a modern and democratic South Africa, there is a desperate need for change to the systems which supported such repugnant exploitation and oppression. In considering the findings of this study, there is little evidence that FTI is driving such a change with its certificatory inclusion of commercial wine farms.

Even if the Fairtrade wine model operated as claimed by the FLO, workers would experience social upgrading only as long as they remain on the farm. Suppose a farmworker benefits from having a crèche for their children, library and clinic on the farm through Fairtrade premium projects. What is to happen to these benefits if the farmworker decides to leave the farm? These benefits remain on the farm, which serves to increase the value of the farm itself by adding new buildings and structures to the farm that are financed through the use of the Fairtrade premium. However, was it not through that individual's labour that they have earned the right to these projects? This is not to discount the value of clinics or adult education programmes for farmworkers. However, it is problematic that the workers' social development also makes them dependent on the farm. The South African Fairtrade wine model offers workers social development within the narrow framework of 'farmworker' needs. Ideally, they can only 'win' so long as they can ensure that the Fairtrade producer 'wins' too. However, this does not work the other way in that if a worker breaks their dependency on the farm, it is the farm that accrues the benefit of the worker's labour as the Fairtrade premium projects remain on the farm itself. The issue is that this means that in order to benefit from Fairtrade premium projects, those working on farms have to maintain a 'farmworker' identity.

Mr Strydom of Origin Wine has spoken of the importance of workers seeing life beyond the farm, expressing discomfort with how much of their lives, unfortunately, occur on the farm itself.<sup>268</sup> Mr Louw of Du Toitskloof stresses the need to further empower the elderly and retired on farms to ensure that they do not feel forgotten.<sup>269</sup> Neither of these participants added the caveat of 'and that should generate a larger profit margin' in expressing these desires. The key consideration was not how helping farmworkers might result in a win-win for the farm. Rather these sentiments arrive from recognising real problems and arguing for the importance of human dignity to address these issues. In including commercial wine farms within its certificatory standards, the Fairtrade win-win doctrine has instead negligently assumed that Fairtrade commercial farmers and Fairtrade farmworkers' interests will always converge. This is a dangerous assumption in light of South Africa living legacy of colonialism and Apartheid.

These allegations suggest that colonial exploitation and oppression practices are being reproduced in a modern, democratic South African context. According to Fanon (2008 [1952]: 86-88), it should not be assumed that colonial exploitation and oppression are easily undone through a colonised country's liberation, as systemic issues of oppression are part of the very

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<sup>268</sup> Interview with Wian Strydom, Origin Wine Supply Support, Telephonic Interview, 16<sup>th</sup> July 2020.

<sup>269</sup> Interview with Marius Louw, CEO of Du Toitskloof, Telephonic Interview, 4<sup>th</sup> May 2020.

fabric of society. It is harmful to assume that a philanthrocapitalistic Fairtrade wine model can address systemic issues through apathetically applied standards promoting a win-win doctrine in a South African wine industry that has been defined by extreme exploitation. The worker experiences and perspectives on the five Fairtrade wine farms described in this chapter suggest that the Fairtrade model is providing a contemporary platform for farm paternalism and dependency.

The win-win doctrine informing Fairtrade is also present in Global Commodity Chains, Value Chain and Production Network perspectives which present the global economy as offering win-win, 'value-added' market relationships. While these perspectives have developed out of World-Systems Analysis, they place less emphasis on colonialism and dependency, which were a key feature of World-Systems Analysis. As pointed out by Selwyn (2019: 73), this positive perception of the operation of the global economy ignores the prior establishment of expansive labour pools which have had poverty imposed onto them through systemic exploitation. This 'prior establishment' must be considered in terms of historical systems of gender, class and racial oppression. As reported by the workers of Fairtrade wine farms, the findings of this chapter may be said to be gravely concerning due to its description of human rights violations and slavery-like working conditions. It may not be said, however, to be surprising. South Africa's history is one of dependency, paternalism and slave-like working conditions resulting from racial and gendered exploitation.

In this study, it appears that FTI has adopted a shallow approach to its South African Fairtrade wine model. Furthermore, I argue that the 'cheap and cheerful' narrative among certain international retailers promotes the exploitation of workers rather than promoting their empowerment. Among the five Fairtrade wine farms visited, housing was severely lacking, with workers being exposed to flooding, pesticides and even wild bees due to cross-harvesting. These conditions are not unique to the South African wine industry and have been contested by trade unions such as CSAAWU and documented in forms of media such as the *Bitter Grapes* documentary. What is gravely concerning is that the farms referred to here are all Fairtrade certified and therefore presumably audited by FLO-CERT. This points to serious issues in terms of how the auditing process is being administered. These issues suggest that due to the label is being co-opted by producers seeking entry into Fairtrade production networks while continuing practices of farmworker dependency and paternalism. Considering these points, as well as the fact that South Africa is the largest producer of Fairtrade wine, it appears that the Fairtrade GPNs, which include farms such as those discussed in Chapter Seven, produce Fairtrade wine through the impoverishment of farmworkers that are made dependent on such



exploitation. As a result, such Fairtrade GPNs should be considered as global poverty networks. While there may indeed be some South African wine farms that strive towards farmworker social upgrading, the existence of Fairtrade-certified wine farms that exemplify our colonial past within a contemporary setting suggest that the Fairtrade inclusion of commercial wine farms promotes dependency instead of social upgrading.

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## **Appendix A: List of Interviews**

<b>Name</b>	<b>Position</b>	<b>Date of Interview</b>	<b>Place of Interview</b>
1. Boitumelo Ramahlele	CSAAWU Health and Safety Officer	8 <sup>th</sup> October 2020	CSAAWU Office
2. Edgar Blaauw	CSAAWU Representative	25 <sup>th</sup> March 2020`	Telephonic Interview
3. Linda Lipparoni	CEO of WIETA	27 <sup>th</sup> July 2020	Video Interview
4. Marius Louw	CEO of Du Toitskloof	4 <sup>th</sup> May 2020	Telephonic Interview
5. Mayrna Calow	Communications Manager of WOSA	14 <sup>th</sup> August to 7 <sup>th</sup> September 2020	Email Correspondence
6. Mika Kauppinen	Senior Category Manager of Alko	5 <sup>th</sup> August 2020 to 10 <sup>th</sup> August 2020	Email Correspondence
7. Sandra Kruger and Marthane Swart	SKA Consultancy	27 <sup>th</sup> July 2020	Video Interview
8. Sasha-Monique Elvik	Senior Sustainability Advisor at Vinmonopolet	16 <sup>th</sup> July 2020	Video Interview
9. Trevor Christians	CSAAWU General Secretary	25 <sup>th</sup> March 2020	Telephonic Interview
10. Tom Heinemann	Bitter Grapes Documentary Creator	27 <sup>th</sup> September 2020 to 14 <sup>th</sup> October 2020	Email Correspondence
11. Wian Strydom	Origin Wine Supply Support	16 <sup>th</sup> July 2020	Telephonic Interview

**Fairtrade Workers (Pseudonyms used)**

<b>Name</b>	<b>Date of Interview</b>	<b>Place of Interview</b>
12. Ms Botha	8 <sup>th</sup> October 2020	Fairtrade Farm 1
13. Ms van Wyk	8 <sup>th</sup> October 2020	Fairtrade Farm 1
14. Ms Du Plessis	28 <sup>th</sup> September 2020	Fairtrade Farm 2
15. Ms Jacobs	28 <sup>th</sup> September 2020	Fairtrade Farm 2
16. Mr Nel	28 <sup>th</sup> September 2020	Fairtrade Farm 2
17. Ms Pretorius	28 <sup>th</sup> September 2020	Fairtrade Farm 2
18. Ms Smit	28 <sup>th</sup> September 2020	Fairtrade Farm 2
19. Ms Williams	28 <sup>th</sup> September 2020	Fairtrade Farm 2
20. Mr Phillips	8 <sup>th</sup> October 2020	Fairtrade Farm 3
21. Mr Roberts	8 <sup>th</sup> October 2020	Fairtrade Farm 3
22. Mr Jansen	28 <sup>th</sup> September 2020	Fairtrade Farm 4
23. Mr Pienaar	28 <sup>th</sup> September 2020	Fairtrade Farm 4
24. Ms Snyman	28 <sup>th</sup> September 2020	Fairtrade Farm 4
25. Mr Swanepoel	28 <sup>th</sup> September 2020	Fairtrade Farm 4
26. Mr van der Westhuizen	28 <sup>th</sup> September 2020	Fairtrade Farm 4
27. Mr van Niekerk	28 <sup>th</sup> September 2020	Fairtrade Farm 4
28. Mr van Zyl	28 <sup>th</sup> September 2020	Fairtrade Farm 4
29. Mr Viljoen	28 <sup>th</sup> September 2020	Fairtrade Farm 4
30. Mr Abrahams	28 <sup>th</sup> September 2020	Fairtrade Farm 5
31. Mr Cloete	28 <sup>th</sup> September 2020	Fairtrade Farm 5
32. Mr Coetzee	28 <sup>th</sup> September 2020	Fairtrade Farm 5
33. Mr Daniels	28 <sup>th</sup> September 2020	Fairtrade Farm 5
34. Mr Davids	28 <sup>th</sup> September 2020	Fairtrade Farm 5
35. Ms Dunn	28 <sup>th</sup> September 2020	Fairtrade Farm 5
36. Ms Hendricks	28 <sup>th</sup> September 2020	Fairtrade Farm 5
37. Mr Joubert	28 <sup>th</sup> September 2020	Fairtrade Farm 5
38. Ms Pieterse	28 <sup>th</sup> September 2020	Fairtrade Farm 5
39. Mr van der Merwe	28 <sup>th</sup> September 2020	Fairtrade Farm 5
40. Ms van Rooyen	28 <sup>th</sup> September 2020	Fairtrade Farm 5
41. Mr Venter	28 <sup>th</sup> September 2020	Fairtrade Farm 5



## **Appendix B: Interview Schedule - Fairtrade Workers**

1. Had you heard of the Fairtrade label prior to this research?
2. Are the wages on a Fairtrade farm are better than non-Fairtrade farms?
3. Have you signed a contract for your employment?
4. How long have you worked on the current particular farm?
5. Are your wages paid to you by the farm owner(s) and if not, who is it that provides your payment?
6. Has your employment on a Fairtrade farm brought any benefits that you may not have had were you working on a non-Fairtrade farm?
7. Has there been any improvements to your community or surroundings that have come from the farm on which you are employed?
8. Have you been included in any meetings that concern the running of the farm, such as Joint Body meetings?
9. What has been your experience in working on a Fairtrade farm?
10. Have you had any type of interaction with the farm owner(s)?
11. How would you describe your relationship with your employer?
12. Do you have any form of ownership of the farm, such as in the form of shares?
13. What do you need to improve your own livelihood and does working on a Fairtrade farm assist you with meeting these needs?
14. What are your regular working hours?
15. Do these working hours change during the harvesting season?
16. Are your working hours fair?
17. Are you paid sufficiently for your work?
18. Will working on the current farm provide you with a chance to improve your living standards?
19. Would you work elsewhere if you had the chance?
20. Do you feel safe in your working environment?
21. Do you feel like you are treated fairly and properly by your employer and in working on the farm?
22. Have you experienced or witnessed any forms of discrimination take place while working on a Fairtrade farm?
23. Does the Fairtrade label make a difference in how the farm is run?

## **Appendix C: Interview Schedule - Fairtrade Union Representative**

1. Are there any noticeable differences between Fairtrade and non-Fairtrade farms, particularly in worker experience?
2. Do Fairtrade farmworkers have more access to trade unions than non-Fairtrade farmworkers?
3. Has this union had to deal with any issues specific to Fairtrade farms?
4. Has the Fairtrade label provided any opportunities for black ownership of commercial wine farms?
5. Is the job security on Fairtrade farms different in any way from what is commonly seen in the wine industry?
6. Have Fairtrade farms provided any improvements to the communities of their workers?
7. Do any Fairtrade farms use workers on a seasonal basis?
8. Are Fairtrade commercial farmworkers included in any managerial capacity, for example in Premium Committee meetings?
9. What are some of the important issues that are facing farmworkers in the wine industry currently? Which of these issues apply to Fairtrade farms?
10. Can Fairtrade create a positive change within the wine industry?
11. Has the implementation of Fairtrade aligned with South African goals of reformation in any way?

## **Appendix D: Interview Schedule - Commercial Fairtrade Farm Owner**

1. When did the farm receive its Fairtrade certification?
2. What was the reason for applying to the Fairtrade label?
3. Are there pressures that come with being Fairtrade certified that you would not experience were the farm not certified?
4. What benefits have come with Fairtrade certification?
5. Do the benefits of Fairtrade certification outweigh the pressures of certification?
6. Can you describe the process of recertification?
7. Have you had to change the operation of the farm to be certifiable?
8. Has Fairtrade certification made a difference for the workers of the farm?
9. How are workers included within the management of the farm?
10. Do you intend to remain Fairtrade certified in the future and are there any reasons that would dissuade you from re-certification?

## **Appendix E: Interview Schedule - International Retailer**

1. What brands of South African Fairtrade wines are sold within your stores?
2. Do you sell non-Fairtrade South African wines?
3. Is there any preference for Fairtrade wines over non-Fairtrade wines within your stores?
4. What motivated the decision to sell Fairtrade South African wines?
5. What, in your understanding, is the perception of the organisation concerning the South African wine industry? Is this perception positive or negative?
6. Is there a different perception of the organisation towards South African Fairtrade wines as compared to the rest of the South African wine industry in the view of your company?
7. Do consumer patterns show a preference for Fairtrade wines over non-Fairtrade wines?
8. Of the South African Fairtrade wines, which of these wines may be described as the best seller?
9. In consideration of consumer patterns within your stores, may it be said that consumers show a preference for wines with a distinct 'story' of origin, such as the wine being created by a long-standing family business?
10. In further consideration of consumer patterns, is there any difference in marketability of wines with a longstanding history and branding as a 'family business' compared to newer 'empowerment' wines that brand themselves as being the product of worker 'co-operatives'?

## **Appendix F: Interview Schedule - WIETA**

1. From your understanding, what impact has the COVID-19 pandemic had on the South African wine industry?
2. What, if any, lasting impact do you think that the COVID-19 pandemic will have on the South African wine industry in terms of job loss and or farm closures?
3. In your experience, how important is an ethical trading certification like Fairtrade or WIETA for wine producers in terms of accessing international markets, particularly those in Europe?
4. Looking back at the 2016 release of the Bitter Grapes documentary, what impact did this documentary have on the perception of South African wines among international, particularly European, markets?
5. Has the perception created by the Bitter Grapes documentary among international markets changed in recent years?
6. With regard to the South African wine industry, what do you believe may form the roadblocks between fostering a better social dialogue between grape/wine farmers and farmworkers?
7. Is there any aspect of the Fairtrade model within the wine industry that you believe to be effective in facilitating fairer trade relationships and are there any reservations or criticisms that you have of this model?
8. In what ways has the South African wine industry progressed in terms of social development for farmworkers and what improvements do you believe still need to be made?

## **Appendix G: Interview Schedule - Tom Heinemann**

1. Could you tell me what it was like trying to contact Fairtrade and your experience with that?
2. In your time here during the making of the film, was there any actual difference that you could notice between Fairtrade and non-Fairtrade farms?
3. In looking back at your experience conducting research here for the film, what was your experience interacting with local farm owners and managers?
4. What initially motivated you to create the Bitter Grapes film?
5. What was it like for you following the film's release in terms of European media/public response and South African media/public response to the film respectively?
6. Do you think that something like Fairtrade can ever really be effective at the scale that it currently operates at?

## **Appendix H: Interview Schedule - Sandra Kruger & Associates**

1. Do you currently work with Fairtrade wine farms?
2. Going back to the earlier years, could you tell me a bit more about what your experience was like then? In terms of dealing with farms and what the situation was that you would find back then?
3. Has the auditing process, itself, become more precise?
4. For training the premium committees, what does that usually look like? How would you go about that?
5. What would assembling and assisting the premium committee in the early years of Fairtrade certification look like?
6. Could you tell me more about the progression from year zero, year three, year six with Fairtrade certification standards?

## **Appendix I: Interview Schedule – WOSA**

1. As a member of WOSA, what impact have you noted the current COVID-19 pandemic to have had on the South African wine industry, particularly in regard to accessing export markets?
2. Prior to this pandemic, what has the experience and or some of the challenges faced by WOSA been regarding the marketing of South African wines to international export markets?
3. In your experience, how important is an ethical certification for South African wines in the effort to access international export markets?
4. Which countries place the greatest emphasis on ethical certifications such as SWSA, WIETA or Fairtrade for entry into their markets?
5. With WOSA playing a key role in marketing South African wines to international markets, is there more of an emphasis placed on new world producers like South Africa to have ethical certification compared to Northern wine producers such as Italy?
6. From your experience, how are South African wines perceived by European markets, particularly in the wake of media coverage such as with the Bitter Grapes documentary?
7. Regarding the value of South African wines as compared to other producers, have you noted any disparity or difference in terms of how South African wine is valued in comparison to other producers? If there is any difference, why might that be the case?
8. In recent years, has there been an emphasis placed on environmental sustainability certification by export markets?
9. In your experience and understanding, what are some of the pressures and needs of South African wine producers in accessing international export markets?
10. As an expert in the industry, why do you think that there is this low price point in terms of South African wines, especially in light of Fairtrade mechanisms such as price floors?
11. In your experience, have you noticed any differences between Fairtrade and non-Fairtrade wine farms in terms of social responsibility (beyond the main difference of the Fairtrade premium)?
12. Do you think that low price points may also have an impact on the conditions of these Fairtrade farms as well?
13. Lastly, do you think that these Fairtrade premiums can actually achieve their goal of creating fairer conditions on South African wine farms, particularly in terms of improving the



lives of farmworkers or are there perhaps better ways of going about social development on wine farms?