

MSc- thesis Rural Development studies

“Farm workers in the South African fruit industry”

The impact of fair trade: a case study

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MID

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Preface

After a captivating period of an internship and ensuing fieldwork for my Master thesis in South Africa, writing this acknowledgement finalizes my thesis and my study. I was fortunate to stay in Stellenbosch and travel with my rental car through the Western Cape interviewing farm owners and their farm workers. Meeting farmer owners and farm workers were the greatest moments of my thesis, especially the farm workers in Citrusdal and their commitment towards their work.

This thesis would not have been possible without the support of a number of people and organizations. First of all I would like to thank my supervisor Paul Hebinck, for his guidance and advice. I appreciated that we met each other in Stellenbosch and discussed my research project on fair trade. Secondly I want to thank Martin Boon, from Fair Trade Original in Culemborg, the Netherlands. He was responsible for providing contact details of the CDA in Citrusdal.

During my stay in South Africa I met many people who contributed to this thesis. First of all I would like to thank Joachiem Ewert, professor of the University of Stellenbosch for his advice.

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Summary

This study explores the effects of fair trade on the workers in the fair trade wine industry in the province The Western Cape in South Africa. Two regions are studied, namely Namaqualand and Cederberg. This research aims to give a voice to the stories of the workers and the experiences of fair trade farm owners.

To understand fair trade in South Africa, it is important to understand some concepts. First of all it is important to look at the history of fair trade and the impacts of globalisation. Fair trade is best understood as a response to the negative effects of contemporary processes of globalisation. Developing countries didn't benefit at all from the new globalisation movement. Fair trade was developed out of ideology and against the main stream market.

The philosophy behind fair trade is to increase the welfare of families in the developing world by eliminating unnecessary middlemen along the supply chain, creating a kind of social conscience amongst retailers and consumers in the target country.

It is hard to subscribe the impact of development to fair trade only. The outcomes depend on issues such as the assets the producers have, the support offered by the fair trade organization and other additional resources the fair trade network might attract.

Fair trade in South Africa was somehow controversial, because of the Apartheid regime in most of the 20th century. The inclusion of the still white owned commercial farms was a critical and major debated issue in the fair trade movement. Fair trade was seriously challenged, as in the eyes of many critics the FLO should favour small, black producers and not the large scale farms and their owners.

To understand the labour relations in the South African wine industry, the history of South Africa must be understood. From the moment the first white settlers arrived in South Africa in 1652, the interaction with the local population (Khoisan) determined the labour relations as they are now. Even worsened by the Apartheid regime, relations between white farm owners and black labourers are now very unbalanced.

The wine industry in South Africa is an important sector for the economy. Wine is the largest export group and the counter-seasonality to Europe contributes to this.

In the Western Cape, the wine industry is an important player, so far that it even marked the landscape. It contributes to the local and national economy.

Although South Africa is seen as a 'new producer', the first vineyards were planted as early as 1655. Wine production has always been dependent on cheap black labour.

In recent years, the South African wine producers have found themselves under considerable pressure both to produce better-quality wines and to act in a socially responsible manner with regard to the employees and environment. The industry has faced profound changes, including the transition to democracy, deregulation of the industry, the extension of labour legislation to agriculture and the opening of international markets.

Since 2002 there has been an increase in the number of South African commercial farms, particularly fruit farms certified by FLO. The expansion of fair trade into South African plantation agriculture has forced FLO to reinvent and re-image 'Fairness' and what is 'fair trade' in the South African context.

Both case studies show that fair trade has had a significant effect on the working and living conditions of the workers. The farm owners, however, struggle mainly with the implementation of the fair trade standards.

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List of abbreviations

ANC	African National Congress
ATO	Alternative trading groups
BEE	Black economic empowerment
CDA	Community development organization
EFTA	European fair trade association
FLO	Fair trade Labelling organisation
FLO-cert	Fair trade Labelling organisation certification
Fair trade	fair trade
GOV	Gemeenskap Ontwikkeling Vereeniging (Community Development Association in Afrikaans)
HACCP	Hazard Analysis Critical Control Points
ILO	International Labour Organization
IMF	International Monetary Fund
KWV	Kooperatiewe Wijnbouwers Vereeniging Zuid Afrika (Cooperative Wine maker association in Afrikaans)
NGO	Non Governmental Organisation
SA	South Africa
VOC	Verenigde Oost-Indische Compagnie (<i>Dutch East India Company</i> in Dutch)
WTO	World Trade Organization

Translations

Baie	Very
Boers	Farmers
Degelijk	Thorough
derde-deel	Third part
dop	Tot
dop stelsel	Tot-system
En alles	All the time
Kak	Nonsense
Kampongs	Compound
Leningplase	Farms rented from the government
Onbeskof	Rude
Vloek	Curse

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Introduction

Stellenbosch is situated in the province the Western Cape in South Africa. It is a small town characterized by lanes of oak trees and houses at the sideline, white Cape-Dutch style colonial houses, at the very end of the lanes the rugby fields and the hills appear. Just outside Stellenbosch you will find the beginning of the oldest wine route of the world. The wine route leads you through a green hilly landscape. The vineyards of the farms are big both in name and reputation as well as in size. Many of them carry old Dutch names.

This is how tourists experience the social and natural landscape when they follow the wine route. Looking more closely reveals another reality. The large white colonial houses on the vineyards are mainly owned by white farm owners. Behind these houses you see tiny cottages where the permanent workers live together with their family members. Just outside Stellenbosch, at the edges of the town, you will find the townships where the seasonal workers reside.

These 'hidden' social differences in housing are among the many heritages of years of colonialism and apartheid. Until 1994 white landed and urban elites controlled regional and national politics.

Agriculture was strongly regulated by the state and exports could only take place through state controlled parastatal companies. The predominant labour regimes on the large scale farms evolved from slavery into paternalistic forms of control over labour. Farm workers, who had no rights at that time, had to stay on farms and in most cases were paid in alcohol.

Especially during the last years of apartheid, civil society organisation all over the world protested against the segregationist apartheid regime by boycotting South African products.

At the end of the 1990s globalisation of world agro-food economy was in full swing and this went hand in hand with the deregulation of agriculture. For South Africa the deregulation took place at the time of the beginning of a new political dispensation. Post-apartheid policies coincided with globalisation and deregulation and a series of new labour laws aiming to improve working conditions on large farm. For the labour regime on South African wine farms deregulation thus comprised more than higher export revenues. It meant democratization and pro-worker legislation (Ewert and Hamman, 1999).

Far from having a totalizing effect, globalisation at all levels is mediated by culture and ideology resulting in differentiation and heterogeneity (Ewert

and Hamman, 1999). Despite this heterogeneity, some observers of labour regimes detect one common element: the labour conditions worsened in the deregulation of labour. Marsden (1992:210) expressed this by stating: “through the increasing dominance of transnational corporations and finance capital, labour becomes to be re-valued on a global scale, to becoming the weakest link in the new regime of international accumulation.” Many labour processes reproduce higher levels of dependency and vulnerability in the form of part-time female work, home workers, seasonal labourers and so on.

Globalisation and market liberalization stimulated other key players to differentiate from others in their quest for economic glory. Niche building became the magic word to restructure economic sectors and labour forces (McMichael, 1995).

A perfect example of such niche markets is fair trade. Fair trade can be seen as an organized social movement which promotes standards for production practices and delivery procedures, working condition, labour wages, environmental care and social policies in supply chains of certified goods. The fair trade movement critiques the conventional agro-food market by connecting producers in the South with consumers in the North through alternative trade channels that are more equitable than those typical of conventional trade networks (Murray and Raynolds, 2000; Raynolds, 2002, 2003).

Fair trade was initially mainly associated with small-scale producers, cooperatives and other forms of collective organisation. When the portfolio of fair trade products was expanded from typical smallholder crops like coffee and cocoa to other crops like bananas, mangoes and tea where medium and large scale production systems prevail, the position of plantations posed new challenges to the fair trade movement. Nowadays tropical fruits (bananas, citrus, mangoes and pineapple) are the major fair trade products (Murray and Raynolds, 2007: 10).

Reading the *Allerhande* of the supermarket Albert Hein chain, the article on fair trade wine farm owners in South Africa caught my eye. This article, or more a travel report, is written by Fair Trade Original¹ and describes fair trade wine farms in Citrusdal. Farm workers are interviewed on what fair trade mean for them and what changes it brought into their lives. The article describes the benefits for the farm workers now their wine is labelled fair trade. The article stimulated me to phrase questions such as

¹ Fair Trade Original is the Dutch initiative of Max Havelaar. The company buys products under fair trade terms and offers the producers support in product development (Fair Trade Original, 2010).

‘who are these farm workers in the fair trade wine industry in South Africa’, ‘do they receive benefits from working in the fair trade sector’?.

To meet fair trade criteria, wine farm workers need to see what is benefiting their community. I decided to devote my thesis and internship on this challenging and interesting topic. I decided to contact Fair Trade Original. Martin Boon, consultant of several products of South Africa reacted enthusiastic. By coincidence, we arrived in Stellenbosch in the same week and decided to meet each other. His contacts in the South African wine industry made it possible for me to do an internship at the CDA in Citrusdal. Consulting the literature I soon realized that a lot of research focuses on fair trade coffee, bananas and cacao. Research on fair trade wine is rather limited, except some work done on ethical aspects of the wine trade. This made me more convinced that I choose the right subject for my thesis.

Outline of this thesis

Chapter 1 lays out the conceptual cornerstone of the thesis. It explores shortly what globalisation stands for and how to position fair trade in the process of globalisation. The chapter will also narrate the history of fair trade. Towards the end, I will formulate my main research questions and explain my way of working during my studies in South Africa. **Chapter 2** is a short description of the wine and sector in the Western Cape as a background to **chapter 3** which deals with fair trade in South Africa. **Chapter 4** contains an analysis of the case material I developed during my field work. **Chapter 5** is used to formulate my main conclusion and reflect upon the research process.

Chapter 1 Fair trade and Globalisation

This chapter reviews a selected body of literature concerning globalisation with a view to identify and portray globalisation. A second major task of the chapter is to elaborate fair trade and how to theoretically position it in globalisation processes.

Globalisation

Fair trade is best understood as a response to the negative effects of contemporary processes of globalisation. Fair trade should not be seen as an “anti-globalisation movement”, but rather be part of the “new globalisation” (Evans, 2005) following a strategy of reframing globalisation from below (Falk, 1997). To understand globalisation and the challenges of fair trade, it is necessary to look back at the past 50 years (Murray and Raynolds, 2007). Since the Second World War the politic and economic ties between countries and national and regional economies began to deepen, linking these economies to the global economy. The general effect has been described as the emergence of global realities (Dicken, 1998; Hoogvelt, 1997). With the globalisation of production and consumption, people in the Global North became familiarized to cheap and readily available food and other products. Wealth increased in some parts of the world, leaving other parts unfortunate, creating income inequalities within and between countries (Barrientos, 2000).

The processes of globalisation have stimulated a “race to the bottom” where corporations compete globally to exploit the lowest possible cost for human and environmental inputs. Workers and producers, first in the Global South and later in parts of the North, saw real wages, incomes and standards of living stagnate or decline. The rise of the transnational corporations has accelerated the process of globalisation. Powerful private enterprises (e.g. multinationals) managed to progressively shape the global economy. This has manoeuvred them in a position to exploit international trade and to increase their influence over economic, political (Held et al., 1999) and cultural (Appadurai, 1990) realities worldwide. The International Monetary Fund (IMF) and World Bank have been promoting neoliberal economic policies forcing the deregulation of national economies. The creation of the World Trade Organization (WTO) in 1995 stands for the neoliberal free trade vision of world development (Murray and Raynolds, 2007).

The globalisation of the world agro-food economy and the simultaneous unprecedented deregulation of agriculture is a generally recognized fact at the end of the 1990s. Both at the level of consumption and the level of production and distribution, the agro and food economy has been restructured in radically new ways, with transnational corporations as the main agents driving in the process of internationalization (Watts and Goodman, 1997; Marsden, 1992). Being partners in the liberalisation of the (world) market, transnational corporations and other sponsors of the globalisation project set out differentiation as the path to economic glory. "Find your niche in the global economy" seems to be their motto, with niche building, more often than not, being a polite way to restructure economic sectors, labour forces and nation states to serve global investors (McMichael, 1995).

Globalisation is often discussed; however there is a lack of agreement over its definition and extent. Broadly globalisation relates to a shift away from the predominance of nation states and increased integration between countries. At the same time there has been a reduction in the role of the state in both economic and social policy domains, with increased emphasis on the free market. Trade barriers between nations have been reduced, global processes have allowed a conflating of time and space and we are all now participants in a 'global village' (Amin and Thrift, 1994). Higgott (1999: 24) sees globalisation as a "developing and by no means irreversible process in which a range of actors, transnational companies, non-governmental institutions play increasingly significant roles".

The paradox of globalisation is that not all participants are equally benefiting. Barrientos (2000: 563) argues that "an important aspect of this has been the expansion of employment generated by export production, often in insecure work with poor labour conditions and low pay". A key feature of globalisation has been the rapid expansion of information technology and global communication systems, along with the increasing dominance of large corporations. This includes information on adverse employment conditions endured by most workers in export industries in developing countries, along with stories of damage to health, child labour and even forced labour. An important reason given for the rise of fair trade is the pressure that has been exerted on companies by consumer groups and Non Governmental Organizations (NGOs). Globalisation thus has both positive and negative effects. In the development countries, the negative effects dominate. Enduring poverty and increased unemployment are the clear manifestations of this. Where free markets are in full swing, companies seek new means of addressing social problems in their supply

chains by adopting a form of regulation, like ethical or fair trade. This is often seen as the positive side of globalisation. This thesis sets out to critically examine this positive claim.

History of fair trade

The history of fair trade is well described by Reynolds (2007). The first initiatives were taken round the 1940s by North American and European groups, assisting disadvantaged groups by organising alternative trade networks. The alternative trading groups (ATOs) started by buying handicrafts from poor producers in developing countries to sell them directly to consumers. From the 1960s onwards the sales expanded and resulted in opening of handicraft stores, in the Netherlands known as '*Wereldwinkels*'.

In 1980s these efforts of the ATOs evolved into a fair trade movement, with shared norms based on ideas of 'fairness', common practices involving direct importing sales and an institutional framework of ATOs.

The *Wereldwinkels* broadened their range of products to include food products, the first being fair trade coffee from Mexico. The *Wereldwinkels* were developed out of ideology and against the mainstream market. However the outreach of this niche market was only marginal, making it necessary to sell products in mainstream means. To introduce fair trade products in the mainstream markets, labelling organizations were formed, of which the Max Havelaar Foundation was the first. Soon after this first labelling initiative, other Western European countries joined together in the umbrella group Fair Trade Labelling Organization (FLO) in 1997. The headquarter of FLO is situated in Bonn, Germany. In 2002 FLO launches the international fair trade certification mark, to improve the visibility on the shelves for consumers. In 2004 FLO splits into two companies; "FLO which sets fair trade standards and provides producer support, and FLO-CERT, which inspects and certifies producer organizations and audits traders"(Fair Trade, 2010).

Since 1998 FLO has worked together with other major ATOs to find common ground and search for mutual interest through an informal alliance called FINE, "an acronym made up from the first letter of the member group names: FLO, IFAT, News! and ETA" (Raynolds, 2007:10).

The most worldwide used definition of fair trade is the one used by FINE:

"Fair trade is a trading partnership, based on dialogue, transparency and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers- especially in the South. Fair trade organizations are engaged actively in supporting

producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade” (Fair Trade, 2008).

Definitions of fair trade

First of all there are different definitions of fair trade. The term fair trade is used to describe the certification and labelling system registered by FLO².

The term fair trade is used to refer to the fair trade movement as a whole and can be used to describe both labelled and unlabelled goods and the work of ATOs. The term fair trade is a broader term used to describe both of the definitions of the above (FLO, 2010). In this report both definitions are used.

FLO standards

FLO has different standards for two different Fair trade situations; namely (1) small farmer organisations and (2) plantations, with a hired labour force. Besides the fair price for the product, the farm owners and owners receive a premium. This fair trade premium is called ‘social premium’ and is normally between the 5 and 15% of the total sales price of the product. The social premium is meant to be spent on projects that improve the living and working conditions of the smallholder farm owners, workers and communities.

In case of the plantations, the farmer receives a fair price for his product and the workers receive the premiums. The premiums are managed by worker groups, the joint body. In this study the focus is on the plantations with hired labour.

The FLO standards for plantations with hired labour are:

- Social development
 - Freedom from discrimination
 - Freedom of labour
- Economic development
 - The premium is paid to the joint body
 - The premium is only for use for the community
- Environmental development
 - Reduce volumes of agrochemicals
 - Reduce waste (Fair Trade, 2010)

² FLO is a non-profit, multi stakeholder body that is responsible for the right direction of Fairtrade, sets Fairtrade standards and supports producers (FLO,2010)

Due to the past of South Africa FLO developed different standards that fit to the specific South African circumstances. In 2004 this guidance was developed which required that Hired Labour producers that are certified must be worker empowerment projects in which: (1) the workers have a 25% legally protected interest, (2) the workers are represented on all levels of operational management and (3) there is an auditable skills development and capacity building program (Fair Trade, 2010).

The purpose of fair trade

There are several definitions used to characterize fair trade. Partnership, dialogue, transparency, respect, empowerment and fairness are keywords in most fair trade definitions. Fair trade goes beyond the mere exchange of products, since it pursues fairness and changes in the conventional rules that govern in the international commerce. It places the people above the earnings. The philosophy behind fair trade is to increase the welfare of families in the developing world by eliminating unnecessary middlemen along the supply chain, creating a kind of social conscience amongst retailers and consumers in the target country. This implies a long term relationship between the trading partners with certain criteria of ethics and solidarity (Raynolds, 2007). To summarize, the four fair trade benefits are:

- Fair and stable price for the products
- Extra income for farm owners and workers
- Greater respect for the environment
- Closer link between consumers and producers (Fair Trade, 2010)

Although the fair trade network was originally meant to function as groundwork for an alternative trading system, the goals changed in the late 1980s as the movement sought to gain a larger market share by transforming the mainstream market (Fridell, 2006). Taylor (2005: 135) describes this as fair trade's 'mainstream strategy' which aims to reach this increase in market share by incorporating large retailers and multinationals in its network.

The reorientation of the network was, in part, driven by the desire to meet the needs of certified partners in Latin America and the global South (Renard, 1999).

Nowadays the market success of fair trade certified products is also stimulated by a rising engagement of large scale international retailers, branders and other organisations that bring fair trade to the mainstream public. The involvement of the dominant brands like Nestlé, Starbucks, and large supermarket chains like Carrefour and Tesco (Raynolds et al, 2007).

The literature

The reorientation of the network marked a key turning point in the history of fair trade. Understanding the vision of the network requires an understanding and appreciation of its history, prospects and limitations as well of the assessing the recent perspectives on fair trade (Fridell, 2006).

Important work that reflects the vision of major fair trade groups, of the networks reorientation is that of Brown (1993). Brown argues that fair trade can provide solutions for unequal exchange between consumers and producers as well as between the North and the South by giving Southern producers greater access to technology, education, credit, value added processing and storage facilities while at the same time protecting them through guaranteed prices, strict labour standards and bonds of solidarity between consumer and producer. Most of the authors (for example Murray and Raynolds, 2007; Barrientos, 2000) that have examined fair trade in recent years, departed from Brown's vision and followed neo-liberal trends in the network and the international political-economic order in general.

The fair trade network has grown over the past years and fair trade products have become increasingly popular by consumers. In academic circles this interest has led to a small but gradually growing body of literature. Academics began to look at ways to systematically evaluate the impact of fair trade on poverty (Raynolds, 2002; Taylor, 2005). Recent literature does not show consensus on how to interpret or conceptualise fair trade. Fair trade has been proposed as an alternative to traditional foreign aid, at the same time offering a challenge to global trade regimes controlled by large multinational corporations. Instead of creating a niche market, fair trade products are directed to mainstream consumers through a wide network of retail outlets. Some authors remain critical on the possibilities of fair trade to challenge or transform neo-liberal trade regimes (Fridell, 2006), while others point to the inherent tensions between market expansion while maintaining consumer support (Murray and Raynolds, 2007). Other discussions took place on what is the most appropriate strategy for enabling further growth of fair trade towards broader market segments, based on furthering alliances with leading agro-food and retail companies and including deliveries from midsize producers and plantations.

Fridell (2006: 9) provides a framework “for a critical assessment of the different interpretations of fair trade to reveal the implicit debated between them”. Fridell identifies three different perspectives used in the literature.

The first perspective is the *shaped-advantage* perspective: writers who focus on fair trade as an exercise in enhancing the social and cultural capital, institutional capacity and market skills needed for poor producers to enter the global market under more constructive conditions by taking advantage of a socially conscious ‘market niche’ in Western-Europe and North America.

Some authors see fair trade as a project designed to assist the poor producers in improving their position in the global economy through training and the development of networks based on trust and cooperation. Case studies done to support this perspective focus on producer cooperatives and the impact of the network on the community (Raynolds, 2002; Taylor, 2002). One of the shortcomings of this perspective is that the aims and practices of NGOs are hardly examined. “To certification bodies as FLO and the large fair trade promoter Oxfam International, what fair trade is about is not just enhancing the abilities of Southern partners to survive and compete in the global economy but confronting and changing the unfair structures of world trade” Fridell (2006: 17).

A broader perspective is the ‘*alternative-globalisation* perspective’. This perspective is that of fair trade as a model for an alternative to the neoliberal paradigm (Jaffee, Kloppenburg, Monroy, 2004; Waridel, 2002; Lappe and Lappe, 2002; Raynolds, 2002; Van der Hoff Boersma, 2001). These writers are in line with the new fair trade’s new orientation, the state is not seen as a primary agent in development. The main goal is to find an alternative to neoliberal policies, but not to the global capitalist system in general. Some writers depict fair trade as a true free trade movement. Others follow Karl Polanyi to “re-embed international trade relations and change the rules for how markets are constructed and administered, how they deliver and apportion economic benefits to participants”(Jaffee, Kloppenburg and Monroy, 2004; Raynolds, 2002). These authors have in common that they see fair trade as a project designed to challenge neoliberal policies and reform the market so that it “serves people and the other way around” (Jaffee, Kloppenburg, Monroy, 2004; Waridel, 2002; Lappe and Lappe, 2002; Van der Hoff Boersma, 2001). From a historical point of view, the limits of the market have compelled fair trade proponents to abandon their vision of a state-regulated alternative

trading system and instead deal with transnationals. These transnational are making only small commitments to fair trade, like for example Starbucks that sells only 1-2 percent of its coffee beans under the fair trade system.

The third perspective is the '*decommodification* perspective'. Most fair trade analysts argue that, more than a challenge to the social inequalities in the global trade, fair trade is a challenge to the core values of global capitalism and its imperatives competition, accumulation and profit maximization. While fair trade's ability to challenge the global trading system directly is limited, its greatest potential is seen in its ability to raise awareness among Northern consumers (Le Clair, 2002: 956; Simpson and Rapone, 2000: 54; Blowfield, 1999: 767; Bird and Hughes, 1997:166).

Impact studies

As Tallontire (2002) argues, it is hard to subscribe the impact to fair trade only. The outcomes depend on issues such as the assets the producers have, the support offered by the fair trade organization and other additional resources the fair trade network might attract. Paul (2005) discusses that most existing studies have been bespoke by those involved in it, making it difficult to compare different fair trade interventions with each other and with development initiatives.

Several studies have tried to capture the impact of fair trade on local producers and households, but sound empirical evidence regarding social, economic and ecological impact remains scarce and sometimes contradictory (Ruben, 2008). If research has been done, it is on small scale coffee farm owners or large banana producers.

Fair trade has been widely studied for coffee production (Ponte, 2002; Rice, 2001). Citrus fruit and wine grapes have hardly been examined by fair trade scholars. A possible explanation for this limitation of studies may be related to fair trade standards. These have for years focused on small-scale producers and farm owners. For over 70% of the total worldwide produced coffee is produced by smallholder farm owners in Latin-American, Asian and African countries (Brown *et al.*, 2001). Research on fair trade on plantations or large farms is not very common. The exception are bananas as these are produced by smallholders as well as on plantations. The expansion of fair trade bananas sourcing from fruit plantations and the subsequent FLO certification framework for hired labour in plantations crops asks for new methods and procedures for defining fair trade impact.

Tropical fruits are nowadays the major fair trade products and represent more than 60% of total certified volume and roughly a quarter of total fair trade value (Raynolds and Long, 2007).

In the case of coffee and cocoa, mainly smallholder producer organizations became eligible for certification. However for crops like bananas, citrus fruit and tea the certification has been expanded to include large agricultural enterprises that maintain minimum standards regarding labour practices, environmental care and union organization. Certification standards thus vary between crop type and social organization (large farm or cooperative), but share common characteristics with respect to perceived social and economic development principles.

Impact studies concerning fair trade labelled products, looking at longitudinal changes in welfare and livelihood conditions are notably absent. The European fair trade association (EFTA) provides an overview of impact studies that were realised since 2000, but none of these studies rely on ample field work data or on a sound comparison with otherwise similar non fair trade producers. Calo and Wise (2005) and Milford (2004) emphasize the positive effects on producer organisations, however little attention is given to the individual and house hold level implications. Bacon (2005) refers to the effects on price and productivity and the role of fair trade for improving competitiveness. Recently more detailed studies are written about small scale farm owners from coffee cooperatives in Costa Rica (Ronchi, 2002) and Mexico (Jaffee, 2007; Calo and Wise, 2005).

A general difficulty with many impact studies is that no correction is made for differences in farm household characteristics. Descriptive stories about perceived changes in farmer's welfare and community organization attributed to fair trade linkages are widely available (Milford, 2004; Murray and Reynolds, 2000). Ruben (2008) sets out to analyze the impact of fair trade. His study differs from most studies and combines analyses of small scale farms and plantations. Ruben tries to answer the question "what would have been the situation of the producers involved in fair trade if they had not participated". His research focussed on household income, wealth, investments and gender and environment at household level. In contrast to his quantitative approach for understanding impact, I have embarked on a qualitative way to capture the various dynamics of fair trade on number of wine and citrus farms in the Western Cape.

Fair trade is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for producers and workers who have been economically disadvantaged or marginalized by the conventional trading system. If fair access to markets under better trade conditions would help them to overcome barriers to development, they can join fair trade (Fair Trade, 2010).

Objectives and research questions

The objective of this study is to give insight in:

1. The way fair trade is implemented in large fruit plantations, depended on hired labour in the province Western Cape in South Africa
2. Labour relations between farm owners and their workers
3. The effects of fair trade on the farm workers

A guiding hypothesis of this research is that fair trade is benefiting the farm workers in the fruit companies in the Western Cape.

The main question that has to be answered in this research is:

How is the fair trade implemented in the fruit industry in the Western Cape (South Africa) at farm level and is it benefiting the working and living conditions of farm workers?

1. What is fair trade?
 - a. What is the history of fair trade?
 - b. What is the definition of fair trade?
 - c. How is fair trade organised?
 - d. How did fair trade develop in South Africa?
2. What is characterising the fruit industry in the Western Cape?
 - a. What is the history of the fruit industry?
 - b. What has been the effect of the South African government policies on the fruit industry?
3. What is characterising the farm labour relations in the fruit industry?
 - a. What is the history of the labour relations?
 - b. What are the perceptions of the farm workers and farm owners of current labour relations?

4. What are the effects of fair trade on the different actors in the fruit industry?
 - a. What are the fair trade standards for plantations with hired labour?
 - b. How are these standards implemented in practice?
 - c. What are the perceptions of farm owners of these standards?
 - d. What are the perceptions of farm workers of the implementation of the standards?
 - e. What are the implications of fair trade on the working conditions of the farm workers?
 - f. What are the implications of fair trade on the living conditions of the farm workers?

Methodology

In this research I used several methodologies, these will be explained in the following section.

Research location

This study was conducted in the province Western Cape in South Africa (See Figure 1). The Western Cape has an ideal climate for crops like citrus fruits and grapes, therefore this province is the main production area of grapes in South Africa (Bosker,



Figure 1: The Western Cape in South Africa

2006). The Western Cape is a large province, 129,370 km², about 10.6% of the country's total (Bosker, 2006). I chose to do research in 2 different regions to see how fair trade is organized at the different types of farms. The regions are Cederberg and Namaqualand. These areas are of particular interest to me, for each has different types of farming, different crops and vary in experience under the fair trade label.

Level of analysis and units of study

The focus of this study is on fair trade wine grape farms in the two above mentioned regions. In each research region I did a case study on a farm; in Cederberg Citrusdal Winery was the subject and in Namaqualand I studied Stellar Winery. Stellar Winery consists of one farm and one cellar. Citrusdal Winery receives their fair trade grapes from three farms. Although the settings on both farms differ, the situation for the farm workers is comparable.

In this study the units of study can be defined as FLO and fair trade informants, farm owners, farm workers and farm managers.

The main research units are the farm owners and their workers in the two fair trade farms.

Data collecting techniques

This is a qualitative research, in which I used several data collecting techniques.

1. Case study

The case study is well described by Punch (1998:150); “the basic idea is that one case (or perhaps a small number of cases) will be studied in detail, using whatever methods seem appropriate. While there may be a variety of specific purposes and research questions, the general objective is to develop as full an understanding of that case as possible”. To be able to see what happens in real life at the farm, the case study is a good data collecting technique in my research. Two case studies will be conducted, one in each research region to capture the differences in both regions.

The selection of farms for my case studies is important, for the farms must be a good representative for the region. In the first region, Cederberg, a particular farm in the village Citrusdal was suggested to me by Martin Boon of Fair Trade Original. In the other region, Namaqualand, I found an interesting farm in a Dutch fair trade wine book by Bosker (2006). I contacted the manager of this farm, Maria Malan, and she said I was welcome to come.

2. Interview instrument

The second method of research I used is the interview. By interviewing farm workers, management, owners and key-informants I got a better understanding about their perceptions on fair trade.

Before going into the fields I stayed for one month in Stellenbosch. In this month I interviewed key-informants. The key-informants were persons who could help me finding relevant data and to get an overview of how fair trade is organized in South Africa. Before interviewing key-informants, I did an extensive literature into the fair trade wine industry in South Africa, to be well prepared for the subject. I used semi-structured interviews. In this way I knew what to ask and during the interview, but kept space to elaborate on interesting topics.

When interviewing farm workers, I mainly used open interviews. In my case study in Cellar Winery I was able to talk to farm workers when they were working on the field or during their breaks. In Citrusdal I was not able to interview the farm workers during their working hours, in difference with other farm. This was the busiest time and I spoke to the workers in the evening, during organized meetings.

Selecting of participants for interviews

For finding key-informants of the fair trade wine industry, I used snow-ball sampling. I started with an interview with Martin Boon. I already had contact with him when I was in Holland preparing for my thesis. We met in South Africa and he gave me some names of important key-informants I should interview.

Due to my internship at the NGO in Citrusdal I was able to meet farm owners and workers. Some workers had a long working history in the company, sometimes even their parents had worked at the same farm. In Namaqualand I met workers in the workers committees or Joint bodies, Maria Malan, the manager of the farm took me to these meetings.

3. Observations

In the busy season there is no possibility to interview the farm workers or management during the day. I used some of this spare time to do observations. Living close to my research area made doing observations very easy. Observation is a useful tool to get a better insight in people's livelihoods. I used this data gathering technique a lot, for it gave me the opportunity to meet and talk to people. Furthermore it was a check, whether what people say is in line with how they act.

The observations are done in several locations. I observed farm workers while they were working in the vineyards or in the pack houses. During the citrus season, the workers and farm owners were working in the land and in the pack houses. For me this gave a good insight in the relation between workers and farm owners. Moreover I walked through the fields, where most of the seasonal workers were working; I observed the women working in pack houses, walked by their houses and met the farm owners at their homes. Farm workers usually stayed on the farms, so I could walk by their houses.

I was able to attend a fair trade inspection at a farm in Citrusdal. While the inspection team was interviewing the farm workers and owners during 4 days, I observed how FLO-Cert works in practice.

I registered my observations daily. In the field I would sometimes make small notes, to remember the details. At night I wrote down my observations and reflected on them, thinking of new research questions that I could pose to farm owners and farm workers.

Language

My first month in South Africa, I studied the language Afrikaans to be less dependent on translators for understanding my interviewees. During interviews the translation was done via Juan, who's English and Afrikaans were fluent. After a while I could almost perfectly understand Afrikaans,

but as within every language there are accents and other usage of words, which made it difficult to follow up.

Conclusion

In this first chapter I explored the concept of fair trade. Fair trade can be seen as a response to globalisation and the exclusion of third world countries and producers to benefit from global trade. I will use the definition of FINE (Fair Trade, 2008) as the main definition in this thesis. Furthermore I have defined my objectives of study and research questions. The last part of this chapter elaborated on the methodology of this study. In this next chapter I will introduce the wine sector of South Africa.

Chapter 2 Wine production in South Africa

This chapter shortly describes the agriculture in the Western Cape region. After that the viticulture will be discussed, followed by the position of the farm workers and the history of wine production in the Western Cape.

Agriculture

In the whole of South Africa, 13% of the land can be used for crop production, 22% of all this is arable land. The most important factor of agriculture is the availability of water. Rainfall is distributed unevenly in each region, with some areas left in total drought. About 50% of South African water is used for agriculture, with about 1.3 million hectares under irrigation. Agriculture is a large contributor to the economy of South Africa, especially due its export products. South Africa is world's top five exporter of avocado's, grapefruits, table grapes and pears. The largest export groups are wine, citrus, grapes sugar and deciduous fruits as apples, pears, peaches and apricots.

The counter-seasonality to Europe is a major advantage of the export horticultural and floricultural products (South African info, 2008).

Viticulture

The viticulture takes place mainly at a latitude of 34° South in an area with a mild Mediterranean climate. The wine industry is mostly based in the Western Cape, with some production taking place in the Northern Cape (SAWIS, 2009).

The wine industry plays an important role in the farm landscape and rural economy of the Western Cape. It consists of some 4500 growers, who are mostly members of well-established white rural elite (Du Toit, 2002). Even more important than its economic impact on foreign exchange earnings, is the unique position of wine and wine tourism in generating an image of South Africa abroad. "Other than tourism, available to only a few and fresh fruit, often an anonymous product lacking an identity of place, South African wine is probably one of the few ways in which consumers of the wealthy North directly encounter South Africa" (Du Toit et al., 2008: 12).

In International wine circles, South Africa is classified as a New World producer, along with Australia, New Zealand, Chile and Argentina. What is a bit misleading, as South Africa started to produce wines in the seventeenth century and exported quality wines to Britain in the eighteen century (Ponte and Ewert, 2007).

History of labour relations

The first inhabitants of the region are the KhoiKhoi and San (collectively known as Khoisan). The Khoisan were scattered throughout the southern continent hunting and herding sheep and later on keeping cattle some 2000 years ago.

The Verenigde Oost-Indische Compagnie (*Dutch East India Company* in Dutch) (VOC) set up a station in 1652 in what is now known as Cape Town, to provide to ships passing by to the East. In 1657 the VOC started farming on the fertile grounds nearby Cape Town. Wine and wheat quickly became the two main products in the region.

The labour needed on these farms was initially supplied by importing slaves from Madagascar, East Africa and the East Indies. In the early 1700 Dutch farm owners (called *trekboers*) moved away from Cape Town in the direction of the north and east. In the beginning they had a pastoralist way of living in common with most indigenous groups. In the very beginning the relationship between the *trekboers* and the indigenous Khoisan and other groups like the Xhosa and Tswana developed as equal ones. The Khoisan and Xhosa lost their cattle as a main source of their livelihood (albeit for different reasons) and had in many case no other option than to work for the *trekboers* and the British settlers as labour tenants. The labour relations were such that no cash wage was paid, but their labour was simply exchanged for food, housing and grazing rights for their cattle. Some tenancy relations evolved into share cropping relationships. By the 1920s the situation of these share croppers worsened. Instead of 'farming on the halves' it was replaced by '*derde-deel* farming'. This meant that the share cropper kept only a third, no longer half, of the production.

The labour tenants were required to live on the farms, the common wage was a couple of ten sheep and some clothes yearly. The labour tenants were Afrikaans speakers or Khoisan, who had joined white families on their journey. After the implementation of the 1913 Land Act – which appointed most land to the white part of the population -, the position of the tenants weakened. The increasing demand of the market and the expansion of a market oriented ideology, farm owners started to think more commercial. Consequential every tenant member had to work, even the little ones. In most cases, tenants stayed on the farm, because it was difficult to find other accommodation or employment. The Masters and Servants Acts of 1911 and 1932 tightened commercial farm owners' grip on farm workers even further. These Acts prohibited the breaking of contracts. In 1948, the newly installed Apartheid government explicitly sanctioned the unequal social relations on the farms. In the words of Verwoerd: "on the farms

there is no question of equality. The relationship of the master and servant is maintained on farms, where they are working with the Europeans on an equal footing" (Atkinson, 2007: 37).

The Education and Training Act of 1979 regulated that every child has to go to school, except of the children living and working on white farms. As a result, child labour was common at farms, until the implementation of the Basic Conditions of Employment Act of 1997.

"Until the 1980s, labour arrangements on wine farms were characterized by a racially hierarchical and authoritarian paternalism inherited and adapted from early Cape slave society" (Ewert and Du Toit, 2005:318).

Farming styles in the Western Cape were shaped by white settler elite that controlled the commercial farming. The relationship between farm owners and workers has not been just abusive, but were shaped by the discourse of paternalism. The relationship between farm owners and workers was a "hierarchical relationship, marginalising and silencing the voices of those whose labour helped create the wealth of the sector" (Ewert and Du Toit, 2005: 319).

The working conditions of the farm workers during apartheid are described by Brown et al (2003) as the "worst working conditions experienced in South Africa".

Paternalism means that workers received social dividends, like housing, electricity and water, in addition to wages. However the wage levels were extremely low and the housing was only available for permanent male workers and their families. In most cases farm workers were paid in wages in form of low-grade wine, known as the infamous 'dop' system. This system resulted in alcoholism and increased dependence on their employees, associated with a raft of social problems in worker communities, like domestic violence and foetal alcohol syndrome (Bek, McEwan and Bek, 2005)

Since the 1980s the wine industry itself launched the initiative to uplift the social circumstances of farm workers and their families in the program 'Rural Foundation'. This 'upliftment' would not only reduce social costs, but also improve the productivity and the poor image of the wine industry in the face of threatening sanctions. Rather than create a new kind of wine farm worker - motivated and skilled - the reforms created a new layer of black supervisors, working uncomfortably between the workers and the management. The reforms created a kind of 'neo-paternalism'. At the end of its budget, Rural Foundation renamed itself, but it lost the support of the white farm owners. Only in a very few districts the new foundation was kept alive by progressive farm owners. Since 1994, the end of the apartheid, the African National Congress (ANC) government provided new

legislation for farm workers, providing a wide range of labour, social, and land rights. Most farm owners comply with the main part of the Basic conditions, like working hours, leave and holiday permission. However farmer compliance to other legislation is widely reluctant, like the unemployment insurance or skills development act. This is due to weakness in legislation and small inspectorate. To conclude, the labour law was intended to end the paternalistic labour management, the result, however, was that labour relations have worsened. “The result on the ground is palimpsest in which labour relationships are simultaneously governed *both* by the formal codes of legislation *and* by the personal relationships and implicit contracts of paternalist practices (Ewert and Du Toit, 2005: 325). Farm workers are aware of their rights, but realise they can’t insist on these rights and maintain paternalistic relationships.

History of wine production

The first vineyards were planted by Dutch settlers in Cape Peninsula as early as 1655. Constantia wine was very popular in Europe at that time and apparently a favourite of Napoleon. At the beginning of the 19th century, wine represented almost 90 % of exports from the Colony (Vink *et al.* 2004: 229). By the end of the 19th century exports had almost collapsed. In 1861, the UK, who was at that time the main importer of South African wine, had signed a trade agreement with France that made French wines cheaper to import.

The most obvious element in the wine industry between 1917 and the mid-1990s was the wine industry regulation by the Kooperatiewe Wijnbouwers Vereeniging Zuid Afrika (KWV). Planting quotas, minimum prices and export regulation were shaped by the KWV in the twentieth century. An important role in production was played by the co-operative cellars, which dominated the wine production. The co-ops were closely linked to the networks of white power in the Western Cape. Farmers and the co-operatives sold most of their wines in bulk to the KWV, where they were guaranteed a minimum price. This process encouraged the growth of mass production in most cases high volumes of low quality grapes with high sugar levels. Quality was not the concept for the wine production of the co-ops before 1990s. With little domestic demand for quality wines and KWV monopoly position, few wine makers saw any need for change. The bulk wine production was highly dependent on cheap black labour.

Deregulation

The end of apartheid brought massive changes to South Africa, not in the last place to the wine industry.

From 1990 deregulation and new labour laws by ANC government were the starting point for a new era. The export market opened up, new methods and techniques were adopted, there was more attention to marketing and more demand-driven production design. However labour relations in the wine industry didn't change much (Ewert and Hamman, 1999). By 1997 a lot of farm owners implemented new production techniques, but only few wine farm owners implemented changes to the labour regime. In the years thereafter, some more farm owners shifted to new labour management, more in line with the new regulation, creating a gap between the different farming systems.

Conclusion

In the wine industry, labour relations have a long and complicated history. This history must be taken into account when observing current day labour relations. Wine production is mainly in the hands of white elite. During the Apartheid regime, quality was not important due to fixed prices. The end of Apartheid opened up the export market, now quality was needed to score good market shares.

In the next chapter I will discuss fair trade in South Africa and continue on the influence of fair trade on the wine industry.

Chapter 3 Fair trade in South Africa

In this chapter I will elaborate on the fair trade industry in South Africa. I will discuss the history of fair trade in South Africa. It will show that South Africa is an unique case in the fair trade world. Furthermore I will focus on fair trade in the Western Cape fruit industry.

Opinions of membership fair trade

South Africa's growth as a fair trade producing country, unmatched by any other fair trade producing country, was hotly contested. The inclusion of the still white owned commercial farms was a critical and major debated issue in the fair trade movement. Fair trade was seriously challenged, as in the eyes of many critics the FLO should favour small, black producers and not the large scale farms and their owners.

In South Africa there are two camps. One is supporting fair trade as it is and the other is very critical of fair trade. The critical camp perceives the certification of commercial farms as threatening the inclusion of small producers into new fruit lines. They also objected that South Africa is not an underdeveloped country. South Africa had until 1994 been boycotted by the same interest groups that had supported the fair trade movement (Kruger and Du Toit, in Reynolds et al. 2007).

On the other hand, the South African participants in fair trade expressed their concerns about the deeply unequal and racialised nature of the society and particularly the wine and citrus sector. Activists argued that although South African labour and employment legislation was in line with International Labour Organization (ILO) Conventions, these conventions did not constitute an adequate response to the challenge of transforming (that is allowing black farm owners to enter the sector, reform labour relations) the South African agriculture. Labour market reform on its own, they believed, could not change the underlying inequality of land ownership and the unequal distribution of wealth in the rural economy of South Africa. It is possible to think that fair is fair regardless of the context of a universalizing and normalizing perspective of Eurocentric modernity.

Activists argued that the South African realities showed that locally appropriate answers had to be found to the question of what 'fairness' actually meant in any particular delimited social and historical context. If all plantations had to be certified, fair trade could easily end up legitimizing the racial and material legacy of slavery, colonialism and Apartheid. "Country partners were criticizing the certification of South African producers because they believed this would dilute the political purpose

and social justice aims of fair trade – while South African labour activists were critical of fair trade standards themselves, arguing that these would dilute the potential for equitable change in South Africa” (Kruger and Du Toit, in Reynolds et al. 2007: 203). It was a confusing and strange situation, it led to the formulation of a set of questions:

- How could South Africa be accommodated in the FLO system and could a solution be found to the plantation impasse?
- How can FLO and fair trade generally contribute to ‘genuine transformation’ in South Africa?

Part of the answer lies in the history of South African agriculture and the central role played by the white-landed elite. During apartheid the development of wine and fruit industry was shaped by political power of this group. The new government, starting in 1994, had accepted a broadly neoliberal framework for the transformation of the South African agricultural sector. This framework called for the deregulation of agriculture and the dismantling and privatization of the state institutions which controlled production and export. Agricultural reform had complex consequences. On the one hand, deregulation opened up producer access to international markets. Many saw important opportunities in getting access to prime European markets.

On the other hand, deregulation also meant that pressure and risks increased. The liberalization of access to overseas market happened at the same time as two important global trends in agro food commodity systems. The first was the consolidation of buyer-driven supply chains in agro food commodities in key Northern markets, especially in the United Kingdom and Europe. The second was increasing levels of competition from other wine and fruit producing countries, particularly from South America.

In South Africa market deregulation was accompanied by increasing level of labour and social regulation (Du Toit and Ewert, 2005). These contradictory pressures meant that the new opportunities for producers had ambiguous results for the workers. While some producers were able to benefit substantially from increased export opportunities, many fruit and wine producers responded to a more unforgiving environment by adopting strategies that passed on costs and risks to workers (Barrientos, 2002; Du Toit and Ewert, 2005).

The complex politics agro food deregulation and labour market restructuring were further complicated by the unique dynamics of South African land reform and black empowerment. In 1993, the ANC, heavily influenced by the World Bank, adopted a market-based land reform policy focused on the development of small-scale farming. The market-led nature of this policy was constricted to the Western Cape, where high market prices for land militated against the outright transfer of productive land to black ownership.

Land reform in the Western Cape is pursued mostly in the form of farm worker equity share initiatives (Ewert and Hamman, 1999). These projects involved complex schemes whereby the State helped black farm workers to buy shares in white-owned farms or in new partnerships with their employers or others. Equity share projects were hard to implement in practice and there were major obstacles to their long-term viability. There were also considerable social risks involved. The farms involved were for more than 300 years, steeped in the history and practices of racist and authoritarian paternalism. During the projects it began to come clear that there were benefits for parties, workers and owners. Workers gain more participation and voice in the management. "In the often loaded South African politics, land reform, transformation and democracy for white owners became an active way not to end up like Zimbabwean white farm owners, but also positioning themselves within the market, signalling they were part of the 'new South Africa'" (Reynolds et al., 2007: 205).

With the strengthening of the Rand and increasing competition in the mainstream supermarket, wine and fruit became a true battlefield. Many plantations that had regarded fair trade as marginal and irrelevant became interested in certification. Fair trades involvement in South Africa could undermine the niche status of fair trade products and put pressure on premiums, at the same time it could normalize the unequal racial powers from the Apartheid era.

Fierce debates about how and whether to include plantations and large scale farms were the result of including South Africa into the fair trade system.

A first step that was taken is the Thandi project. The Thandi project was one of the first BEE projects set up in South Africa, resulting in the workers now owning 2/3rds of the shares. In February 2004 Thandi met stringent standards of participation, equality and democracy to become the first fair trade accredited winery. With close mentorship from leading wine industry figures, the community now exports top class wines to many countries

around the world. Thandi is a Xhosa word meaning nurture, love and care, a concept that is reflected through their projects, which encapsulate the true spirit of fair trade (Thandi Wines, 2009). Thandi sets internal criteria, standards and timelines. The internal criteria set specific benchmarks for ownership (25% minimum) as well skills development and capacity building (Capespan (2003) in Murray and Reynolds (2007). FLO agreed with the internal criteria, but applied no other fair trade applications. Since this application, FLO-Cert, received many applications of different types of farms. Some applications were driven by producers, others by exporting agents seeking fair trade products to satisfy an existing demand. This led to concerns among the existing producers with the inclusion of a variety of producers without guidelines for empowerment. FLO-Cert could not keep up with the many applications. The conceptualization of empowerment in the plantation agriculture created new incentives or white farmer to engage the concepts of BEE, including transformation of ownership and distribution of wealth.

There is a need to pay special attention to an institution called GOV. GOV stands for Gemeenskap Ontwikkeling Vereeniging (Community Development Association in Afrikaans) that was formed in the early eighties. GOV had as its aim to improve the living and work conditions of the farm workers on farms in South Africa. GOV offers the workers socio-economic development programs that include courses and activities for all ages, for example child and elderly care, youth clubs and sport facilities. The activities are funded by membership fees from the farms who participate and the social premiums received of the joint bodies. In the past the social premiums that were received from Fair Trade Original went directly to the GOV. Nowadays the social premiums go directly to the joint bodies of the farms. This has created some financial problems for the GOV, who is now dependent on the joint bodies for their income (Janse van Vuuren, 2009).

Table 1: Fair trade organizations in South Africa and their roles (Fair trade South Africa, 2009)

Fair trade organizations	Duties
Fair trade South Africa	Organization that promotes and facilitate producer supporting activities to fair trade
Fair trade label South Africa	Promoting the fair trade label in SA. Responsible for labelling the South African products with the FLO label.
African Fair trade network (AFN)	Supports FLO certified farms to compliance of with the FLO standards and quality improvements. Office in Moshi (Tanzania)
Southern African Fair trade Network (SAFN)	New organization of the AFN, now responsible for the more southern producers.
Cooperation for Fair trade Africa (COFTA)	The African branch of IFAT and based in Nairobi. Their mission is to reduce poverty in Africa.
FLO-cert	“Independent international Certification Company, offering fair trade certification services” (FLO-cert, 2009)

FLO standards for South Africa on plantations

Fair trade met some resistance and difficulties operating on the South African market for plantations. For South Africa the fair trade certification policy is different due to its history. Fair trade makes a separation between small farm owners and large scale farms and plantations with hired labour. The plantations (mainly white owned) must meet requirements of the BEE policies of the South African government. On top of that, in 2004 FLO established a guidance for hired labour producers aimed at empowering the workers:

1. The workers have a 25% legally protected interest (BEE)
2. The workers are represented on all levels of operational management
3. There is an auditable skills development and capacity building program (FLO-cert, 2010)

These guidelines reflect the situation in South Africa whereby the labour relations on plantations and large scale farms are shaped by wage relations and strict supervisory work relationships (see chapter 4). Instead of

independent smallholders, most fair trade deals with companies with hired labours. Standards changed to be sure that the premium received, will indeed be used by and for the community of the farm workers. In the FLO generic standards for hired labour stands that the fair trade premium is owned by a separate legal body representing all the workers, the Joint body. This body is an elected group of worker representatives and management representatives who are responsible for the managing and spending of the fair trade premium.

In recent years, the South African wine producers have found themselves under considerable pressure both to produce better-quality wines and to act in a socially responsible manner with regard to the employees and environment. The industry has faced profound changes, including the transition to democracy, deregulation of the industry, the extension of labour legislation to agriculture and the opening of international markets (Nelson *et al.*, 2002). The estates and private cellars have been better able to adapt to the rapidly evolving context, while many of the cooperatives are struggling to survive. The new legislation (e.g. paid sick and maternity leave) has been greeted with varying degrees of irritation and contempt (Nelson *et al.*, 2002), creating widespread hostility on farms to outside interference.

Fair trade in the Western Cape fruit industry

Since 2002 there has been an increase in the number of South African commercial farms, particularly fruit farms certified by FLO. This has presented both FLO and its South African partners with important new political and strategic dilemmas. “The economic and political challenges arising out of the expansion of fair trade into South African plantation agriculture has forced FLO and its partners to reinvent and re-image ‘fairness’, developing new answers to the question of what would constitute ‘fair trade’ in the South African context” (Kruger and Du Toit, in Reynolds *et al.* 2007:205).

ATOs were active in the South African years before the formation of FLO. Shortly after the end of apartheid in 1994, Traidcraft (United Kingdom) and fair trade Assistance (the Netherlands) started sourcing a limited range of mostly processed products (pickles, jams crafts and wine) from small-producers or community based projects. Fair trade wine, from the Citrusdal Cellars in the Western Cape, has been exported through alternative trading channels. When FLO became active in South Africa these farms became certified in under new wine standards. However, one certified producer,

the Libanon Fruit Farm Trust (Thandi, Elgin) set itself apart from other fair trade wine producers. The Libanon Fruit Farm Trust had a more developed 'social' component, as land reform and worker empowerment projects. They produced the first fair trade certified wine under the name Thandi (Merten, 2004). Even before the farm was FLO certified, Capespan, the largest fruit exporter in South Africa, set up a trust together with Libanon Fruit farm to expand the Thandi brand, include fresh fruit from empowerment and land reform projects. They decided that all projects participating in the Thandi project would become FLO certified to benefit the premiums which could sustain the projects. The rising demand of consumers and large retail companies in the UK, Tesco, Co-op and Sainsbury increased the number of certified producers (Fair Trade, 2008). Of the total 42 fair trade certified producers in 2005, three of them are small farmer cooperatives, producing Rooibos tea and one producing raisins, on an average of 3-4 hectares of land. The other 30 FLO certified farms are plantations or large commercial farms, which are dependent on hired labour. These farms vary in size ranging from 50-100 hectares for wine farms and 50-300 hectares for citrus and other fruit (including table grapes) (Du Toit et al., 2008).

Conclusion

From the first community development initiatives in the eighties, fair trade in South Africa has developed from a small scale organised and voluntary institution to an organised and profitable movement. Although fair trade has been heavily protested for not benefiting those it should benefit, it brought better position of the workers in the South African wine industry.

Chapter 4 Fair trade Realities: everyday life perspectives

Introduction

This chapter is divided into two sections. In the first section the Citrusdal case is discussed and in the second section I will discuss the case material collected at Stellar Winery in Trawal. Both sections follow the same outline. We begin with a short introduction to the village and its history, the second element is the perspectives of the farm owners (that is: owners and or managers) and the third part narrates the story of the farm and the new developments from the perspective of the farm workers.

Most farms in the Western Cape are family farms which in the South African context means that ownership remains within the family and ownership is usually but not always transferred from father to son. Family members are often involved in the management but not necessarily coordinating the work of the farm workers. The farms also have in common that they are all white owned. The sizes of their farms can easily be up to 5000 hectares. As described in Chapter 2 labour arrangements are strict in the South African fruit industry. Figure 2 provides in a general picture of the organisation of wine and fruit farms.

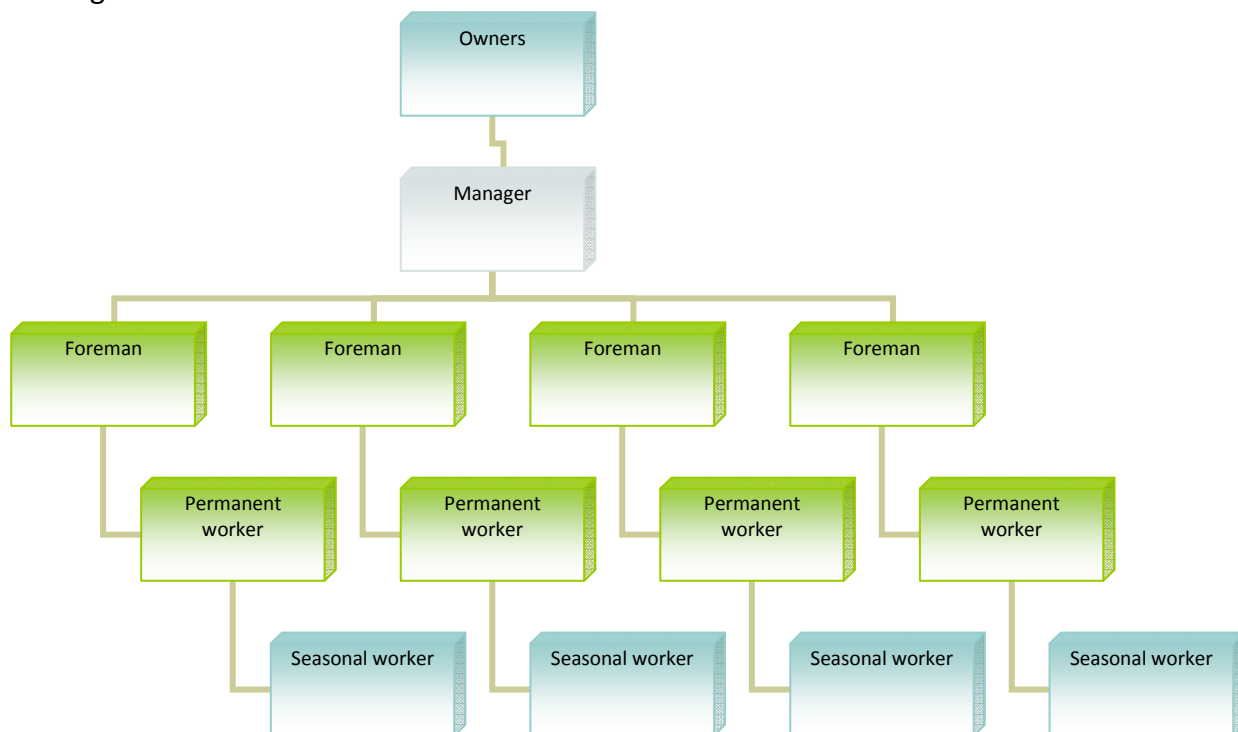


Figure 2: Organisation of wine and fruit farms

At the head of the farm are the owners, husband and wife. The owners are mostly white and Afrikaans speaking. In the past the farms were part of a Cooperative but most cooperatives have been dismantled (see chapter 2). The manager and its style of course differ from farm to farm. Usually a manager is hired from outside the family and is white and Afrikaans speaking. In some cases the wife is the manager, however in an administrative role. The manager plans the work to be done (e.g. pruning, fertilizing, etc.) with their foremen. These foremen are mostly coloured workers and coordinate the tasks of the permanent and seasonal workers. There are two kinds of farm workers. On the one hand there is the permanent workforce. These workers are with little exception coloured and have a long history of working on the farm. Some have already worked and lived on the farm for generations. On the other hand there are casual or seasonal workers. These workers are generally working on the farm for a period of 5-6 month usually during the high season and mostly for harvesting. Generally the casual workforce originates from the Eastern Cape Province.

Fair trade farms in Citrusdal

The village and region

Citrusdal is a small village situated 140 kilometres north of Cape Town in the valley of the Olifantsriver. In the years 1660-1663 explorers of Jan van Riebeeck were sent North to locate and find out more about the legendary empires Monomotapa and the Nama-Hottentotte. In their travel stories one can read that explorers were amazed of the clearness and the almost 200 elephants near the river, so they called the river Olifantsriver. Even though the area was mapped since 1663, the colonisation by Dutch *boers* took place some 50-60 years later. The first farms were *leningplase* (rented from the government) and paid rent for their cattle to graze on the fields (Smit, 1966).

Some of these early settlers had a history of working for the army. On the Bergvlei farm of corporal Rossouw, which is now part of Mouton Citrus, a watermill was built to water his citrus trees. Besides these, corporal Rossouw had cattle. The area is considered perfect for growing citrus trees because of its good climate conditions. The name of the village originates from the planting of citrus trees. Citrusdal is originally a Dutch settlement, which is still visible in the centre of the town. One remarkable building is the Dutch reformed church from 1945 (see Photo 1).



Photo 1: Dutch reformed church

Religion is what connects farm owners and their workers. The farm owners often organise bible study evenings. Together they go to church on Sunday.

Nowadays the Citrusdal region is an international player in the citrus industry and is one of the largest exporting areas of citrus in South Africa. The region is

not exclusively planted with citrus and there is the production of grapes, buchu (a herb) and rooibos. January is the period for harvesting rooibos, February and March are harvesting months for grapes. In April and May farm owners are harvesting and drying the deciduous fruits. In June the busiest time of the year starts, namely the harvesting of citrus, which takes until December.

The farms Bergendal, Paardekop and Oudam are producing the fair trade wine grapes for the Citrusdal cellars. The ALG farm used to, however they stopped the wine production to focus more on citrus. Although this research initially focused on the fair trade dimensions of wine and the farm workers, research in Citrusdal might seem a bit strange as citrus is the main crop as well as (organic) rooibos, deciduous fruits (like apricots and peaches) and wine grapes. The research thus shifted from a focus on a single crop to more broadly aspects of fair trade and how this kind of trade is perceived by the different actors in the farm. Since 2002 farms in Citrusdal and the cellars are fair trade accredited (see Table 2).

Table 2: Citrusdal farms that are fair trade accredited

Farms	Description
ALG boerdery (farm)	Citrus production and concentrate juice. In 1998 empowerment programme on the farm for the farm workers. Fair trade accredited since 2006.
Bergendal	On top of Piekenierskloof pass, produces deciduous fruit, rooibos, grapes and citrus. Fair trade accredited since 2002.
Paardekop boerdery	On top of Piekenierskloof pass, produces deciduous fruit, rooibos, grapes and citrus. Fair trade accredited since 2002.
Mouton citrus	Large player in the citrus and rooibos industry. 5000 hectares on eight farms. Fair trade certified for citrus and organic rooibos since 2006.
Citrusdal cellars	Situated in the centre of the village. Fair trade accredited since 2002, producing Goue Vallei wines.
Oudam boerdery	On top of Piekenierskloof pass, along a gravel road. Parents started a farm from nothing (bush) in 1965. Fair trade accredited since 2003/2004. Produce all year round, soft fruit, organic rooibos, citrus and wine grapes.

Farm owners' perspectives

I arrived in Citrusdal at the busiest time of the year, during the harvesting of the citrus. Although it is a very busy and stressful period for the owners, they were very willing to speak to me and made time for the interviews. The citrus season is the busiest of their production; it starts the end of April. The farms are all large-scale commercial farms, producing all year round. The first thing I asked them was to tell something about their farm, like history, size, crops, yield and work force. The farm owners I spoke to own the farms that their parents or even grandparents had began to build from scratch. These older generations are in some case still alive and participate on the farm.

It soon became rather clear that the fruit and wine farms produce mainly for the international market. The end of Apartheid gave the farms the opportunity to expand their production to supply to the export market. Ronel of *Bergendal* (see Photo 2) mentioned that Bergendal hardly produces for the local market. Their products will be shipped overseas to their largest customer, the supermarket chain Sainsbury in the UK.



Photo 2: Bergendal, in front the rooibos, grapes, at the back the citrus trees in straight lanes

My stay at Paardekop farm provided a good opportunity to observe farm life and the labour arrangements. Hanlie of *Paardekop* farm narrated that their farm is located at the Paleisheuvelroad (see Photo 3) to Citrusdal. “Well I can better talk of three farms and one pack house” she said.



Photo 3: Paleisheuvelroad, left vineyard at Paardekop boerdery

The total size of the Paardekop farm is 1500 hectares. Citrus is planted on 200 hectare, 300 ha. with wine grapes and 130 hectare with rooibos. The remaining area consists of parterres, small arable fields and nature.

In January the rooibos is harvested and in February and March is the harvesting of grapes. In between the harvesting periods, the permanent workers will do the pruning of the trees and the seasonal do the picking. In April the workers have two weeks of holidays. In September the season of deciduous fruits starts; apricots and peaches. They produce rooibos for the Rooibos Company in Clanwilliam and our grapes go to the Citrusdal Cellars. The citrus that is harvested, goes to the Everseason trading company, who is also shareholder in several citrus companies.

Boet Mouton of Mouton Citrus tells me that he just started to work in the company. He graduated and began working in the office as a sales manager in the company of his father. Mouton Citrus is one of the largest citrus players in whole South Africa. In the Eastern Cape there are some larger ones. Mouton Citrus consists of nine farms across the valley. Some farms are on lease. The farm has 600 hectare of citrus and 500 hectare of rooibos. In total they own 5000 hectare, some is used for housing, protected nature or grazing area for the cattle of the workers.

Besides the enormous amount of citrus that Moutin Citrus produces, they are proud of their organic rooibos production. Boet tells me that the rooibos they produce is supplied to Carmien tea³. Before the deregulation of the citrus industry in 1997 they were the first company to export citrus to the US, in 1994. He mentions that Mouton Citrus found their own overseas export market, in countries like Japan and Belgium.

Some farm owners are proud to discuss the history. For example Oubaas van Zyl of the *Oudam farm*. In 1965 his parents came to this area and began to clear sections of the bush to build their farm. In the very beginning there was only the Kleinbegin farm. However his parents had difficulties with the supply of water for irrigation. When he was in college his father died and he went back to the farm to support his mother. In 1989 they bought a new farm, *Oudam*. Although the farm was in a

³ "Carmien tea is a rooibos marketing company that acts as facilitator for sustainable job and wealth creation amongst farm workers" Soekie Snijman, head of Rooibos council South Africa. The fair trade Original rooibos is exported by Carmien tea.

neglected state, Oubaas rebuilt it as it is now. The Oubaas family and his mother still have the other small Kleinbegin farm, which is now run by his son. They transport 65 cubic meter water to the farm.

All above mentioned farm owners supply their grapes to one cellar. This wine cellar is located in the centre of Citrusdal which started as a cooperative organisation. I spoke with the manager of the wine cellar, which recently changed the name of Citrusdal cellar to *Tressou Trading cellar*. He told me that in 1956 the cellars started as a cooperative, with 123 members. Most of the members were small producers, and KWV was a shareholder. In 2007 they changed from a cooperative to a private company with seven shareholders. Charles Beck is one of them and he is the founder of Fairview wines (in nearby Paarl). The company was in financial problems, therefore they asked Charles Beck to become a shareholder. They had some options to sell their company to other cellars. However they chose for Charles Back, who, as the owner of Fairview wine, has a strong name as a brand builder, especially overseas.

An average working day of the farm workers starts at 6.30/7.00 in the morning by first a short briefing what they have to do. The men go into the fields; the permanent workers do the pruning and till the soil by machines. The seasonal workers are picked up by Lorries and transported to the fields, where they pick the citrus. The plucked citrus is transported to the pack houses (see Photo 4). Women are working in the pack house to pack the citrus. The pack house is situated at the farm, near the workers houses. The workday ends at 6.30.

The relation between farmer and their workers is a tight and family grown relation. The first generation workers can stay at the farm and in their own house. When the workers do not have to work, the farm management arranges transport to the centre of the village, so the workers can do their shopping.



Photo 4: Citrus transported to the pack house

Hanlie of Paardekop tells me that they have two generations workers working and living on the farm. They have 50 permanent workers and 300 seasonal workers. The seasonal workers live in the so called 'Kampongs' (compound). The seasonal workers mainly come from the region of Queenstown. Just before high season, the owners of Paardekop farm send lorries to the Eastern Cape to pick up the seasonal workers. At the end of the season the lorries will go back to Queenstown. Hanlie explains why the seasonal workers would like to come every year, because they want to come so they can work and eat fruit.

Farmers admit that alcoholism remains a large problem amongst farm workers. The current generation of owners of these farms immediately terminated the dop stelsel. During and before the Apartheid, the dop stelsel meant a daily ration of alcohol (in the form of wine or brandy) to be given by the owners to the work force. The dop system has been heavily critiqued because of creating alcoholism. Furthermore the paternalism implied in the social relationships between workers and owners is reproducing dependencies. The termination of the dop stelsel was and often still is a sensitive topic. I was a bit withheld to ask questions, but gladly the farm owners took it the right way. Ronel van Zyl of Bergendal

was straight forward of the subject. She said that when she and her husband took over the farm in 1989 they immediately ended the dop stelsel. Some farm owners and managers in Citrusdal still think that the dop stelsel was not that harmful. The manager of the Oudam farm said that “(T)he dop stelsel was not that bad as everybody thinks. Most of the times it was a social gathering”. Ronel of Bergendal mentioned to me that one of the reasons that alcoholism is not that of a problem is because workers are organised in several tight religious groups, where they help each other, when someone has problems.

Fair trade: accreditation

The FLO-Cert inspection normally takes four days depending on the size of the farm. In these four days, everything is checked and double checked. It starts with a meeting with the management. Furthermore all the administration will be checked. Group interviews will be held with women groups, men (seasonal and permanent separate), the workers committee and the joint body. The main focus of the inspection is the wellbeing and working conditions of the workers, with a special focus to women rights. Apart of the social aspects, the ecology of the farm is as important. The kind and usage of pesticides is examined, as well as the state of the erosion and the water level in the dam.

One of the farm owners is critical about the inspection. He remarked that the inspector usually immediately believes what the workers say about the way the farm is run. He added that we have to answer to all the critiqued.

After the more general questions I began to focus on Fair trade. The farm owners spoke freely of their application and the changes to become certified. Most farms started in the beginning of 2000 when they applied for fair trade. The procedure is that at the moment the farms apply for fair trade, FLO-Cert will visit the farm and check their standards. When the standards are not fair trade proof, the farm needs to make corrective actions.

Ronel van Zyl relates the beginning of fair trade to the initiative of the cellar. “The wine cellar asked us in 2002 to join fair trade. For us it did not bring that much change, everything was already in place”.

Oubaas van Zyl, the owner of Oudam, said that in 2000 the first fair trade meetings were held on his farm. In the mean time we waited and changed some small things and finally we were accredited in 2004. He also tells me that it all began by the initiative the cellar had taken. The first contacts and

contracts were with the Dutch Fair Trade Original organisation and was among the first to become involved with the Citrusdal Cellars; later together with Traidcraft in the UK. At that time the Oudam owner was already EurepGAP⁴ accredited, which made it easier to meet the fair trade standards.

What changed for the GOV and the workers on the farm is the way the fair trade money is spend. In the beginning the fair trade money went straight to the GOV, which changed when all farms became fair trade accredited. The premiums go directly to the bank account of the Joint Body.

Oubaas van Zyl has become a little more sceptical of the standards and rules of fair trade. Besides the many standards and rules they have to comply with, the other critical note he mentions is the export market. The rooibos sells best into the fair trade market, especially when it is organic. The citrus fruit sells better in the open market.

I sat at the table with the owner of the farm *Heideplaas*. I asked him why he wants to become Fair trade accredited. He smiled and responded that the higher selling price is the secret. He explained that when wine gets a Fair trade label, the wine will be placed higher on the shelve and the price will rise. With the Fair trade label he is sure of the higher sale price and at the same time the owner wants to make something unique and a better product.

Some owners told me that after Fair trade accreditation they did not have to make that many corrective actions. Mouton Citrus however, had to make 28 corrective actions to become accredited. The son of the owner, Boet Mouton, explains that they were surprised by the number of corrective actions they had to implement. He explained that in that time they applied they thought that everything was in order. He argues that the reason for the many corrective actions is that they expanded very fast. In 2003 the number of farms they own increased from 3 to 7. They had to focus on the production and in this process neglecting their social skills and communication.

Outside on the veranda of Hanlie van Zyl, I spoke with her about the changes they made for Fair trade. She told me that now they had to change their use of pesticides. They had to find saver options for pesticide use. She continued by saying that the rest was already in place. Although then she said that they had to remove the asbestos roofs and had to place safety signs everywhere on the farm. The changes they made, made her sceptical

⁴ European guidelines for agrarian products (Agriholland, 2009)

about Fair trade. I have the feeling, and she admitted it even, that when she talks of Fair trade she gets cynical. She explains that when you live your whole life on a farm, you do not need any signs. The changes cost them a lot of money. Because of the change in pesticide application, they now run the risk of ruining their citrus production,

At the farm Heideplaas we spoke about the changes they made for Fair trade. The owner said that everything was already in place, the houses were equipped with warm water, only the heaters had to be changed from fire to jetmasters. The thing they changed was the use of pesticides. The workers also had to form a joint body and open a bank account which they had already done beforehand.

Since most of the farms are already Fair trade producers for some years, I asked them about their opinions of Fair trade.

The owner of Oudam expressed towards me that he is not very pleased with Fair trade. The answer he gave was a simple “baie kak” (a lot of nonsense). After having said this for a few times, he continued more seriously. For him and his farm Fair trade accreditation costs more administrative work. Now that they are accredited it was necessary to hire a manager for the administration.

To fulfil all the demands of fair trade the owner narrates that he feels he has become a social worker instead of being a farmer. He is adamant when he says that the rules for health and safety of fair trade are rather similar to those of Global-Gab. For him it is easier to deal with Marks and Spencer from Global-Gab right away. The last thing they had to do for fair trade was getting approval of the government for their BEE plan. Fair trade gave them three years to become BEE accredited. The government has still not finalised the programme. There are more applications for fair trade than the government can handle. The BEE project of Oudam is a plan of 300 hectares that will then be owned by the workers, with their own production line.

On the way back in the car the manager told me that the BEE project is hard to continue with. The workers just work and when they don't they drink, they do not have any distracting desires. The manager and the owner already think that the BEE plan will not become a success, because of the attitudes of the workers, who are named lazy and stupid. The owner has the idea that his female workers are only busy with getting pregnant, so they receive money and they do not have to work, this is due the fair trade standards.

I also spoke with Hanlie of Paardekop about her vision and opinion of fair trade. She spoke out freely. For the Paardekop farm, fair trade didn't do us well, Hanlie says. Of all the products they produce, rooibos and the grapes are sold under the fair trade label. We receive R 100 premium of every ton of grapes. For our rooibos we still receive no fair trade premium, because the Clanwilliam rooibos company is still busy with the administration. Hanlie continues that the membership of fair trade costs R 25.000 each year. That amount is not the only fee they pay to fair trade. When the inspections take place, the farm has to pay the inspection for four days plus accommodation and food. When the farm has to take corrective actions, the inspection will return, which the farm has to pay as well. For Hanlie it is clear that fair trade means only output. With output she means that it costs the farm a lot of money and the premiums they receive are for the workers. At the office they have more administration work and the amount of work had increased so much that they hired an extra person. Last year Sainsbury made a deal with them, because they only wanted fair trade oranges on their shelves. That year the price of the Clementine was already high, so Sainsbury cancelled the deal, because with the premium the price became too high.

Talking of the market prices, Hanlie shows she is a business woman. She continues by telling that they would love to sell their citrus fair trade, but the market price for fair trade citrus is lower than the open market. Hanlie expressed that when you are a farmer, you want the best price for your products, that is what farming and doing business is about, she tells me.

The way she talks about fair trade signals that she is not positive at all. What most upsets her is the way fair trade inspects the farm. The inspection is so "degelijk" (thorough) as she calls it. The inspection takes four days and they check everything three times. The farm is already Global Gab accredited, where they had to apply their standards already. Now fair trade has even more rules and standards. Changes that have to be made, were to place a shower in the pack house, their pesticide use, and the asbestos roofs had to be removed.

A few days before I spoke to Hanlie about her views on fair trade, the fair trade-inspector has arrived. This was during the busiest time of the year for the citrus plantations. Workers and especially seasonal workers gather out in the fields to pick citrus fruits. It was extremely wet these past days, in rain or fog, the workers cannot pick. Otherwise the handprints of the workers will become visible on the fruits. When I drove by the pack house,

the management was putting signs on the farm. Signs of the fire distinguisher, the emergency exit and so on. I learned that the fair trade inspector would come next week. And one week later, the signs were removed again. I spoke to Hanlie about this and she remembered the incident. She said that all these rules are made somewhere else, behind a desk, by people who never lived on a farm.

Mouton citrus is one of the largest citrus farms in the region. Boet explains that for them it is hard to meet the fair trade standards. Fair trade wants a lot of meetings on the farms. And their farms are situated far from each other, which makes communication difficult. The management has to arrange transport for the workers, what means higher costs on petrol. What is difficult for the management is that the inspection visits during harvest time which is their busiest time of the year,

After all these negative opinions about fair trade and how it operates, Ronel of Bergendal is more positive. She mentions that although that the administrative work increased, they are now forced to have this in order. Fair trade helps them to keep their administration up to date. Ronel adds that fair trade is very strict in the administration. Ronel is the first and only owner who mentions that now they are fair trade accredited that the well being for the workers, has improved. She tells me that for the community it means a lot, now the workers can spend money to their own needs.

The spending of the fair trade premiums is a major issue and comes back in almost all the interviews. The meeting with owner of Oudam was a special one, because almost everyone who knew the man, warned me of him. He is said to be extremely negative about fair trade. He actually did a lot for the workers with the premium. What was not clear to me is whether the joint body paid for those extra's or the owner. The owner mentions what he has done for the community, erecting bus shelters, building a clubhouse with kitchen stuff, a crèche with media and supplying two hot meals for the children per day. He also paid for the school uniforms of the children.

Hanlie tells me that her workers are just committed to their work, but more than that they do not do. Hanlie says that the opportunities are there, but the workers don't make use of them. She has to arrange almost everything for the joint body, and it clearly upsets her that the workers do not take the initiative for this, because it is for their own benefit. She continues that the workers here in South Africa are well equipped; it is not as in Malawi, where the fair trade sugar industry helps poor people. Her

workers have nice houses (see Photo 5), a crèche, rugby fields and a community hall. The workers will just spend the premiums to luxury products, like air-conditioning in the crèche. Last year the owners gave the workers wind jackets, but none of them is wearing them anymore. Towards the end of our conversation she says that according to her experience fair trade has not contributed much to the changes; most of the conditions were already there.



Photo 5: Workers houses on the farm Heidedal

Workers perspectives

During my stay at Paardekop, I was privileged to accompany a fair trade inspector on the farm. The Inspector meets with the workers committee of Paardekop which consists of 9 men and one woman. The workers started the meeting by telling that they are worried of the pesticides use. When the men spray, the women have to work on the field. There are no signs that the field is sprayed.

Discrimination is also an important issue for fair trade. The workers narrated that there still is discrimination at the farm. The workers explained that the supervisors of them earn more, by doing less work. They add that the boss likes the supervisors more than us.

The seasonal workers explain that the boss favours the Tswana's more than the Xhosa. When they pick the citrus, the seasonal workers have to carry larger bags than the coloureds. The seasonal workers carry ten kilo bags, instead of five kilos.

The seasonal workers wait in the morning to be transported from their kampong to the fields. But sometimes there is not enough space for all of them on the lorries. The men have to walk to the field or cannot work that day.

The seasonal workers complain to the Inspector that their houses are in bad condition. The other day one of them found a snake in their bathroom. Others saw water coming through the walls and one wall collapsed. The seasonal workers admit that some of them are pretty much involved in smuggling during the weekends and that they buy or make their own wine and then sell it to others.

All the seasonal workers have one foreman, who is responsible for the workers and that they show up at work. The foreman explains that his job is very harsh especially during weekends. During weekends seasonal workers drink very much, they either drink smuggled, self-made, or bought wine (in jerry cans of 5 litres). The foreman hardly sleeps during the weekends, for there will always be a fight, because the seasonal workers drink too much. He is responsible for them and when they do not show up at work, it is his responsibility.

One worker expressed in the discussion with the inspector, that the farm owners are rich and that they, the workers are poor and have nothing. If they don't receive the premium then the workers cannot build or expand their crèche and sport field.

Despite the fact that all the workers at the farm have to be informed about the way fair trade conceives the joint body, the workers committee has no idea what the joint body is busy with, the premiums, or what fair trade means. In this joint body every member has its own task. The members expressed towards the inspector that they learned through following a course what their role implies. They said they learned a lot from this course.

On Saturdays the workers go to the village. Normally the farm management arranges the transport. At this farm the workers explain that they know of farms that bring the workers by bus to the village. We, they say, are transported in a cattle-truck.

After the Inspector has left, I spoke to six workers, who all are members of the joint body. They make a nervous and shy impression to me. Even to the first question what they know of fair trade makes them silent. What they would like to do with the premiums they receive, is to expand the crèche and the sport fields. They say that they have meetings with the workers, to

talk about the needs of the community. One of their pressing needs was not really discussed with the whole community, but everybody knew that the premium money was needed for fire heaters in the field where the workers could heat themselves during the cold season.

It is Fair trade's aim that joint bodies take initiatives themselves, rather than the management. At Paardekop it became rather clear to me that the joint body doesn't take the initiative. If this continues like it does now fair trade will charge them with a fine.

I also interviewed some workers in the citrus pack house of Paardekop. Working in the pack house is a women's job (see Photo 6). Men work out in the field and the women pack the citrus. The process in the pack house is one of mechanisation and hand labour.

The women only pack during the citrus season, outside this season they peel, wash and dry the deciduous fruits, like peaches and apricots. Their salary is a bit above the minimum wage set by the government. The women explain that when they work extra hours (e.g. overtime), they receive an extra bonus for that.



Photo 6: Pack house at Paardekop farm

The inspector is interested how many children the women have on average. The average is one child, this because when the women are pregnant and on maternity leave they don't receive any salary. The workers can receive a kind of salary, but then they have to fill in the maternity papers that are too difficult for the women to fill in. The Inspector is surprised, because the farm owners or the management have to help them to fill them in. When the baby is four months it can go to the crèche, this costs the women 10 rand a week. The elder children of 15 work at the farm during their school holidays. This is within the labour laws as long as they don't work more than 35 hours a week. However these children work longer than this, usually as long as their parents.

The women express that they have three weeks of holiday during the year, two weeks in April and one during Christmas. One good thing the workers committee arranged is that they still receive their salary, when they are on holiday or when it rains and they cannot pick the fruit.

The fair trade inspector is keen to find out what the workers think of the management and of fair trade.

Workers of the Paardekop farm express that the farm owner "is baie onbeskof, hij vloek en alles" (he is rude and curses all the time). This is what both men and women agree. They talk about frictions between workers as well as between permanent and seasonal workers.

One member of the workers committee speaks out loud that he is glad that the farm is fair trade accredited. Before fair trade, we did not have a crèche, and we had to take our children into the fields, in the hot sun. Now we have our crèche and it is safer for our children. Before fair trade was implemented, the management would never listen to the workers committee. Neither were we allowed to join a labour union.

For the workers at Bergendal the working circumstances have improved, especially the ones out in the field; work has become safer. When the men spray in the field, the women are not allowed in the field. The premium money the joint body receives, are now spend on the community.

The workers at the Citrusdal Cellar received a training session by the GOV, what they most appreciated, especially the training session about HIV and drugs. One woman tells about her grown up children, where she now can talk about the risks of HIV and drugs. One man tells about the course he took about financial planning. That first he would spend all the money to alcohol, now he lives differently and manages to save money.

A member of the workers committee of Mouton citrus did see some change in the attitudes of the workers. The young ones who first thought that they can't move ahead in life, but now they have a feeling they work for themselves and a better future for the community.

Just after one hour the inspector at Paardekop found the forbidden heavy pesticide. Just outside on the farm, in a non locked barn.

At ALG farm I spoke to members of the joint body (see Photo 7), who are proudly chosen by the workers. Twice a month they meet and discuss what they can do with the premiums. They showed me what they have done already with the premiums the joint body has received from fair trade.

They showed me their crèche (see Photo 8), where the children are fed twice a day. For the men dress rooms were built as well as rugby fields. A special goal for their premium is spending it on disabled children, who are blind or deaf. They now have a chance to go to a special school in Worcester.

Due to the GOV the workers can follow courses; one member of the joint body gives an example of her sister in law. She drank too much and was “baie onbeskof” (very rude). She



Photo 7: joint body members of ALG

followed the course Women Empowerment, where she learned to control her drinking and become a role model to her children. She stopped drinking and turned into a decent person. For a lot of men drinking was the only thing they did when they didn't have to work.

The joint body also organises a lot of events: rugby matches or evenings for the men which perhaps keep them from drinking. Each member of the joint body narrates that they are proud to be a member. It gave them more confidence and self-esteem. “fair trade gave a voice to the workers”, one of them said. The working conditions have changed and they are safer now. The workers feel more like a family. They mention that they all wear the same clothes at work; the clothes are washed at the farm, what is very practical especially for the women.

Stellar Winery

Introduction

This smaller case study is conducted in the Northern part of the Western Cape, 275 kilometres north of Cape Town. This semi-arid district is well known for two things; the rooibos production and their spring flowers.

Stellar Organics is what the name implies, a producer of organic wine, and consists of two company levels; Stellar agri (grape farming) and Stellar cellar.

Special noticing is that Stellar is the first awarded fair trade organic winery worldwide. Stellar Winery is the largest producer in South Africa of organic wines.

Stellar winery is private owned by three Rossouw brothers. The workers are for 26% shareholders in the cellar and for 50% shareholder of the agri. The 12 farms of the agri produce the organic grapes for the cellar, up to 4500 ton per year (Stellar, 2009).



Photo 8: Crèche at ALG boerdery

The farms producing the grapes are situated at the northern part of the Olifant's river wine region and Namaqualand. The farms vary in size, the smallest has 2 ha. and the largest 86 ha.

During my stay at Paardekop in Citrusdal, several times I visited the organic and fair trade wine farm. I received a warm welcome of the management and the owners. The first day I arrived for my interviews, Oxfam Novib was there as well, to do interviews.

Farm owners' perspectives

The Rossouw family started a vegetable farm in 1960. In 1989 there was a major disaster for the farm, in a truck accident 53 of the workers died, involved women, children, men and one of the Rossouw brothers. This incident had a major impact to a small community. The Rossouw brothers started thinking of their farms, the high transport costs and the living standards of their workers. They decided to change their lives and those of their workers. Especially in this semi-arid climate the horticulture needs much water. With times of enormous droughts the yields were destroyed, however a whole community was depending on them. The Rossouw brothers started experimenting with growing other crops from 1990

onwards. The table grape was the first new crop. Although the climate is perfect for this, the transport to Cape Town and the perfect circumstances were difficult to fulfil. They changed table grapes into wine grapes and started their



Photo 9: pruning team

own cellar. The name Stellar comes from a winemaker who witnessed the starry sky. Producing the most labelled wines under fair trade of which 98% is exported mainly to the United Kingdom and the United States (Stellar Organics, 2009).

Farm manager perspectives

The manager showed me around all day. I visited the farm during the winter and saw the workers prune and turn over the field (see Photo 9).

Stellar has quite a unique manager to South African standards: Maria Malan is the first coloured woman that is a manager. Together we sat down in the office of Stellar. Maria is an enthusiastic woman who talks freely of her life and farm/winery.

She was born in a town near Trawal, Calvinia. At a young age her mother died. Maria is the oldest of 10 children and has to take care of her siblings and 4 orphans. She started working as a domestic worker for the Rossouw family, the grandparents of recent Rossouw generation. After the death of the grandparents, she started working in the vegetable crops. Because of her natural leadership, she soon started to supervise other workers.

In 1992 she followed a training to become supervisor. Her job is to supervise all the activities in the vineyard, from pruning until the export.

Turning the vegetable farm into an organic winery meant many changes. First of all the accident changed the lives of the close community. When Maria and I went on the trip along their different farms and crèches, she

told me that the community donated money, which she is managing. The crèche and the primary schools are built by these funds.

Continuing on the life of Maria is a unique story, to grow from a coloured domestic worker to a manager of a winery. In my eyes she is a devoted manager that works very hard.

In 2004 Maria completed a course in table cultivation. As manager she has 50 permanent workers and some 120 seasonal workers under her supervision. The seasonal workers come from a village nearby, Vredendal, and work at the farm from July until the end of March. Outside the season the permanent workers do the pruning.

Fair trade: accreditation

When we started to talk about fair trade her eyes light up. Maria tells me that she is a proud member of the joint body and is head of the Stellar workers trust.

The joint body of Stellar consist of seven workers, who are also member of the trust. The joint body is the bridge between workers and management. Maria tells me that the members of the joint body are elected by other workers. As member of the joint body Maria is partly responsible to protect the financial interests of the employees, and to negotiate about the needs of the workers with the management. As part of the joint body there are several groups operating to improve the lives of the workers, such as a neighbourhood watch and a health committee.

The Stellar Employees Trust consists of 12 members, the four Rossouw brothers, an auditor that is employed for his legislative knowledge and seven workers of the agri and cellar. "The Stellar Employees' Trust serves as a forum for workers to identify their needs and manages the income derived from fair trade sales. This is done through the democratically elected Joint Body, the executive arm of the Trust" (Stellar Winery, 2010).

Before the farm was fair trade accredited, the houses had neither running water nor electricity. This was installed by the management, during the fair trade application process. Maria sees several changes among the workers now the farm is fair trade accredited. The workers are more devoted to their work. Before the farm was fair trade accredited it was just their job and nothing more, now they are part of the company, what changed their mentality. The number of workers increased, especially the women workers, and there is more need of supervisors. It makes people proud to work at Stellar, because now they have a voice.

Recently the trust earned 30.000 Rand by premiums. The workers first desire was fencing around their houses.

Due to the fact that Stellar only produces grapes for the export, the trust came with a proposal to start a vegetable garden. This vegetable garden will provide the workers with fresh organic vegetables. However there is another idea behind the project, tells Maria. The project, known as 'veggie project', is situated near the workers houses. Seven families are responsible for the garden. For the children the vegetable garden is divided into smaller gardens. The children are responsible for planting crops and watering. Furthermore they will sell the vegetables as entrepreneurs at a store in the centre of the town on Saturdays. The trust opened saving accounts for the children who participate, for their education. All the workers at Stellar are free to use the vegetables in the garden.

For the men, Maria told me, working in the vegetable garden for them also means a gateway for not drinking. The most important thing Maria expressed towards me that the living conditions of the workers improved. The joint body started smaller work groups, like neighbour watch. There is more safety now at the farm, where the workers live. Especially during the weekends when men and women start drinking and there is more violence. Now because of the fencing and the neighbourhood watch and the activities for the men during the weekends the drinking and violence decreased.

The seasonal workers are member in the trust as well. There are plans to buy a bus for the seasonal workers. The seasonal workers now use an open lorry that has a textile covering, this is not comfortable and warm in the winter. Besides that it does not look professional.

The concrete facts of the achievements of the joint body noted by Maria:

- Commercial community organic vegetable garden
- Fencing around the workers houses
- Computers
- Viognier (grape variety) vineyard, next to the primary school, this is an organic educational farming project. The sale of these grapes and wines are shared by the school and the Stellar Trust
- The workers have a 26% share in the cellar and 50% share in the Stellar Agri

What is still on the list:

- A bus for the seasonal workers
- Building a community centre
- Soccer field with changing rooms

Workers perspectives

At the cellar I sat down with Harold 'Berty' Jones, assistant winemaker of the cellar. Although he is a coloured worker, his English is very good and he is at ease for this interview. It seems like he is doing interviews like this every day, witness the ease he is telling about his life and working at the cellar.

His story is, like Maria's, is a remarkable success story in South African farming. Berty, as he is called, started working in the Trans Hex mine and after a couple years he started working as supervisor. At that time, in the beginning of 2000, his brother was working as a handyman in building the cabinets for the cellar. In 2001 Berty started to help his brother in the cellar. When the cellar started to produce wine, Berty came more involved. He attended the Cape Institute for Agricultural Training and was the best student in his year. Berty expressed to me that in the beginning he was mainly working in the cellar to clean the floor and was helping where necessary. At one moment the workers were asked who was interested in following courses in wine making. Berty took this opportunity and explains me that this was a changing point in his life. Nowadays he is an assistant winemaker and supervises over 30 workers. He is doing the administration, taking tests (independently and together with the head wine maker) and supervises over labelling the wine.

Before fair trade accreditation the workers did not have a say in the company, Berty explains to me that this has changed. The workers now have a voice, for example through the joint body. The workers are more motivated and know what is going on at the cellar and farm. At other farms the gap between owners and workers and even management is large, explains Berty. At Stellar however the line between management and workers and even owners is short. Berty gives an example of a new worker that started working at Stellar a few days ago and even for him there are opportunities. He thinks this shows that there has been a major change, everyone has opportunities. Berty even had the privilege to fly to the UK for wine tasting ceremonies. For him it was the first time he flew, for his community it was the first time that a member went abroad.

Usually for his culture it is normal to speak Afrikaans and no other languages. Now the workers can follow English courses, Berty also joined and he is glad that he did.

The workers now have more bonding with the product they produce. This is one of the advantages fair trade made for Stellar, Berty says. With the premium money different projects were launched. Stellar even has its own newspaper, the Stellarster, which is written in English by some workers. This paper makes everyone at the farm stay involved.

He sees the future as a good mixture of BEE and fair trade, a higher demand for fair trade products and more social projects that can be undertaken with the fair trade premiums. He finds it important to improve the self esteem of the children and work on their confidence. However the future of fair trade is uncertain. Berty is not amused of the fair trade standards, the fact that they change and get more stringent. Therefore they become more difficult to meet. At Stellar there are now more employees involved to meet all standards, especially at the office. At one side that is a good thing, at the other is a bit tricky.

The day I visited the farm was a very warm day, in June, what actually is a winter's day. Imagine a summer day out in this semi-arid region. After the interviews at the office, Maria told me that during the tour I was free to talk to workers at the crèche and in the vineyards, and cellar. We walked a bit further up the road behind the cellar to the workers houses. The workers houses were nicely painted in Toscana colours (see Photo 10). Maria showed me an example of where the premium is spent on: all houses are surrounded by newly placed fencing. The workers had mentioned they didn't feel safe, because of the alcohol abuse of the workers during the weekends. The new fencing now gives them a feeling of safety.



Photo 10: Worker houses in Toscana colours

Maria showed me some gardens of the workers, like the one shown in Photo 10. The vegetable gardens in their front yard keep the men from drinking. She says "well now it is visible who is a large drinker and who is not, witnessing who is doing a better job in their garden". Furthermore the problems of drinking is that it results in domestic violence, especially for the children who are the future of Stellar, Maria continues. Maria expresses that the children need parents who give them the good example.

Therefore they see it as their aim to reduce the drinking problems of the workers.

Just behind the houses the shared vegetable garden is situated, started by the joint body as well.

Driving through one of the vineyards, the vines were in nice autumn colours, it is an incredible outstretched landscape. We walked through the vineyard and Maria showed me how ecological and healthy the soil is by showing me the compost full of worms. The vineyard is keeping this state of health by



Photo 11: Indian runner ducks are used as an ecological way to remove snails

Indian Runner ducks (see Photo 11), these ducks are eating the snails before they can damage the vines.

We walked further to the vineyard where we saw a group of merely women resting in the shadow. When we approached them Maria was yelling to them that they had to start working by turning over the soil. The workers walked slowly to the vineyard. Most of the workers wore Stellar working cloths. Although Maria told me that the workers are more devoted now, nevertheless when it's hot they prefer resting in the shadows.

I met Bet Booysen, the fourth woman from the left at Photo 12. She started working at Stellar, previously known as Rossouw farming when it was still a vegetable farm. She moved away twice from Stellar to another farm, both times due to her boyfriend. He moved to another farm and she was obliged to follow him. In these days the labour contract for a man involved housing, whereas women didn't have these privileges. Therefore she could not stay at the farm. Due to the good working conditions on the farm, she and her boyfriend decided to return to Stellar when a chance was offered. Around the year 2000 the working and living conditions improved, electricity was installed at the houses as well as tap water. From that time she followed courses and she is now the supervisor of a working team. In 2004 she married and this meant a great change to their lives. She tells me she and her husband are satisfied workers now that the farm has fair trade certification. Furthermore they are shareholders in the profit of Stellar and they feel more involved in the company. Bet is also a member of the Trust and is mainly responsible of the organic wine project at the Trawal Primary school. This project is started in 2006 at the primary school, so the children can learn how to cultivate a vineyard. The first wine from this vineyard is sold since 2008 on a small scale.

Maria and I walked further to the vineyard, where a pruning team was busy to work. As well as the turn over team, the pruning team is very devoted in their work. The team consists of young women and men, first a bit shy to talk with me. When I started showing interest and ask questions most workers opened up. One man



Photo 12: Women turning over the fields

talked about his devotion as a soccer player. He started a soccer team for the men, so the need for alcohol can decrease. He is blessed that fair trade

came to their farm. He feels proud to work at a fair trade farm. There are courses he takes, for example the computer course.

Another woman mentioned in English that fair trade will help to build a secure future for their children: now it is possible for them to follow the education they want. The workers agree that they now work for their own interest. Since they are shareholders in the company, there is a link between their own input and the profits of the farm. The pruning team is very serious now in their pruning job. When they prune right the vineyard will grow better and will produce more grapes. This leads to a higher wine production and therefore more premiums for the community. This responsibility has improved their working spirit.

The third worker mentions that fair trade means that much for their lives that they even go to other farms to educate others.

There are mostly single mothers working at the farm, Maria tells me when we enter her car. For them the projects are focused on how to improve the lives of their children.

As we returned to the cellar, I met Theunissen Lukas; he is member of the joint body and is operator of the labelling machine. After finishing his secondary school he started working at the Vredendal gas station in the village where he lives with his parents. One of his colleagues started working at Stellar and introduced him to the owner, who offered Theunissen a job in 2004. In 2006 he was elected to represent the cellar workers in the Stellar Employees Trust. Theunissen is responsible for the computer project started by the Joint body. Theunissen proudly shows me the 10 computers. During daytime the primary school children use the computers. In the evening the adults can follow computer courses and use the internet.

Dudley Wilmore is the winemaker at Stellar, he shows me around in the cellar. He is the one who decides when to pick the grapes. Most of the picking is done by hand, so the quality and richness of the grape can be saved.

It is interesting to see and hear the process from grape to wine. Dudley tells me that at stellar Winery the circumstances are a bit challenging, since the region Namaqualand is remote and therefore it is sometimes difficult to find the right equipment. They learned to be innovative with the material that is available and use second hand products.

All the 75 Inox steel tanks at Photo 13 are hand made by the cellar employees. At the cellar they make use of innovative techniques to cool down the temperature of the grapes to zero degrees. This technique makes

it possible to produce sulphur free wine. Sulphur is what can cause headaches to some people.



Photo 13: Inox steel Wine tanks

Some consumers are passionate about biological wine and find it very exclusive. Dudley however is quite easy about their biological farming techniques. He explains that in this semi arid landscape it is a normal situation to produce organically, there are fewer threats from moulds; pesticides are therefore not required. So according to him there is nothing special about this biological wine. Dudley tells me he feels that USA customers think there is no difference between organic and fair trade, they think it is both the same. In the beginning Stellar was only producing organic and the fair trade label was acquired later. This, however, made no changes to the exports to the USA, although exports to the UK and Holland did increase.

The farm makes use of a special computer driven drip irrigation network. The water is supplied by the Clanwilliam dam. In this area water has to be used carefully and due to this irrigation system less water will be spoiled by evaporation.

Conclusion

Doing these case studies has given me a very good insight in the perspectives of different players in the fair trade wine industry. In both cases I interviewed several stakeholders, like workers, managers and owners. These interviews showed the history of the farm, the improvements made before and after fair trade accreditation and the changes these made to the farm workers.

In the next chapter these findings will be discussed in order to answer the research questions I posed in chapter 1.

Conclusion

Fair trade

Fair trade is a trading partnership, based on dialogue, transparency and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers- especially in the South.

fair trade is best understood as a response to the negative effects of contemporary processes of globalisation. The paradox of globalisation is that not all participants are equally benefiting. The first fair trade initiatives are taken by alternative trading groups (ATO) to assist disadvantaged groups. In 1980s the efforts of the ATOs evolved into a fair trade movement, with norms based on 'fairness'.

South Africa's growth as a fair trade producing country was hotly contested. The inclusion of the still white owned commercial farms was a critical and major debated issue in the fair trade movement. The economic and political challenges arising out of the expansion of fair trade into South African plantation agriculture has forced FLO and its partners to reinvent and re-image 'fairness', developing new answers to the question of what would constitute 'fair trade' in the South African context.

Fruit industry in the Western Cape

The wine and fruit industry has a long history in South Africa. The first vineyards were planted in 1655 by white settlers in the southern part of the Western Cape and rapidly expanded into the interior. At the beginning of the 19th century, wine represented almost 90% of the total agricultural exports. Until the 1990 the wine industry was dominated by the wine cooperative KWV, by setting planting quotas, minimum prices and regulate export to maintain prices. This encouraged the production of low quality wines in large volumes. The bulk wine production was highly dependent on cheap black labour.

The end of the Apartheid and the beginning of deregulation opened up the export market, now quality was needed to score at global good markets and increase the share.

Labour relations on plantations

In the early 1700 Dutch farm owners (called *trekboers*) moved away from Cape Town, where they first settled, in the direction of the north and east. In the beginning they had a pastoralist way of living in common with most

indigenous groups. Through various reasons the indigenous people were forced to work for these trekboers and from the beginning labour relations have been unbalanced. The labour relations were such that no cash wage was paid, but their labour was simply exchanged for food, housing and grazing rights for their cattle. After the implementation of the 1913 Land Act – which appointed most land to the white part of the population - the position of the tenants weakened. Until the end of Apartheid the labour relation can be described as a master-slave relation.

Since 1994, the end of the apartheid, the government provided new legislation for farm workers, providing a wide range of labour, social, and land rights. Most farm owners comply with the main part of the Basic conditions, like working hours, leave and holiday permission. However farmer compliance to other legislation is widely reluctant, like the unemployment insurance or skills development act. The situation for farm workers didn't improve; farm workers are aware of their rights, but realise they can't insist on these rights and maintain paternalistic relationships. The more recent Black Economic Empowerment (BEE) legislation is a new way to address to the responsibility of farm owners in the wine and fruit industry.

Effects of fair trade in the fruit industry

In the case of South Africa fair trade uses specific standards for plantations with hired labour. In case of the plantations, the farmer receives a fair price for his product and the workers receive the premiums. The premiums are managed by worker groups, the joint body. FLO standards for hired labour have three main subjects, namely; (1) social development, (2) economic development and (3) environmental development. FLO designed special standards for South Africa, due to its past. These standards are made to guarantee more empowerment for workers.

The implementation of the regular fair trade standards didn't pose many difficulties to most farm owners. In the case of Citrusdal these farm owners already supplied to large UK supermarkets, therefore their production was already EurepGAP certified.

Meeting the social standards as well as the BEE standard, is hard to meet for most farm owners in Citrusdal. Due to the shortage of staff at the government, the application procedure takes very long. This is a problem for farm owners, because FLO will withdraw their membership. Some farm owners have difficulties to reduce and change their pesticide use.

For Stellar Winery the focus was already on wellbeing of their workers. Even before the end of apartheid the farm owners were aware of the poor

situation of the farm workers. Meeting the standards for them as organic winery was not that hard.

Regarding the farm owner perceptions of the standards there were great differences between both regions. Most farm owners in Citrusdal see fair trade as a good way to sell their wine for a better market price, these farm owners perceive the fair trade standards as bureaucratic and unrealistic in practice. The farm owners who became fair trade accredited to improve the living and working conditions of their workers have less problems with the standards. For these farm workers the standards are necessary to improve the situation of the farm workers.

It is difficult to find out the perceptions of the farm workers in the Citrusdal region, on the implementation of fair trade standards. The workers are not aware of the standards and how they should be implemented. For them everyday life means working at the farm and follow instruction of their boss.

The situation for farm workers in the Stellar Winery is the opposite. fair trade is well integrated at all farm levels. One can ask any worker what fair trade entails. Farm workers are aware of their rights and how the fair trade standards should be implemented. The farm workers are so devoted to fair trade and how it benefits their lives that they educate others.

Before going into farm workers' perceptions and how they see the effects of fair trade on their working conditions it is important to emphasise that farm workers are sometimes not aware what improved working conditions actually means and who and whether this is related to fair trade or not. Some improvements were already implemented by government rules, before farms were fair trade accredited.

Some of the working conditions of the farm workers in the Citrusdal region have indeed improved. Farm workers say that the use of dangerous pesticides is no longer the case. Working in the field for them is now safer and healthier. Women in the pack house do wear protecting clothes and have a shower in their dressing room. The work structure has become more formal, now the workers have a supervisor, they work in teams and the communication within the farm has improved. Although some farm workers are not satisfied with the role of the supervisor. In their eyes the supervisor has no added value, the workers already know what to do, and the supervisors have a higher salary although they do less work. Workers feel they are taken more seriously; they are employees in the company instead of being a source of cheap labour.

At Stellar the farm workers are satisfied with their working conditions. All farm workers do wear protected clothes. Workers mention that their

working conditions are safe. The use of pesticides is not applicable, since this is an organic winery. The most striking example of empowerment of the workers is that coloured workers are in high management positions. Supervisors at Stellar are part of the working team, besides their supervision, they participate in the working process.

To improve the living conditions of the farm workers, they receive a premium that is linked to the total fair trade sales. The farm workers had to install a joint body that consists of democratically chosen representatives. The joint body together with farm workers decide how the premium is spent. This premium can only be used for the community of the workers and not for improvements at the farm.

Examples of projects that have been funded by the joint body are: sport fields, dressing rooms, crèches, school funding, community halls, heaters in the field. These projects have directly improved the lives of the farm workers. Besides the material projects, the joint body organises social courses directed at improving life skills. For example courses in household finances, quitting alcohol, how to be a responsible man or woman or computer practices. Furthermore the joint body, together with the GOV in Citrusdal, organises informal meetings for women or men, elderly and youth. Workers say that the courses have helped them to improve their self confidence and gave self-respect.

The farm workers at Stellar mention that their living conditions improved by the premium. The joint body of Stellar spend their first premium on the fencing of their houses, nowadays the workers feel safer. Their houses have been renovated, electricity and running water is installed in their houses. Close to the workers houses the joint body planted a community vegetable garden, the workers can grow vegetables for their own use or for sale at the local market. This generates an extra income. The premiums are also spent to secure the futures of their children. For all children is a viognier vineyard planted, where they can practise and learn how to cultivate grapes. Some money is saved as a fund for further education. The Stellar joint body organises English courses and computer courses. In both cases the farm workers mentioned that their self confidence and respect improved. The focus of fair trade on living and working conditions have had a significant effect.

To conclude the analysis of the case material show that the costs and the benefits of fair trade are not equally shared. For farm owners the benefits are relative. The economic benefits are that they now receive a better price than before. But they bear all the costs of accreditation and inspection, and these costs are not compensated by a higher market price. On the other

hand, the social benefits as mentioned by some farm owners, they see more devoted workers, now that they are roped in as shareholders.

The farm workers do benefit significantly more than the farm owners. For the farm workers the working and living conditions improved. Now they have a voice in the management, their self esteem has grown. Due to the premiums the farm workers can spend money on their community, so everyone benefits from fair trade. Furthermore the farm workers invest in the future of their children to make sure that these children will have a better future.

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