Assessing the impact of codes of practice in the South African wine industry and Kenyan cut flower industry

Phase 1 report

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ASSESSING THE IMPACT OF THE ADOPTION OF CODES OF PRACTICE IN THE SOUTH AFRICAN WINE INDUSTRY AND KENYAN CUT FLOWER INDUSTRY

PHASE 1

Natural Resources and Ethical Trade Programme

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**Summary**

This report provides an account of the first phase of the project to assess codes of practice in the South African wine industry and Kenya cut flower industry. The objectives of the first phase of the project were as follows:

- To develop a methodological approach for assessing the social impact of codes
- To develop participatory impact indicators
- To collect baseline information on worker welfare and households
- To draw preliminary lessons regarding the impact of the codes so far

In Kenya a planning workshop has been held with potential project team collaborators and with key stakeholders in the cut flower industry. Further collaboration with a project developing participatory gender monitoring and auditing (led by IDS) has been set in train.

In South Africa phase one has now been completed.

Participatory methods were used to identify indicators. Methodological adaptations have been made during phase 1 (e.g. moving from focus groups to individual discussions with workers to encourage workers to articulate their needs and concerns in a more personal situation) and the lessons are highlighted throughout this report.

The priority needs of workers employed on Cape wine farms were identified and the extent to which these converge with and diverge from the provisions that form the core of the codes of practice was assessed. The priority needs were then developed into a set of questions, which serve as the indicators of any impact the codes may have had so far and may possibly have in the future, combined with some questions identified by the project team. The questionnaire was employed in a survey of 161 workers, spread over ten companies (5 adopting and 5 non-adopting), and stratified according to work status and gender. The questionnaire proved to be a valid, reliable and cost-effective method. Case studies were also carried out with worker households, although due the levels of mistrust on farms between workers and managers these case studies have only yielded limited information so far. However, these relationships will be developed during the course of the project, and further approaches considered to exploring worker household and wider society impacts stemming from codes of practice.

One shortcoming in our set of baseline data is the absence of seasonal workers. For reasons beyond our control, we were unable to synchronise our fieldwork with the grape harvest, which is the only period when seasonal workers are available for the purposes of research. They will however be included in the next phase of the assessment.

Looking at our baseline data, it is clear that permanent workers, especially those on adopting farms, are considerably better off than temporary workers regarding ‘material wealth’, ‘social wellbeing’ and ‘empowerment’. Women workers are worse off than men in some respects, but not on all indicators. One manager at each of the
ten companies was interviewed, concentrating on their awareness of the codes and (where applicable) their views on the impact of codes.

Based on our analysis of the baseline data and management interviews, we have obtained a good idea of the impact of the codes so far. At this stage it does not seem to be dramatic. However, the sample of companies is too small to allow any generalisations across the industry. We need to expand the sample to at least another ten farms, which will enable generalisations across a wider sample of the industry (although this will still not enable generalisations across the industry). It is too early to assess any lasting impact at this stage, but by the end of the project it should be possible to establish whether codes have had any lasting social impact.

A presentation was made at the DFID workshop entitled 'Ethical trade impact assessment workshop: Lessons from fair trade. The report from this workshop is included here as an annex.

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All views expressed in this report and conclusions drawn are those of the authors alone.
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List of Acronyms

CEPAA Council for Economic Priorities Accreditation Agency
COSATU Congress of South African Trade Unions
CRLS Centre for Rural Legal Studies
DFID Department for International Development
ETI Ethical Trading Initiative
GEAR Growth, Employment and Redistribution
ILO International Labour Organisation
KWV Kooperatiewe Wynbouers Vereniging van Suid-Afrika
(South African Winegrowers Association of South Africa)
SAWIS South African Wine Industry Statistics
SAWIT South African Wine Industry Trust
SA8000 Social Accountability Standard
1. Introduction

Ethical supply chain management initiatives are still relatively recent, but the corporate responsibility movement is gaining momentum and a multitude of voluntary codes of practice have been developed. The business case for corporate responsibility has been set out more rigorously, however, than the development case. Integrating ethics into all aspects of a corporation’s activity is often said to deliver benefits in terms of worker welfare. However, this assumption has not been explored in a rigorous manner. To what extent are workers’ terms and conditions improved by codes of practice and are workers’ empowered by them? Further, it is not only workers that are affected by the policies and practices of business. There are other stakeholders at the local level and the impact upon them has not been systematically assessed. From a development perspective it is important to ask how far codes of practice can bring about real improvements in the material wealth, social well-being and empowerment of workers and other local stakeholders, and to establish whether codes themselves have negative or unexpected impacts. A systematic assessment of the impact of codes of practice is also needed to establish if alternative or complementary policies and support are the way forward to bring about positive social change.

2. Project purpose

The purpose of the project is

‘to carry out a systematic assessment of the social impact of codes of practice on workers, worker households and wider society’.

3. Progress so far

This project is funded by DFID. It is a longitudinal and comparative assessment of the social impact of codes of practice in two industries in African horticulture, namely cut flowers in Kenya and the wine industry in South Africa. The work in Kenya has been delayed until later this year when funding is likely to be made available, although a brief planning meeting was held with potential collaborators, social scientists and key industry players (April 2002).

Phase 1 has begun in South Africa with a baseline survey. Impact indicators were first developed using participatory methodologies. A questionnaire survey was then implemented and the findings analysed. These findings represent the bulk of this report. It is planned that Phase 2 will continue with an extension of the baseline survey to include more companies (July-August 2002). Over the next 2 or 3 years annual visits will be made to track changes and to assess how codes are making a difference.

3.1 Kenya

A visit to Kenya was carried out in April 2002 to hold planning meetings with key players in the cut flower industry (e.g. the chair and manager of the Kenya Flower Council), with DFID (Rural Livelihoods and Private Sector advisors) and with a
research team led by IDS, University of Sussex\textsuperscript{1} on gender and codes of practice in the cut flower industry. To avoid duplication, to ensure the projects complement each other and to seek ways to avoid ‘researcher fatigue’ it was important that staff from the two projects meet to discuss coordination. The gender and codes of practice project is aimed at identifying key gender issues in horticulture and developing a manual for participatory monitoring. It has already begun and will be finished at the end of March 2003, and activities include contextual analysis, participatory research and questionnaire surveys. Thus there is a strong likelihood that there will be findings from both projects which will complement each other, although they will not overlap. The project teams agreed to share findings as far as possible and to coordinate (e.g. to select different companies to include in the project).

3.2 Impact assessment meeting

The project manager made a presentation on impact assessment and codes of practice at a DFID organised workshop on ‘Ethical Trade and Impact Assessment: Lessons from Fair Trade’ (13\textsuperscript{th} March 2002). The presentation underscores the innovative nature of this impact assessment – no other impact assessment on corporate responsibility which employs a rigorous and systematic methodology was mentioned or presented at the workshop. As far as the project team is aware this is the first attempt to assess the social impact of codes of practice in a robust way.

The NRET presentation highlighted the methodology that has been developed for codes of practice impact assessment and outlined some of the key challenges specific to impact assessment of corporate responsibility (e.g. gaining access to companies for an activity that will not be of direct benefit to them, the importance of improving approaches to impact assessment based on self-evaluation, capacity building and participation but the limitations to such an approach given the scepticism surrounding CSR and the need to be perceived as independent from the public relations machines of multinationals). The preliminary findings from the South Africa baseline and impact indicators activities were also presented.

The audience included staff from different DFID departments, and from alternative trade organisations (ATOs) and NGOs. There was no private sector participation.

The presentation is included in appendix 1. A report of the workshop is included in appendix 2.

3.3 Ethical Trade Initiative Wine Pilot

A presentation was given at the ETI South Africa wine pilot meeting (London, 24\textsuperscript{th} May 2002)\textsuperscript{2}. The meeting was convened to review progress on the wine pilot ETI

\textsuperscript{1} Catherine Dolan is currently leading the work on cut flowers in Kenya, Stephanie Barrientos (IDS) manages the project and is leading on South Africa vegetables and Anne Tallontire leads on the gender project in Zambia.

\textsuperscript{2} By Valerie Nelson, Project Manager, University of Greenwich, and Dr J Ewert, South African collaborator, University of Stellenbosch.
evaluation. A range of private sector, NGO and trade union representatives were in attendance.

The purpose and objectives of the impact assessment were presented as well as the methodology which has been developed for the project. The preliminary findings from South Africa were presented and feedback from the ETI group was extremely positive. Dr Ewert has been engaged with the ETI pilot in South Africa from its very beginning and was therefore able to provide grounded information and a South African civil society perspective on the pilot, its positive aspects and its limitations.

4. South Africa Phase 1

Codes of practice were first introduced in the South African wine industry in 1999. After initial preparatory work in 1998, six companies agreed to take part in the ‘pilot’ of the British Ethical Trading Initiative (ETI). Four of these were private cellars and the other two co-operatives. One other company, a private estate, negotiated independently with CEPAA, regarding the introduction of the SA8000 code. The company was certified in 2000.

The main objectives of the ETI ‘pilot’ were two-fold: firstly to obtain the co-operation of the companies in implementing the ETI’s ‘base code’ (derived from ILO standards), and secondly, to develop a multi-stakeholder methodology for monitoring compliance with the code.

The process was not without its problems. On the part of some South African stakeholders fears were expressed that the code was merely protectionism in another guise. There were also strong reservations against the stance taken by the supermarkets involved in the ETI, that they were not prepared to break off commercial relation with suppliers even if they did not comply with the base code (and in effect South African labour law). Some of the producers complained that the ETI was using double standards, putting labour conditions in South Africa under the microscope, while turning a blind eye to conditions on the farms of suppliers in other parts of the globe. The ETI’s efforts, for their part, suffered from a lack of sensitivity for the local political culture, lack of transparency and poor organisation, at least initially.

Despite these problems, the pilot has come to a close and the ETI is on the verge of ‘rolling out’ its base code to at least some of the approximately 60 South African suppliers of wine to British supermarkets. It hopes to go ahead as soon as a local ethical trade association (drawing on the lessons of the pilot) has been established at the Cape.

The timing of the impact assessment is opportune, because the first phase of the assessment was begun less than three months after the pilot came to a conclusion (i.e. January this year). The aims of the first phase were:

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3 *Inter alia* Fiona Mabbett, ETI, Simon Steyne (Chair of the ETI wine pilot), Tesco's and Sainsbury’s wine buyers and social responsibility staff, representatives from Christian Aid, Quaker Peace NGO, Phil Wells.
• To develop impact indicators, i.e. to identify the priority needs of workers and worker households and to assess the degree of convergence/divergence between these and the provisions of the two codes in question.
• To develop a methodological approach for assessing the social impact of codes of practice piloted
• To collect baseline information on worker welfare and worker household livelihoods through the use of impact indicators.
• To make a preliminary assessment of the impact of the codes so far

The first phase of the assessment was completed in April this year. The results are presented below.

5. South African Context

5.1 Macro-economic scenario

The South African economy is relatively stable, especially when compared to the rest of Sub-Saharan Africa. Inflation has declined from a high of 8.6% in 1997 to 6.9% in 2002. In 2001 the economy grew by 2.2%. The forecast for 2002 and 2003 are 2.3% and 3.3% respectively. The Rand has devalued substantially over recent years. However, this has helped to boost the export effort. Manufactured goods have increased from 10% of GDP in 1990 to 30% in 2000. It has also played a part in increased agricultural exports, including wine. Despite these sound ‘fundamentals’, the government’s neo-liberal economic policy (‘GEAR’) has come under increasing criticism over the last few years, especially from its trade union ally COSATU, mainly for the policy’s failure to create new jobs.

5.2 Social climate

Since 1994, black economic empowerment and affirmative action has had an impact in terms of entry into the professions, government and the service industries but the more traditional sectors, particularly in agriculture and agribusiness, remain dominated by whites. Despite being a middle-income country in terms of per capita income, disparities in income are amongst the most extreme in the world. The top twenty per cent live in “first world” conditions. Part of this upper layer is a fast growing black middle class. At the other extreme, approximately 50 per cent of the population live in poverty. 75% of all poor people live in the rural areas. Officially unemployment lies between 25 and 35%, but these statistics significantly understate the true level of unemployment.

Unemployment is a major cause of concern. It is one of the major reasons behind the country’s rising crime rate, undermining investor confidence, creating a pessimistic future outlook and contributing to the country’s substantial ‘brain drain’. Unless the economy can generate more jobs, especially for the unskilled, the social outlook for everyone in South Africa is uncertain.

Given the high rate of unemployment, large sections of business have expressed their reservations regarding the government’s active intervention in the labour market. Despite the judgement by an ILO research team that the South African labour market is not unduly rigid, many business people continue to bemoan the ‘inflexibility’ of the
South African labour market. The government for its part is caught in a dilemma: how to reconcile growth and job creation with the alleviation of poverty. The setting of a minimum wage for agricultural workers, for instance, may increase the income of some, but cost others their job. These considerations are currently occupying the minds of those in government charged with the setting of such a minimum wage, also for the wine industry.

5.3 South African agriculture

Agriculture has traditionally played an important role in the development of the South African economy. The sector has large linkage effects with the rest of the economy and is a major earner of foreign exchange. In recent times, however, the sector has experienced a conventional secular decline, and today contributes less than 5% of GDP. In the midst of improved productivity, increased exports and greater international competitiveness, agriculture has shed a considerable number of jobs (van Rooyen & Esterhuizen, 2001). Between 1985 and 1996, 180 000 regular jobs were lost and approximately 210 000 casual and seasonal jobs during the same period. Today agriculture provides for 11.4% employment in the formal sector or a total of 930 000 jobs. Twenty per cent of all South African farm workers are found in 10 magisterial districts, situated mostly in KwaZulu-Natal and the Western Cape (Centre for Rural Legal Studies (CRLS), 2001).

In part the decline in employment can be attributed to a process of deregulation which started in the mid-1980s and lasted into the mid-1990s. The main policy shifts up to 1994 included deregulation of the marketing of agricultural products; changes in the fiscal treatment of agriculture, including the abolition of preferential tax treatment and a reduction in direct budgetary expenditure; and a start to the processes of land reform, reform of labour legislation, and trade policy reform.

The purpose of these policy reforms was to correct the injustices of past policy, to get the agricultural sector on a less capital-intensive growth path and to enhance the international competitiveness of the sector. On the whole the sector has benefited from the process of deregulation, but there have been winners and losers in the process (CRLS, 2001).

One of the more important effects of deregulation has been the shift in factor shares used to produce agricultural output in South Africa. For instance, the share of intermediate goods has increased as production has shifted away from field crops to more intensive horticultural production while the share of labour and capital has declined (Kirsten, 2001). There is strong evidence of improved flexibility in input substitution in South African agriculture. However, what this means, amongst others, is that labour is less important than before, both as an input cost and in terms of employment. A stronger growth performance by agriculture may counter this trend, but it will only put brakes on what is essentially a downward curve.

4 However, the employment of seasonal and casual workers has recovered and is on the up again since the mid-1990s. To some extent this is due to growth in the horticultural sector, which has a strong presence in the Western Cape.

5 Labour costs as a share of total running costs in South African agriculture is currently calculated at an average of 17% (Kirsten, 2001).
5.4 The South African wine industry

5.4.1 Structure of the industry and transformation

In some respects the South African wine industry\(^6\) is an exception to the general trend found in agriculture as a whole. In the wake of more plantings, growth in production and increasing exports, the period 1994-97 saw an increase in aggregate employment\(^7\). At the time it was estimated that the industry employed a total of approximately 55 000 regular or permanent workers in vineyards and cellars\(^8\). During the grape harvest permanent employees are supplemented by approximately the same number of seasonal workers. At various times of the year (e.g. during the pruning season) farmers also employ teams of temporary workers, increasingly provided by so-called labour contractors and labour brokers.

However, the increase in employment only gives a hint of the enormous changes the industry has been going through over the last ten years or so. After a period of relative stability which lasted more than seven decades, the industry suddenly came face to face with a number of profound challenges:

- Deregulation of the industry (including the abolition of planting quotas and the minimum price for grapes)
- The transition to democracy
- The extension of labour legislation to agriculture
- The opening of international markets after the lifting of sanctions against South Africa

The response from the wine industry was mixed. The estate and private cellar sector, which was entrepreneurial from the outset and did not rely on the state, generally welcomed the changes. In fact, the sector had been pushing for deregulation since the late 1970s.

The co-operative sector, however, by and large perceived deregulation, democracy and labour rights for workers as a threat. In the past, the minimum price, planting quotas and repressive labour laws had combined to create a comfort zone in an industry geared to the mass production of cheap ‘standard price’ wine, the bulk of which was converted into distilling wine. Within the space of seven years, the ‘bubble’ burst as a result of a process of far-reaching deregulation.

\(^6\) The current structure of the industry is estimated as follows (although there is no definitive list): 4501 primary producers, 50 co-operative cellars, 92 private cellars estates, 185 private cellars non-estates, 8 producing wholesalers.

\(^7\) In three important regions of the Cape wine industry, a survey found regular employment to have increased by 7% in the period 1994-97 (Ewert et al, 1998).

\(^8\) Although the number of hectares have continued to increase since 1997 (SAWIS, 2001), it is not a foregone conclusion that permanent employment has increased in tandem. Militating against such a trend is the increasing tendency of farmers to ‘casualise’ labour, i.e. shrink the permanent labour force, especially in the wake of tenure legislation passed in 1998 (i.e. the Extension of Security of Tenure Act, 1998. No precise figures are available on the current composition of the labour force in the industry. The industry’s official figures (i.e. South African Wine Industry Statistics or SAWIS) are too crude and of no help in this regard.
The only major change welcomed by the co-operative sector was the renewed access to the markets of the UK, continental Europe, the US and further afield. Neither the farmers nor the cellars were sufficiently prepared, however, to take advantage of this opportunity. Solely focused on the production of cheap wine for bulk sale to the local wholesalers, they had no experience of marketing, never mind operating in highly competitive international markets. Further, demand in these markets was increasingly for higher quality ‘premium’ wine, especially of the red variety. When the markets opened in 1993, at least 85% of all co-operative vineyards in South Africa were producing white grapes.

Following the first democratic election in 1994, most of the co-operatives tried to adjust to the new environment as best they could. Old vineyards were uprooted, new varieties planted and old cellar equipment replaced with new technology. Where they could afford to do so, cellars installed brand new ‘lines’ dedicated to the production of red wine. Most of these changes were first introduced in the year 1995/6, which represents a watershed and marks the beginning of the ‘quality revolution’ in the South African wine industry.

At the strategic level, co-operative cellars follow one of two routes: either they keep selling their wine in bulk to the wholesaler (while trying to adjust) or they begin self-marketing, including the bottling of wine and the establishment of ‘brands’ in both local and overseas markets. In both categories, cellars are to be found that have changed their status to that of a company hoping to gain all kinds of advantages in the process – from sourcing capital on the open market to replacing the co-operative culture with a business orientation. In the case of some of the bulk producers, however, the transformation is merely superficial. The firms are nothing more than ‘paper companies’, continuing to operate in practice like a co-operative. The self-marketing firms, on the other hand, are trying to make the transformation complete: developing varietal and appellation wines, professionalising the cellar management and developing human resources on a broad front (Martin, 2001).

What have been the consequences of all these changes and upheavals in this busy activity over the last seven years or so? For one, the Cape vineyards have changed. By 2000, growers in South Africa had planted 105 566 hectares of land with 313 889 682 vines to wine grapes. This represents an increase of 13.2 per cent from the land used in 1993. Total production increased by only 0.6%, from an average of 850 781 419 tons of grapes in 1991-1993 to an average of 855 629 927 tons in 1998-2000. This is largely because the ‘quality revolution’ requires lower yields per hectare. A diagram of the structure of the wine industry is included below.
Most of the new plantings involve the so-called ‘noble’ varieties\textsuperscript{9}. By 2000, these represented just over 30\% of all South African vineyards, compared to 13.8\% in 1991 (Visser, 2000: 32). In the year 2000, 32\% of all vineyards were planted under red varieties. Of all ‘good wine’\textsuperscript{10} produced in 2000, 21\% was red, compared to 10.9\% in 1992 (SAWIS, 2000; Ewert, 2000).

In this process of transformation, it is the private cellars that have continued to lead. More than 50\% of the noble varieties have been planted by the private cellars. Although co-operative cellars produce close to 75\% of volume, less than half of all their grapes pressed originate from noble vineyards (Vink \textit{et al}, 2001). Seventy per cent plus is still delivered in bulk to wholesalers (Martin, 2001).

\textsuperscript{9} Cabernet Sauvignon, Merlot, Pinotage, Shiraz, Sauvignon Blanc and Chardonnay

\textsuperscript{10} Refers to table wine, to be distinguished, amongst others, from distilling wine.
Because many co-operative cellars find it difficult to make the transformation\textsuperscript{11}, they command a minority share in the exports of South African wine. In 2000 only 36 co-operative cellars were involved in the export trade, to a greater or lesser extent, compared to 155 private cellars\textsuperscript{12}.

The United Kingdom is the most important export market for South African wine\textsuperscript{13}. Just over forty per cent of the total value of all wine exports is destined for the UK. In 1999 South African wines had a share of 6\% in this market (Ewert, 2000). This is likely to have increased since then, mirroring an increase of total exports of table wine of 8.5\% between 1999 and 2000 (SAWIS, 2001). In the UK market, most of the South African wine, like imports from other countries, is sold through the major supermarket chains.

Exports may be on the rise, but not so the prospects of many co-operative cellars. Locked into a path of mass production for too long, a number of co-operatives are struggling to survive. This has caused much concern (not least because of the livelihoods involved) and as a result the industry appointed a strategic working group three years ago. Dubbed ‘Vision2020’, the working group produced a ‘strategic agenda’ with radical implications for the co-operative sector.

The chair of the group has suggested in informal discussions that unless the recommendations are implemented, half of the co-operative sector may no longer be in business in five years’ time. A team of consultants, charged with assisting cellar management with the implementation of the 2020 ‘message’, have estimated that 20\% of the co-operatives have no hope of survival, while another 40\% may meet the same fate, depending on their interventions\textsuperscript{14}. Given that the majority of farm workers are employed on co-operative farms, this is bad news for worker livelihoods in the rural Western Cape.

5.4.2 The impact of changes in the wine industry on workers

Market forces and labour legislation have combined to have a significant impact on the workers employed in the wine industry. Cost pressures, including the management costs involved in complying with the law, have forced growers to take a fresh look at the size of their labour force, workers’ skills, the organisation of the firm and the way in which they relate to their employees on a daily basis.

The state has tried to act directly on workers’ conditions of employment. Starting in 1993, the government (in waiting) launched an intensive legislative programme aimed at empowering workers in agriculture. Having been denied those rights for more than 300 years, a ‘worker friendly’ government lost no time in extending existing protective laws to agriculture or putting new ones on the statute book\textsuperscript{15}.

\textsuperscript{11} It has been estimated by one former co-operative, now company, that it costs R 1 mill. To establish a brand in an overseas market. Personal communication, board member of Simonsvlei cellar, March 2002.

\textsuperscript{12} Personal communication, Debbie Wait (SAWIS), 4.7.00. These figures represent 45\% and 64\% of all co-operative and private cellars respectively.

\textsuperscript{13} Followed by the Netherlands, Germany and Skandinavia.

\textsuperscript{14} Personal communication, ‘La Vita Nuova’ consultants, January 2002.

\textsuperscript{15} The most important pieces of legislation are: The Unemployment Insurance Act; The Compensation for Occupational Health and Diseases Act, 1993; Basic Conditions of Employment Act, 1994.
In the past relations on the farm were defined by a diluted form of paternalism, in which the farmer was both the undisputed master and benefactor, dispensing punishment and benefits at will (Ewert & Hamman, 1999). Although the arrangement was not without some welfare benefits\(^\text{16}\), most workers laboured for long hours against low pay. It was not uncommon, for instance, for employees to work for 55 hours per week or more. It was equally common to partly pay workers in alcohol rations, constituting the infamous ‘tot’ system which, over time, became synonymous with the Cape wine industry. Now legislation does not only try to protect workers’ basic rights, but also to nudge relations on the farm away from ‘neo-paternalism’\(^\text{17}\) into the direction of modern industrial relations.

As it turns out, this is easier said than done. There is considerable evidence that many farmers are reluctant to comply with labour legislation, if not downright hostile to it (Kleinbooi & Hall, 2001). Opposed in principle to the regulation of labour, many are resorting to casualisation and contractualisation\(^\text{18}\), deepening a segmented labour market and further cementing a situation of ‘winners’ and losers’. There is not much to oppose this trend, given the weak capacity of the state and the precarious foothold of unions on wine farms\(^\text{19}\).

The historical consequence of the paternalism endemic on wine farms for the vast majority of workers in the wine industry is a life of poverty. As recently as the mid-1990s, a comprehensive in-house survey of working and living conditions on wine farms confirmed that approximately 40% of employees were earning wages below the poverty line and lived in inadequate housing, lacking ceilings, piped water, flush toilets and electricity (KWV, 1995). Even more recent, a research report on employment conditions in South African agriculture reported that ‘the evidence is clear that most South African farm workers live in circumstances of absolute and relative poverty’. Amongst the poor are some of those employed on wine farms in the Western Cape\(^\text{20}\) (CRLS, 2001: vii). Casualisation is certain to add to the already large pool of the rural poor.

\(^\text{16}\) Part of the paternalist ‘contract’ as it were, was free housing (on the farm), the right to stay on after retirement and until a decade or two ago, food rations. True to the paternalist understanding of things, the farmer took it upon himself to look after the workers like his ‘children’.\(^\text{17}\) A hybrid between classical paternalism and elements of a modern industrial relations system and form of organisation. Neither one nor the other, it sits astride fault lines and is fraught with difficulties (Ewert & Hamman, 1999).\(^\text{18}\) ‘Casualisation’ refers to a reduction in the size of the permanent labour force and often an inversion of the ratio of permanent to casual workers. ‘Contractualisation’ refers to re-employment under less favourable circumstances and the rise of intermediaries like labour contractors and labour brokers.\(^\text{19}\) There is general agreement amongst observers that unions’ paid-up membership is 10% at most of all farm workers employed on wine farms. Although it is probably lower, it is very difficult to provide more precise figures, given the fragile and fluctuating fortunes of unions in the wine sector.\(^\text{20}\) Although the sample of farms researched in this study was rather small and not nearly representative of South African agriculture, the majority of farms were drawn from the Western Cape. Also, survey data was not the only data on which the conclusion is based. The study used a ‘capability’ measure of poverty drawing on Census 1996 data for the analysis.
The industry itself has not addressed the question of poverty directly. In the wake of an out of court settlement between the then minister of land affairs and the KWV, the South African Wine Industry Trust (SAWIT) was established. It has substantial funds at its disposal, earmarked for general business development, but also for social empowerment and the establishment of new farmers. SAWIT does support a number of land reform and training projects, aimed primarily at the formerly disadvantaged.

Vision2020 does not make any direct reference to tackling poverty either. However, on its ‘strategic agenda’, it makes mention of human development which it says should be promoted through training, affirmative action and ‘ethical trade and social responsibility’. Included in the latter are ‘environment friendly practices’, the promotion of ‘responsible’ consumption of alcohol and ‘well-integrated ethical trade programmes and projects throughout the industry’. However, the notion of ‘ethical trade’ is not unpacked any further. So far, the ETI’s base code has only been piloted and the code of conduct adopted by Agri Western Cape some six months ago has not yet been taken up by the wine industry. Share equity schemes have been begun on a small number of farms (see box 1 below).

The state’s legislative programme with regard to farm workers has been widely welcomed by all kinds of wine industry stakeholders, including sections of organised agriculture. Despite its weak enforcement by the state inspectorate, it has undoubtedly improved the situation of many a farm worker in South African agriculture, especially with regard to working hours, sick leave, annual holidays and unfair dismissals. However, collective bargaining over wages and working conditions is far off and may never prove to be viable.

The government has come to realise this and has resolved to improve the economic situation of farm workers through minimum wage legislation. It is acting upon a research report which has recommended the introduction of a four tier minimum wage, depending on workers’ human capability rating and the farmer’s ability to pay. These criteria, in turn, have been correlated with geographical location (variations exist between magisterial district). Mindful of the possibility ‘that the most vulnerable farm workers, namely women and children, could lose most if a minimum wage were set too high’ (CRLS, 2001: vi), the research team set the four different minimum wages at levels where not all workers would benefit from its implementation – for the simple reason that they were already earning the stipulated wages or more. Thus, in all districts throughout South African agriculture, the wages of only a certain percentage of workers would be raised. The government has accepted the proposal and they are about to become law.

However, like the rest of the labour legislation, this won’t solve the problem of enforcement. Like the laws that have gone before, minimum wage legislation may only have a limited impact. So, given the context, why should ethical codes of

---

21 When the KWV wanted to convert itself into a company, it wanted to take along its assets. The government, however, argued that the assets had been build up with the assistance of the state over many decades and that at least some of those had to be shared with the workers in the industry. As part of the agreement, a trust was established, controlling assets amounting to several hundred million Rand.

22 Agri Western Cape is the umbrella body for all kinds of farmers’ and agricultural associations throughout the Western Cape province. Formerly the ‘Western Cape Agricultural Union’.
practice be any more effective? The answer is simple: because the financial incentives are stronger than the negative sanctions to be meted out by the Department of Labour for not complying with the law – especially when the farmer knows that the chances of being caught are remote. Put differently, growers and cellars have too much to lose if they fail to comply with ethical labour standards endorsed by overseas buyers. Given the state of the South African wine industry and a stagnant domestic market, a contract to supply a British supermarket remains the first prize.

Recently, the incentive has become even stronger. In terms of the EU – South African trade agreement some 42 million litres of South African wine can be imported into the EU duty free. In a complicated proposal, South African producers and European importers will receive vouchers which they can ‘cash’ with retailers. A group of producers and importers in the UK have agreed ‘in principle’ to ring fence and pool the monies which they have vouchers for. They intend to spend a proportion of that on development projects in South Africa, but some money (perhaps even the lion’s share) will be spend on extensive customer research about and the development of sales of South African wines.

So far, only seven companies in the wine industry have taken part in the implementation of codes\textsuperscript{26} - six have adopted the ETI ‘base code’ and one the standards of SA8000. The ETI itself is about to embark on a ‘roll out’ of its code. Targeted are a total of 60 South African suppliers to British supermarkets. Judging by sheer numbers, this could increase whatever impact the codes have had until now.

The state has left the question of training in the hands of the industry\textsuperscript{27}. Quality production requires new skills and new techniques. When making this shift, the first objective of the viticulturalist and the wine maker is to lower the yield. In its most extreme form, growers in the Olifants River region of the Cape, produced up to forty tons per hectare for some of the white grape varieties. The new rule of thumb is to produce no more than 10 tons, preferably closer to eight, depending on the variety. In some of the French wine regions the ideal target is as low as three tons. In any event, given these new requirements, workers have to be taught different planting and trellising techniques, how to prune differently, different ways of ‘suckering’ and ‘canopy control’ – especially in warmer climates.

Currently, most of the training is done on the job, by either the farmer himself, the manager or the supervisors. In some cases training providers are contracted to do the training. Until the mid-1990s, formal training institutions did exist, but they collapsed when the new government withdrew funding. Some six months ago, the industry tried to fill the vacuum by setting up a ‘Vineyard Academy’. More of a go-between than a

\textsuperscript{23} The notion of collective bargaining is derived from industry and predicated on certain assumptions, i.e. a large corps of permanent workers, trade union organisation and the willingness on both sides to bargain. Most of these assumptions are not in place in the wine industry or are being eroded.

\textsuperscript{24} Most of the farms in the Western Cape fall into the top tier (R 650 – R 750 per month or R 35 – R 45 per day).

\textsuperscript{25} The four tiers are: R 350 – 400; R 450-500; R 500-600 and R 650-750.

\textsuperscript{26} However, there are a number of other suppliers who have adopted codes of individual supermarkets, either before or during the ETI’s so-called ‘pilot’. Some of these supermarkets are partners to the ETI.

\textsuperscript{27} Except in an indirect way in the form of the Skills Development Act, 1998 which encourages employers to invest in training by creating certain incentives.
'wine school', its intention is to link farmers with training providers. When requested, the latter will come to the farm and provide the training against set rates.

Generally welcomed as a step in the right direction (or ‘better than nothing’), it falls short of the real needs of the industry. At almost every level of skill, including marketing, management and wine making, there is a sizable need for people who can put the ‘quality revolution’ into practice (Leiboldt, 2001). At the same time, there are hundreds of workers in the industry who possess practical skills that remain unacknowledged because of a lack of certification and the lack of opportunity to upgrade their skills. Unless the problem is addressed in a bolder fashion, it will continue to act as a brake on the process of transformation.

6. Methodology

6.1 Overview

At the beginning of January a project team workshop was held and a start was made with the participatory phase of the project, the primary objective of which was to identify impact indicators. The project team included the NRI project manager, the University of Stellenbosch project collaborator and staff from NGOs in Stellenbosch, the local university, the University of the Western Cape and a land reform consultancy firm in Cape Town.

In January focus groups were held with mainly permanent workers at six companies in three different regions. This was followed up in March with focus groups and individual interviews with temporary and a few seasonal workers. During the same period three case studies were done of worker households in three different regions of the wine industry. After the finalisation of the impact indicators and the end of the grape harvest, a questionnaire survey was designed and individual interviews were held with a total of 161 workers and ten managers at ten different companies. The questionnaire survey was used to gather baseline data against which impact can be assessed over the next three years (i.e. 2003-2005).

The project team encountered few major problems, except for not being able to interview seasonal workers during the survey phase, as they had already returned home after the harvest. Once they have left the employ of the company, they are very difficult if not impossible to trace. At one or two farms managers expressed fatigue at perceived interference from outsiders. At others the project team got less than full cooperation from company management in preparing for the visit of the research team. As a result, it was not possible to do the number of worker interviews originally planned. (i.e. 200) Although this is less than ideal, the sample does broadly reflect the current structure of the labour force in the wine industry (except for seasonal workers).

6.2 Selection of companies

Ten companies are involved in the current phase of the research – five adopting and five non-adopting companies. Of the adopting companies, three have been participating in the ETI ‘pilot’ (since 1999) and one has been implementing the SA8000 code since 2000. Finally, the fifth company adopted the code of one of the
British supermarkets (i.e. Tesco) before the arrival of the ETI at the Cape. The company management claimed to have adopted the ETI code and to have had inspections, and were thus included in the final selection. However, having discussed the matter with the ETI coordinators it appears that this company has not been part of the ETI pilot. It is debatable therefore whether this company should be included in the baseline. This issue was only discovered once the survey and analysis was complete. Thus the results are presented as originally analysed. However, it is also proposed that for various reasons the baseline survey should be expanded to include a further 10 non-code adopting companies. This will increase the representativity of the sample and will also allow the inclusion of another ETI pilot company (rather than one which has only adopted a supermarket code).

The five adopting companies are located in four regions of the Cape winelands, viz. Stellenbosch, Paarl/Malmesbury, Robertson and Olifantsriver. As the brief was to ‘match’ the adopting companies as closely as possible (with regard to geographical location, legal status and size), the five non-adopting companies were also chosen from the aforementioned areas. With regard to the profile criteria, the sample of companies looks like this:

<table>
<thead>
<tr>
<th>Region</th>
<th>Private/estate farm/cellar</th>
<th>Co-operative farm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adopting N</td>
<td>Non-adopting N</td>
</tr>
<tr>
<td>Stellenbosch</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Paarl/Malmesbury</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Robertson</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Olifantsriver</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4</strong></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

However, the final sample is not a perfect ‘match’. In the Paarl/Malmesbury region we were not able to select two non-adopting estates/private cellars due to access difficulties. As a result, we researched one ‘company farm’ (i.e. a member of a former co-operative cellar which has changed its status into that of a company) and one with a transitional status, i.e. a farm which delivers the major share of its grapes to a co-operative cellar, but is also processing part of the harvest in its own fledgling on-farm cellar. In other words, it is partly co-operative and partly private cellar. Although not ideal from a sampling point of view, these two farms represented interesting case studies of an industry in transition.

The problem is that since deregulation, there is longer a complete list of farms (i.e. ‘sampling frame’) in the South African wine industry, or at least not one that is freely accessible. And even it were, there is no guarantee that farmers are willing to participate in an impact assessment that will not provide direct benefits to them.

### 6.3 Management interviews

At each of the ten companies, one manager was interviewed, using a questionnaire. These people are human resource managers (where in existence), production managers or the owner/manager himself. The interview addressed a number of themes, ranging from production and sales data to strategic questions and the training of workers. A core component of the questionnaire were a number questions that tried to assess changes in working conditions and labour relations on the farm since the
mid-1990s (marking the onset of the extension of labour rights to farm workers in South Africa). In the case of adopting companies, the questions were very much focused on getting a grip on changes before and after the adoption of a code of practice (see Annex 4).

6.4 Participatory methods

At six companies focus group sessions were held with permanently employed men and women. At one of the companies a focus group discussion was also held with a group of temporary women workers.

The objective of the focus groups was to identify impact indicators. Firstly, the group was asked to discuss and identify their key priorities. Secondly, the participants were asked to identify their top five priorities. Thirdly, participants were asked how it might be possible to measure changes in these priorities over time. This exercise produced the impact indicators.

The response of the groups varied considerably, with some generating a lengthy list of ‘items’ (see Annex 2) in a relatively uninhibited atmosphere, while others lacked in confidence and seemed a little intimidated by the whole process. The approach was therefore modified. Firstly, participants were asked to discuss the following question in pairs: ‘What are the things that matter most in your working and private life?’ before responding in the group situation. This improved the response, but individual interviews were also employed in discussions with temporary workers. Consequently, this was done at three companies in two of the four regions.

Worker households could not be realistically included in the questionnaire. However, it is important to explore if and how worker household members are affected by the changes resulting from the introduction of codes. Case studies of three households in three different regions were thus carried. Project staff spent an average of six hours with a family at their home, divided between a period before and after the return from work of the head of the household (men in all cases).

The legacy of mistrust on farms, and the dependence of workers on being in the favour of the farm manager/owner means that gaining the trust of worker household members is a difficult task – more so than is usually the case in participatory research in rural villages in Africa. Having the researcher spend a longer period with the household (for instance, one month) may thus be the only situation in which trust can develop between project staff and those in the worker household. This was not possible in phase 1 primarily due to limitations in researcher availability.

Further training also in participant observation of project staff/participatory fieldwork is likely to be required if this is to be attempted in future phases.

6.5 Impact indicators

In table 2 below we summarise the priority needs of workers as they were articulated during the participatory phase of the assessment (the disaggregated findings form part of the baseline data). They appear in no particular rank order.
Table 2: Worker priorities compared

<table>
<thead>
<tr>
<th>Worker priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better houses/own home</td>
</tr>
<tr>
<td>Continuous training opportunities</td>
</tr>
<tr>
<td>Better health care for the whole family</td>
</tr>
<tr>
<td>No alcohol abuse by the partner</td>
</tr>
<tr>
<td>Higher wages</td>
</tr>
<tr>
<td>Job security</td>
</tr>
<tr>
<td>To be treated with respect by management</td>
</tr>
<tr>
<td>To be informed and consulted by management</td>
</tr>
<tr>
<td>More support for children’s education</td>
</tr>
<tr>
<td>Better day care for pre-school children</td>
</tr>
</tbody>
</table>

Before we discuss the list of worker priorities, a few comments on code provisions are in order:

Firstly, there are slight differences between the ETI base code and SA8000 with regard to some of the provisions. See Annex 1 for a comparison.

Secondly, the codes as they appear on the list, do not tell the whole story and require background knowledge and/or need to be interpreted in a certain way. For instance, at face value, the provisions are silent on the question of housing. However, when read in more detail, it becomes clear that they make provision for certain minimum standards of housing. With regard to ‘living wages’, SA8000 tries to be more specific than ETI, but none of the codes has so far come up with a specific amount. Lastly, both subscribe to ‘regular employment’, but none requires that seasonal and temporary workers are employed permanently.

Before any conclusions can be drawn as to the convergence/divergence between code provisions and worker priorities, some of the latter are in need of further explanation:

- **Job security**: for temporary workers this meant obtaining permanent status on the farm; for those already employed on a de facto permanent basis, it meant obtaining a written contract or having that contract updated regularly.
- **Continuous training opportunities**: workers expressed the need for formal training and formal certification. They realise that this may mean upward mobility and more independence in the labour market. Also, they don’t want this to be a once-off opportunity, but something available on a sustainable basis.
- **Better house/own home**: the notion of a ‘better house’ is, of course, relative. For some workers it means bringing houses up to ‘adequate’ conditions, for others a touch of luxury (e.g. tiled bathroom). ‘Own home’ in this context does not necessarily refer to house ownership, but expresses the desire for accommodation that provides space for the whole family and does not have to be shared with strangers. Frequently temporary and seasonal workers live scattered over several households, unable to have a normal family life.
- **To be informed and consulted by management**: workers do not only want to be treated with respect, they also articulated a need for being informed on the company’s performance, not only to see the ‘bigger picture, but also because they realise that their own fate is closely connected to the fortunes of the business.
• No alcohol abuse by the partner: this was mentioned frequently, especially by women. Alcohol abuse was seen as destructive for personal relationships, as well as relations between co-workers and collective projects.
• Better health care for the whole family: health and safety in the workplace seldom came up in discussions, perhaps because it is in place at most or all of the companies. However, workers expressed the need for better health care for the whole family, in the sense of easier access and/or more financial support by the company.
• More support for children’s education: farm workers have great hopes for their children. They want them to have a better life than their own. As a result, they realise the value of education. However, education costs money and in this regard they need all the financial support they can get, including that of the company.
• Better day care for children: many women are required to work – either because the employer expects them too or because of economic necessity. When they do, they want to know that their children are in good hands.

While permanent workers generated a lengthy list of needs (including domestic issues, mostly emphasised by women), it was noticeable that temporary and seasonal workers were much more focused on three priorities: permanent employment, ‘own house’ and higher wages. This is understandable, given their vulnerable position, history of periodic unemployment and low pay (without fringe benefits).

Now, if one compares the code provisions with the needs articulated by workers, divergence becomes clear: for instance, workers did not highlight the following as important issues in their lives:

• health and safety in the workplace
• freedom of association
• child labour
• hours of work
• discrimination
• employment is freely chosen

On the other hand, they did emphasise a number of things for which the codes do not provide:

• job security
• continuous training
• information on company performance and consultation
• better health care for the family
• better day care for children
• support for children’s education
• no alcohol abuse

The three areas on which there was convergence, were

• housing
• wages and
• to be treated with respect/no harsh treatment or abuse
6.6 Case studies
Three case studies were carried out. Whilst the information obtained from these studies is limited at the moment, it may be possible to return to these families to further build relations of trust and to explore other means of exploring the impact of codes on worker households.

6.7 Survey

6.7.1 Worker interviews
Taking note of these needs, we translated them into questions. Our first task was to develop questions for those areas which workers had indicated as priority needs, including the three areas of convergence. They became our impact indicators. However, we did ask a number of other questions around these, some of which relate to the code provisions not highlighted by workers. We did this mainly to obtain a fuller picture of people’s situation with regard to material wealth, social wellbeing and empowerment (see Annex 3).

The questionnaire consists almost exclusively of structured questions, firstly because it is an appropriate format, and secondly for the sake of economy. The questionnaire was completed by the researchers during the interview, mainly because of the low educational level of many farm workers. On average the questionnaire took 30 minutes to complete, except in the case of Xhosa speakers, who are often not fluent in either Afrikaans or English, this being their second language. The information gathered in this way serves as the baseline data for the long-term impact assessment study.

6.7.2 Sampling plan
The original objective was to interview 200 employees, including seasonal workers.

In terms of our knowledge of the industry and the uneven conditions under which non-permanent and women workers find themselves, it was important to stratify the sample with regard to these two criteria (i.e. work status and gender).

In order to compare the situation and the responses of different types of workers with any degree of confidence, we decided to sample 50 workers in each of the following categories: permanent women, permanent men, temporary women and temporary men. Within these categories, workers were sampled proportionally across companies.

As a result of the resistance of the employers to any kind of research during the grape harvest (February, March and, partly, April), it was not possible for the research team to interview any seasonal workers. Consequently, we decided to sample 200 interviewees from permanent and temporary workers only. For the purpose of analysis we distinguished between contract workers and the rest of the temporary workers, as the former are becoming increasingly important in the wine industry’s labour market.

Because of problems encountered during the survey phase, we were able to complete only 161 interviews. A sudden change of attitude on the part of one labour contractor
and erroneous labour force information supplied by three companies on which we based our sample, prevented us to reach our initial objective. Given the time and resource constraints, it was not possible for us to go back for a second visit. The final sample is set out in Table 2 below.

Table 2: Worker sample numbers (and percentages) by code and work status

<table>
<thead>
<tr>
<th>Q2. Is company a code adopter?</th>
<th>Permanent</th>
<th>Temporary</th>
<th>Temporary contract</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>63</td>
<td>36</td>
<td>23</td>
<td>122</td>
</tr>
<tr>
<td></td>
<td>65.6%</td>
<td>85.7%</td>
<td>100.0%</td>
<td>75.8%</td>
</tr>
<tr>
<td>No</td>
<td>33</td>
<td>6</td>
<td></td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>34.4%</td>
<td>14.3%</td>
<td></td>
<td>24.2%</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>42</td>
<td>23</td>
<td>161</td>
</tr>
<tr>
<td></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

As indicated in Table 2 above, three-quarters of the respondents were sampled from adopting companies. Permanent workers were by far the largest category in the sample. All 23 temporary contract workers were employed at one code adopting farm.

The sample consisted of 76 women and 85 men respectively. Noticeably, a far greater proportion of women were employed on a temporary basis. However, in our sample all but one of the contract workers were male (see Table 3 below). The initial objectives and actual sample diverged due to circumstances beyond team control, such as obstruction from contract labourer employers blocking access. Practical obstacles prevented us from interviewing 50 workers in each of the categories.

Table 3: Worker sample by gender and work status

<table>
<thead>
<tr>
<th>Q2. Gender</th>
<th>Permanent</th>
<th>Temporary</th>
<th>Temporary contract</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>44</td>
<td>31</td>
<td>1</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td>45.8%</td>
<td>73.8%</td>
<td>4.3%</td>
<td>47.2%</td>
</tr>
<tr>
<td>Male</td>
<td>52</td>
<td>11</td>
<td>22</td>
<td>52.8%</td>
</tr>
<tr>
<td></td>
<td>54.2%</td>
<td>26.2%</td>
<td>95.7%</td>
<td>52.8%</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>42</td>
<td>23</td>
<td>161</td>
</tr>
<tr>
<td></td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The team intended to interview 100 permanent workers and 100 temporary workers but for the unavoidable reasons mentioned above, the number of temporary workers fell short of the original target sample. Hence permanent workers are higher in number in the actual sample than temporary employees.

More than 50 males in the permanent group were included in the sample because by mistake two extra permanent workers were interviewed. Their information has been included in the analysis.
In the Cape wine lands language is a proxy for ethnicity, with Afrikaans denoting membership of the ‘coloured’ group and Xhosa affiliation to the group of black workers. Traditionally, the former are the permanent and the latter the non-permanent employees. Our sample confirms this pattern, although the relative percentage of permanent black workers may be on the increase: 88.5% of the respondents were ‘coloured’ and 11.5% black (or ‘African’). More than 50% of all black workers were employed on a temporary basis (see Table 4 below).

Table 4: Worker sample by language and work status

<table>
<thead>
<tr>
<th>Language</th>
<th>Count</th>
<th>Q5 Work status</th>
<th>% within Q5 Work status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afrikaans</td>
<td>85</td>
<td>Permanent</td>
<td>88.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Temporary</td>
<td>69.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Temporary contract</td>
<td>91.3%</td>
</tr>
<tr>
<td>IsiXhosa</td>
<td>11</td>
<td>Permanent</td>
<td>11.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Temporary</td>
<td>31.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Temporary contract</td>
<td>8.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Given the small sample of companies the results of the survey cannot be generalised to the wine industry as a whole. At most, the data, generated by a sample of worker interviews, can be generalised to the ten companies involved.

7 Selected baseline data

7.1 Management and companies

Size of farm and labour force

The average size of code-adopting farms was bigger than that of non-adopters, as well as the average number of tonnes of grapes pressed. They also had a more favourable land-labour ratio than non-adopting companies, although this should be treated with circumspection as temporary and seasonal labour was not taken into account when doing the calculation (see Table 5 below). An independent t-test confirms that size is not decisive in determining a company’s social policy, except perhaps with regard to the formalisation of labour relations. However, formalisation is not equal to 'good' conditions.

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30 The industry consists of 4501 primary producers (i.e. growers) and 355 cellars. Source: SA Wine Industry Statistics No 25, 2001.
31 The land-labour ratio is notoriously difficult to calculate as farmers do not always keep accurate records of the number of days worked by seasonal and casual employees.
Table 5: Size of farm and labour force (2002)

<table>
<thead>
<tr>
<th></th>
<th>Ha of wine grapes under cultivation</th>
<th>Tons of grapes pressed</th>
<th>N of permanent workers</th>
<th>Mean N of ha per permanent worker</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Code-adopting companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>60</td>
<td>1200</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>B</td>
<td>300</td>
<td>1463</td>
<td>95</td>
<td>3.1</td>
</tr>
<tr>
<td>C</td>
<td>101</td>
<td>852</td>
<td>24</td>
<td>4.2</td>
</tr>
<tr>
<td>D</td>
<td>160</td>
<td>800</td>
<td>54</td>
<td>2.9</td>
</tr>
<tr>
<td>E</td>
<td>77</td>
<td>450</td>
<td>9</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td>139.6</td>
<td>953</td>
<td>4.9</td>
<td></td>
</tr>
<tr>
<td><strong>Non-adopting companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>120</td>
<td>1400</td>
<td>44</td>
<td>2.7</td>
</tr>
<tr>
<td>G</td>
<td>25</td>
<td>105</td>
<td>11</td>
<td>2.2</td>
</tr>
<tr>
<td>H</td>
<td>98</td>
<td>420</td>
<td>24</td>
<td>4</td>
</tr>
<tr>
<td>I</td>
<td>216</td>
<td>1188</td>
<td>52</td>
<td>4.1</td>
</tr>
<tr>
<td>J</td>
<td>23</td>
<td>900</td>
<td>26</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td>96.4</td>
<td>802.6</td>
<td>2.7</td>
<td></td>
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</tbody>
</table>

Markets

When comparing the two types of companies with regard to the percentage exported to destination markets for their wine, it is clear that code adopting are much stronger ‘players’ in the export market. On average, they export 26.6 percentage points higher of their total ‘good wine’ output to international markets, mainly in Europe (see Table 6 below). All things being equal, this translates into higher revenues, part of which could be used for investment in human resources.

Table 6: Percentage of wine production for export (2001)

<table>
<thead>
<tr>
<th></th>
<th>% of total wine production exported</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Code-adopting companies</strong></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>35</td>
</tr>
<tr>
<td>B</td>
<td>75</td>
</tr>
<tr>
<td>C</td>
<td>89</td>
</tr>
<tr>
<td>D</td>
<td>40</td>
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<tr>
<td>E</td>
<td>99</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td>67.6</td>
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<tr>
<td><strong>Non-adopting companies</strong></td>
<td></td>
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<tr>
<td>F</td>
<td>40</td>
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<tr>
<td>G</td>
<td>20</td>
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<tr>
<td>H</td>
<td>90</td>
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<tr>
<td>I</td>
<td>40</td>
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<tr>
<td>J</td>
<td>15</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td>41</td>
</tr>
</tbody>
</table>

32 Termination used in the South African wine industry for natural wine.
Perception of challenges facing the companies

Although there may be significant differences in the way code-adopting and non-adopting companies are managed (including labour), the challenges identified by different managers were similar. Managers at adopting companies emphasised competitiveness, productivity, quality production and human resource development. More specifically, the objective was to produce wine for higher price brackets (in the UK market) and to supply these at sufficient volumes.

However, much the same values and objectives were articulated by managers and owners at non-adopting companies. For instance, even the vineyard manager at the socially most ‘backward’ farm said the aim was ‘…to reduce the yield for the sake of better quality grapes’ and to train workers accordingly. Another said that the objective was ‘… to produce better quality wine, to ensure good management along the whole value chain, including workers’. Like their counterparts at adopting companies, they also realised that this required better training or the upgrading of vineyard skills necessary for quality production (e.g. pruning, canopy control). Less than ten years after the internationalisation of the South African wine industry, the discourse of the ‘quality revolution’ seems to have spread even into the far corners of the Cape wine lands.

Awareness of codes

By its very nature, all five managers at the code-adopting companies knew what the codes were about. Most had been engaged with the ETI or SA8000 code at least since 1999, some even going back to the year before.

Three of the five managers at non-adopting companies said they had heard about the codes, but admitted that they possessed no detailed knowledge.

Positive and negative aspects of codes

Despite their lack of detailed knowledge, two of the five managers at non-adopting companies ventured to speculate that they might improve the conditions of workers. On the negative side, one manager said he thought that they may only be used as a marketing tool, while the other feared that they might be seen as ‘double standards’ (i.e. South Africa being the only New World wine country where codes were being propagated by British supermarkets) and hence cause irritation and resentment.

Amongst managers at code adopting companies, positive views outweighed negative remarks. Four of the five said that the codes had helped to set a ‘clear set of labour standards’ in the industry and that they had assisted in creating an awareness of the importance of labour. At one company it had prompted management to start keeping accurate personnel records. Another remarked that the code ‘has placed us in a world class category of producers’. The owner/manager of the co-operative farm thought that the intervention of the ETI was most fortunate, it acted as a ‘neutral third party’ introducing a greater focus on social issues. In this way it protected the cellar management from becoming the object of inter-member conflict over social transformation on the farms. In other words, the request from ETI for the farms to come into line with its base code, made it unnecessary for the cellar management to
initiate this process themselves and potentially cause division amongst its membership.\textsuperscript{33}

Some of the negative comments of this group were that the code provisions cost money, for instance when upgrading the worker housing stock or in the case of third party certification (in the case of SA8000). However, the costs involved were not thought to be exorbitant\textsuperscript{34}. One manager remarked that the code was essentially duplicating domestic labour legislation. Another thought that the code was rather static and did not have a built-in dynamic for human resource development.

**Reasons why companies adopt codes**

Managers from both adopting and non-adopting companies were in agreement that the main reason for adopting codes were commercial – in the sense that they secured access to specific markets. Non-adoptions does not necessarily mean that particular markets remain closed, but adoption does facilitate access. Two managers at non-adopting companies thought that moral considerations were equally important. One manager at a adopting company thought that ‘social responsibility makes good business sense’.

**Codes and marketing**

None of the five code adopting companies thought that the adoption had given their marketing efforts an extra ‘edge’. What they had done was to make marketing easier in that they had provided the companies with an ‘entry ticket’ to particular markets, especially in Europe. One manager thought that the labour standards embodied in the codes were ‘taken as given in Europe’ – without them one could hardly enter the market. The wine estate that has been certified as an SA8000 company is receiving a return on its investment in that CEPAA is using the estate as a case study in its presentations.

**Social investment in labour before adoption of codes**

In order to understand the impact of codes, it is important to take into account the fact that the majority of the adopting companies had already been following a policy of ‘social responsibility’ regarding labour before they decided to implement the codes, although these policies may have varied in their definition and reach. In fact, it is probably because they were already focusing on issues relating to social responsibility, that they decided to adopt a code of practice and not the other way round. Four of the five adopting companies indicated that they had made various sorts of social investment in the period prior to adoption. Three out of five had upgraded the on-farm housing stock. One had formalised the system of labour relations, another had increased wages significantly, yet another had put an end to forced and child labour. Significantly, two of the five had launched an empowerment (or share equity) scheme through which workers had gained access to land and the opportunity to build

\textsuperscript{33} Labour arrangements on the farm have always been regarded as sacrosanct by the farmer and none of the business of cellar management. The latter did not only respect this insistence on autonomy, but was also glad not be burdened with this social responsibility.

\textsuperscript{34} This is consistent with the findings of Collinson (2001).
capital. It is no coincidence that all four of these reform minded companies are either private cellars or estates.

The only adopting company that had not made any investment in ‘their’ human resources, was a co-operative farm situated in the Olifantsriver region. It is no secret that, generally speaking, co-operative wine farms in South Africa are slower to change than estates/private cellars, not only technically and commercially, but also socially. In addition, this company is located in an area that is defined by a political culture that is more conservative than regions closer to Cape Town (or as it is often put, ‘this side of the mountain’).

**Improvement of employment conditions after the adoption of codes**

Given the legacy of ‘traditional’ labour conditions on the co-operative farms involved in the ETI pilot, the code has probably had its biggest relative impact here. The owner/manager of one of the farms, who is also a member of the board of the co-operative, told us that immediately after signing up to the ETI pilot, the members had introduced written contracts for their employees, had improved health and safety practises and had launched a systematic programme for incrementally improving the housing stock on the farms.

Managers of the other code adopting companies indicated that they had taken various specific initiatives after 1998/9. One said that they had put an immediate end to gender discrimination, another that they no longer allowed any children to work on the farm, although this had always been a ‘voluntary offer to earn pocket money’. On a third farm the health and safety regulation had been upgraded. At the fourth company, a long-term education programme (for pre-school children and adults) had been launched, but this had not been in response to the ETI intervention. The European owner had been reform minded ever since he bought the farm in the early 1990s. This was merely the implementation of a long-term vision.

**Informing workers about the codes**

Managers at four of the five adopting companies (i.e. all estate or private cellars) said that they had conveyed to their employees that a code was being implemented, either by giving the information directly to all workers or by relaying the message via a workers committee. When the managers were probed on the workers’ level of awareness of the code, they said that they simply didn’t know.

**Social issues not addressed by the codes**

When asked if there were any important social issues on the farm not being addressed by the code, four of the five managers at code adopting companies answered in the affirmative. They all had to do with non-workplace issues or employees’ domestic problems. While one manager gave a general answer by saying that workers lacked ‘life skills’, others were more specific, pointing to alcohol abuse, domestic violence and dysfunctional families. There was a remarkable consensus of opinion on this question between managers and women workers at some of the companies.

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35 However, because the majority of permanent workers live on the farm, this does not remain a purely domestic issue. It is a cause of concern for management too.
When probed on possible solutions for these problems, two managers thought that some form of social work combined with individual therapy was necessary, either at the farm level or, preferably, in the form of an industry initiative. One manager suggested that, instead of intervention from the outside, the workers' committee (at the head of the empowerment initiative) itself had to address the issue. The owner/manager of the co-operative farm had a different solution: he thought that the best way to get rid of the ‘problem’ was to retrench those that showed socially dysfunctional behaviour.

7.2 Workers

Of the 96 permanent workers in our sample 56 were employed at code adopting companies and 40 non-adopting farms.

Comparing the position of permanent workers at adopting and non-adopting companies

Language
At both types of companies, Afrikaans speaking workers dominate, but non-adopting farms employed a greater percentage of Xhosa speaking (i.e. African) workers (17,5% and 7,1% respectively)^36^.

Gender
A greater proportion of the labour force at code adopting companies was female than at non-adopting ones (57,1% and 40% respectively).

Education
The labour force at code adopting companies is more educated than at their counterparts.53,6% of the permanent workers at the former had a secondary school education as opposed to 25,2% at non-adopting farms. The mean number of school years completed was 11 and 7 for adopting and non-adopting companies respectively.

Skills
The skills profile at adopting farms is better than at non-adopting ones. At adopting companies only 62,5% are general workers (compared to 75,0%). The other 37,5% comprise of higher skilled workers, like drivers, specialist and supervisors.

Training
Also, 48,2% of the employees at adopting farms had been sent on one or more training courses over the two years. At non-adopters only 20% had had such an opportunity.

^36^ For the binary outcomes outlined in this section, (i.e. language, education, skills, training), which are measured at the company level, it is possible to fit a simple logistic model to compare the two proportions for adopters and non-adopters and see whether they are significantly different. This analysis will be done at a later date to find corresponding significance probabilities. However, these are all one-variable-at-a-time analyses, so is rather limited. There are other limitations as well in terms of assumptions being made.
**Income and poverty**
Workers and worker households at adopting companies earn more than their counterparts at non-adopting companies. The mean cash wage at adopting farms was considerably higher than at non-adopting companies (R 1170.69 and R 731.38 per month respectively)\(^{37}\).

This was the situation despite the fact that the average number of income earners at adopting farms was lower than at non-adopting companies (1.89 and 2.05 persons respectively).

This disparity is also reflected in a relative poverty measure: whereas only 28.6% of workers at adopting companies fell into the bottom 40% of the income scale, more than half (52.5%) of workers at non-adopting farms did so.

The official, absolute poverty line (Statistics South Africa, 2002) is R800 per month for households and R 250 per month for individuals. When applied to our sample, 7.1% of all 'permanent' households on adopting farms lived in poverty. At non-adopting companies as much as 22.5% of households fall into the poverty category.

**Assets and control**
Higher average income for employees at code adopting farms translates into more material assets. For instance, workers at these companies own consistently more durable goods, like refrigerators (71.4% versus 57.5%), VCRs (21.4% versus 7.5%) television sets (78.6% versus 57.5%) and cars (23.2% versus 2.5%).

**Place of residence**
The majority of workers in both categories live in a house owned by the employer (85% and 75% at non-adopting and adopting companies respectively). A similar percentage in both groups (12.5% and 14.2% respectively) possess a house of their own.

**Quality of housing**
The quality of housing of workers employed at adopting companies is better in most respects than that of workers at non-adopting farms. For instance, 87.5% of the ‘adopting’ houses have ceilings, as compared to 72.5% in the case of non-adopting ones. 67.9% of the workers at adopting farms have electricity for lights, cooking, heating and warm water, but only 37.5% of employees at non-adopting ones have access to that kind of electricity supply. Nearly all workers (94.6%) employed by adopting farms have piped water into their homes, but only 75% of workers at non-adopting farms have that convenience\(^{38}\).

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\(^{37}\) Here we are using measurements made at the worker level. This means there is a multi-level problem with workers within companies and companies within the primary variable (adopters versus non-adopters). With figures per worker of their cash wages, then this data can be subjected to a statistical analysis.

\(^{38}\) There are several questions regarding the quality of housing, and there may be ways of combining the results across these different questions to get an overall measure of housing conditions and then comparing this measure between adopter and non-adopters. This may be taken forward at a later stage.
**Provision of liquor by employer**
Fifteen (15%) percent of workers employed at non-adopting companies reported that the employer provided alcohol to workers. At adopting farms this occurred in only 3.6% of the cases.

**Conditions of employment**
Employment conditions are considerably more favourable for workers at code adopting farms. For instance, 91.1% reported that they were in the possession of a written contract. Only 57.5% of employees at non-adopting companies could report the same. 71.4% of employees at adopting farms were provided with protective clothing when working with pesticides, but only 37.5% of those employed at non-adopting companies could report these kinds of safety arrangements.

**Health care and other fringe benefits**
The health care of 87.5% of workers at code adopting companies was subsidised by the employer, but in the case of non-adopters this applied to only half the employees (47.5%). 69.6% of employees at adopting companies reported that management provided education on HIV/Aids, but only 30% of workers non-adopting companies were provided with such information. 94.6% of employees at adopting companies reported that day care facilities were available on the farm, but at non-adopting companies only 57.5% of workers had access to these benefits.

**Treatment by owner/manager**
Workers at non-adopting companies were not treated significantly worse than their counterparts at adopting companies. 75% and 80.4% respectively said that they had ‘never’ been verbally abused by the employer. In both cases more than 95% reported that they had never been subject to physically abuse.

**Worker representation**
However, with regard to the question of worker representation, there was a stark difference. At code adopting farms, 87.5% of employees reported that their interests were being represented by a worker’s committee. At non-adopting companies only 15% had this kind of vehicle at their disposal.

**Job security, tenure and independence**
Less than half the workers at both types of companies reported that they would be able to keep their jobs even if their partner lost his/hers. There was no significant difference between the two groups (42.9% and 40% at adopting and non-adopting companies respectively). 23.2% of employees at adopting companies thought that they would be able to remain living in the farm, even if they were to take up employment elsewhere. Only 17.5% at non-adopting companies were that confident.

**Trade unions and civil society support structures**
Membership of trade unions amongst workers at adopting companies was very low (5.4%). The percentage was five times higher at non-adopting companies (25%). In both cases more than half the workers were aware of legal advice offices or NGOs as possible vehicles for support (55.4% and 52.5% for adopters and non-adopters respectively).
**Codes of practice**

As could be expected, 54.4% of all employees at code adopting farms had ‘heard’ of codes of practice. At non-adopting companies this figure was only 7.5%. However, only eight people in total could cite a reason for the codes being implemented on wine farms.

In summary: permanent workers at code adopting farms are clearly in a better position than workers at non-adopting farms. They are better educated, more skilled and earn higher wages. Also, their conditions of employment are more favourable and they have access to better quality housing. In contrast to their counterparts at non-adopting companies, they reap the benefits of a sustained social investment programme which goes back to a time before the implementation of codes of practice.

**Comparing the position of permanent, temporary and contract workers**

**Place of employment**

More than 90% of the temporary workers in our sample were employed by code adopting companies. Of these, 62% were employed individually and the remaining 38% through a labour contractor (hereafter: ‘contract workers’). Only one company made use of a contractor.

**Language**

Of those temporary workers employed individually, 31% were Xhosa speaking, whereas they accounted for only 8.7% of those employed through the labour contractor. The latter was a ‘coloured’ Afrikaans speaking person, himself a former farm worker.

**Gender**

Whereas women accounted for almost three-quarter of all temporary workers employed individually, they represented only 4.3% of the contract workers.

**Education**

Temporary workers recruited individually by the companies are the best educated of all groups. Their median years of schooling was 9.5 compared to 8 for both permanent and contract workers. This may be explained by the fact that daughters of farm workers normally attend school for a longer period than sons (Almost all non-contract temporary workers were women).

**Skills**

Contract workers are normally hired to do lower skilled jobs. Not surprisingly then the fact that over 95% of all contract workers in our sample were ‘general workers’, with no drivers or specialist workers amongst them.

**Training**

None of the contract workers have been sent on any formal training course over the last two years. In the case of permanent and temporary workers, 27.1% and 7.2% respectively had attended one or more courses.
**Income and poverty**

With regard to personal cash income, contract workers earn the least of all categories. Only 26.1% of all contract workers earn more than R 864.00 per month. The percentages for permanent and other temporary workers are 53.3 and 47.6 respectively. The median cash income per week for permanent, temporary and contract workers was R 250, R 175 and R 177 per week respectively. The percentage of permanent, temporary and contract workers earning more than the average cash wage was 52.1%, 40.5% and 13% respectively. 60.9% of all contract workers fall into the bottom 40% of the income scale. This is true for only 38.5% and 31.0% of permanent and temporary workers respectively.

The broad poverty picture also applies to households. Only 26% of all contract worker households earn more than R 1800 per month. The figures for permanent and other temporary workers are 55% and 61.3% respectively.

When the absolute poverty measure for households is used (i.e. less than R 800 per month), 7% of all ‘permanent’ households are poor, compared to less than 1% for ‘temporary’ households and 3.1% of all contract worker households. In our sample the latter included fewer non-wage earners than the households for the other two types of workers. This lessens the dependency burden. However, it should be kept in mind that contract workers are more vulnerable to sink into poverty because of insecure employment.

**Assets and control**

Given their weaker economic position, it comes as no surprise that, on average, contract workers own fewer durable assets like a television, VCRs, sewing machines or cars. When money is spent, in a greater number of cases, all adults in the households of contract workers decide on the items, than in the case of either permanent or temporary workers. Regarding the latter, it is mostly both partners who decide together on expenditures.

**Place of residence**

With regard to place of residence, there was no significant difference between permanent and non-contract temporary workers. In both cases approximately 80% lived on the farm. However, 95.7% of all contract workers lived in a dwelling located off-farm.

**Quality of housing**

On average, the quality of housing of contract workers is not as good as that of either permanent or on-farm temporary workers. This is largely due to the fact that a fair percentage of contract workers (13%) live in informal housing off the farm (i.e. in and around rural towns). Dwellings are smaller and fewer have ceilings or electricity for lights, cooking and heating.

**Provision of liquor by employer**

More permanent workers (8.3%) than either temporary (4.8%) or contract workers (4.3%) reported that their employer provided them with alcohol.
Alcohol abuse and domestic violence
Alcohol abuse at home was reported by a greater percentage of permanent workers (17.7%) than in the case of either temporary (14.3%) or contract workers (4.3%). None of the contract workers reported incidents of domestic violence (related to alcohol abuse), whereas 13.5% of permanent and 11.9% of temporary did so.

Conditions of employment
Regarding conditions of employment, a greater percentage of contract workers (91.3% versus 95.4% and 66.7% in the case of permanent and temporary workers respectively) could decide whether they wanted to work overtime or not – this is despite the fact that none of the contract workers were in possession of a written contract. By contrast, 78.1% of all permanent workers had a written contract.

Health care and other fringe benefits
A far greater percentage of permanent and temporary workers also received medical care subsidised by the employer (70.8% and 38.1% respectively). Only 26.1% of contract workers received this fringe benefit. Permanent and temporary workers were the only employees to receive employer support for the education of their children (12.5% and 11.9% respectively). Also, permanent workers at two code adopting companies were part of an empowerment scheme involving the ownership of land, vineyards and other assets. At one non-adopting company, a share ownership scheme of a vineyard was in operation, but workers had not yet received legal title to it.

Treatment by owner/manager
Although only a small percentage of workers in all categories reported verbal or physical abuse by the employer, the contract workers in our sample were generally treated with more respect. Only 4.3% reported that they ‘sometimes’ were at the wrong end of verbal abuse compared to 20.8% and 14.3% of permanents and temporary workers respectively.

Worker representation
A greater percentage of permanent workers (57.3%) were represented by a workers’ committee than either temporary (42.9%) or contract workers (43.5%).

Trade unions and civil society support structures
Although trade union membership amongst permanent (13.5%) and temporary workers (2.4%) is low, it is even lower amongst contract workers. Not a single one belongs to a union. This is despite the fact that their awareness of worker advocacy agencies (e.g. legal advice offices or NGOs) is fairly high (91.3%). This is partly explained by the fact that all contract workers live in town where they are more likely to come into contact with these agencies. Trade union offices are also to be found in rural towns, but contract workers’ vulnerable position militates against membership.

Codes of practice
Regarding the awareness of codes of practice, none of the contract workers had any knowledge whatsoever. This is despite the fact that all contract workers were employed at a code adopting company. On the other hand, 35.4% and 23.8% of permanent and temporary workers respectively had at least ‘heard’ of the codes. However, only 8 of 44 workers had more detailed knowledge of the codes (e.g. ‘they are intended to improve our working and living conditions’).
To summarise: permanent workers (and to a lesser extent their temporary partners) are in a much better position materially and otherwise than contract workers or other temporary workers not living on the farm. Not only do the former have permanent employment, but also the chances for skills training and upward mobility are slightly better. Housing is more or less on par, but on-farm workers receive fringe benefits that contract workers generally do not get. Needless to say, peripheral contract workers are not candidates for empowerment schemes – that is why they are hired in the first place.

**Comparing the position of women and men**

*Place of employment*
Adopting companies had an approximately equal number of women and men in their service. However, at non-adopting farms more than twice as many men were employed.

*Language*
In both groups Afrikaans speakers dominate. Of all women 84,2% spoke Afrikaans, similar to the percentage for men (83,5%).

*Work status*
Although approximately the same percentage of women have permanent status (57,9%) than men (61,2%), a far greater proportion of women are temporary (40,8%). On the other hand, very few women are contract workers (1,3%). By contrast, a high percentage of men (25,9%) were employed on a contract basis.

*Education*
Women workers are slightly better educated than men. The median years of schooling for the two groups were 10 and 9 respectively.

*Skills*
There is no definite division of labour between the two groups. Approximately the same percentage in each group is classified as general workers (82,9% of women and 75,3% of men). Although there are hardly any female drivers or supervisors, a greater percentage of women perform higher skilled, specialised jobs.

*Training*
However, over the last two years almost twice as many men (28,3% versus 16,4% for women) were sent on training courses.

*Income and poverty*
The median cash income per week is the same for men and women (R 202.00). More women (48,2%) than men (38,8%) earned a cash income higher than the mean for all employees. However, approximately the same percentage of women and men (39,5% and 40% respectively) find themselves in the bottom 40% of the income scale.

*Assets and control*
Fewer women (40,8%) than men (47,1%) reported that they, together with their partner, decided on expenditures in the household.
Place of residence
A greater proportion of women (84.2%) than men (58.8%) reside on the farm. Only 5.4% of women own a house, compared to 9.3% for men.

Quality of housing
Generally speaking, women live in better quality housing than men. They have more rooms, better washing facilities and the use of electricity for warm water (in addition to lighting and cooking). Their more favourable situation may have to do with the fact that a fair percentage of men (i.e. contract workers) live in informal housing off the farm, which usually is of poor quality.

Provision of liquor by employer
There was no difference in this regard. In both cases, approximately 92% of both men and women indicated that the employer did not provide alcohol to the employees.

Alcohol abuse and domestic violence
A slightly higher percentage of women (17.1%) than men (12.9%) reported that alcohol abuse in the home was causing conflict with the partner. However, a similar number of women and men (11.8% and 10.6% respectively) said that this lay behind violence in the home.

Conditions of employment
87.1% of all men have discretion over whether they want to work overtime or not. Only 75% of all women in our sample had that sort of freedom. Surprisingly, 80.3% of all women were in possession of a written contract. Only 48.2% of all men could report that sort of job security. This statistic has to do with the fact that none of the male contract workers (22) in our sample are in possession of such a contract.

Health care and other fringe benefits
The health care of a similar percentage of women and men is being subsidised by employers (57.9% and 54.1% respectively). The same holds for employers’ contributions to the education of workers’ children (11.8% and 9.4% for women and men respectively).

Treatment by owner/manager
A minority of men and women suffer verbal and/or physical abuse by management. However, of those that do ‘sometimes’ suffer verbal abuse, more are men than women. Not a single women reported physical abuse.

Worker representation
63.2% of women workers were represented by a workers’ committee, but only 41.2% of all men had that sort of voice. Again, the fairly big number of almost exclusively male contract workers, without any form of representation, greatly influences the statistics.

Job security, tenure and independence
32.9% of all women were of the opinion that they would be able to keep their job on the farm even if the partner lost his. 30.6% of men had the same view. 38.2% of all women thought that they could take up a job somewhere else, but keep living on the farm. Only 8.2% of all men thought they were in a position to do this.
Trade unions and civil society support structures
12.9% of all men belong to a trade union, but only 3.9% of women do. However, a similar number of men and women (58.8% and 51.3% respectively) knew what a legal advice office or NGO is.

Codes of practice
A considerably higher percentage of women than men (32.9% versus 22.4%) had ‘heard’ about codes of practice. 24% of all women could cite a more specific reason of why the codes were being implemented. Only 15.8% of men could do so.

To summarise: women are not consistently worse off than men. On the contrary, with regard to a number of indicators women are in a better position than or on par with their male counterparts. However, this unusual picture (compared to previous research on farms in the Western Cape) is influenced by the presence in our sample of a sizeable group of contract workers whose position is more marginal and who happen to be exclusively men.

8. Conclusions

• Over the last fifteen years or so, South African agriculture has been undergoing major structural changes, with consequent and continued shedding of labour.

• Going against the general trend, aggregate employment in the wine industry has increased, although this is accompanied by an increasing tendency towards casualisation and contractualisation of labour.

• Despite the new prosperity in the wine sector, driven by a sustained increase of exports, a fair percentage of workers live in absolute and relative poverty.

• The core provisions of the codes of practice do address some of the priority needs of workers in the industry. However, there is also a significant degree of divergence between provisions and needs, some of which relate to the domestic sphere of workers’ lives.

• Workers on code adopting farms are better off than those on non-adopting farms. However, according to management at four of the five adopting companies, this is not due to the implementation of codes, but a policy of ‘social responsibility’ that was in place before the adoption of codes. Only in one case did the company attribute major changes to the adoption of the code.

• However, all five adopting companies did make adjustments to their labour arrangements after the implementation of the code. Also, it is fair to say that the commercial incentive build into code adoption serves as a positive motivating force in sustaining the kind of labour standards set by the code provisions.

• Awareness of codes at non-adopting companies, both on the part of management and workers, was almost non-existent.

• Whether this will change over the next few year will be assessed in the second phase of the project.
Bibliography


## Annex 1: Comparison of the ETI and SA8000 codes

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Comparison between ETI/SA8000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forced labour.</td>
<td>Both codes prohibit the use of forced labour and the practice of lodging deposits or identity papers with employers. The use of forced labour is a criminal offence under the Basic Conditions of Employment Act. If such labour is used in the South African wine industry, it is extremely rare.</td>
</tr>
<tr>
<td>Discrimination:</td>
<td>Both codes prohibit discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation. All of these requirements are covered under the South African Employment Equity Act of 1998. While most wine cellars comply with the law, adherence on wine farms is poor. Discrimination in remunerating women appears to be widespread but farmers often justify lower wages by claiming that women work shorter hours and do less strenuous work. Black workers often find difficulty finding work on farms in Western Cape, where the majority of workers are coloured.</td>
</tr>
<tr>
<td>Harassment or Abuse:</td>
<td>The codes prohibit physical abuse and discipline, verbal abuse and threats, and sexual and other harassment. Anecdotal evidence suggests that some farmers continue to harass and abuse their workers.</td>
</tr>
<tr>
<td>Child Labour:</td>
<td>Both codes prohibit all child labour under the age of 15 or the national legal minimum, whichever is greater. Young people between the ages of 15 and 18 must be put on light duties and be given sufficient opportunity to further their education. The codes require employers to identify and fund a remediation programme that allows previously employed children to catch up with their schooling. The South African Basic Conditions of Employment Act (BCEA) makes employing children under the age of 15 a criminal offence. The only incidence of child labour on wine farms that I heard of occurs when children of farm workers help their parents out of school hours. This is not necessarily done with the knowledge of farmers. The practice of directly employing children was unknown to the people I interviewed during my research.</td>
</tr>
<tr>
<td>Freedom of association and the right to bargain collectively:</td>
<td>Under both codes, companies are expected to respect workers’ rights to join trade unions and to bargain collectively. These rights are protected in South Africa’s Labour Relations Act of 1995. Trade union activities are controversial in the wine industry. Most farmers and cellar owners believe that the majority of unions are poorly organised and do little for their members other than collect union dues. At least a portion of wine industry workers would agree and, partly as a result of this, the extent of unionisation remains low. However, farmers may also deliberately withhold information on unions from their workers in the hope of maintaining “paternalistic” relationships.</td>
</tr>
<tr>
<td>Wages and other compensation:</td>
<td>Compliant companies must provide remuneration for a standard working week that meets industry or national minimums, and regardless, is sufficient to meet basic needs and provide some discretionary income. The term “living wage” is often used in this context. Clear and regular documentation on wages and deductions should be provided to workers, and deductions for disciplinary reasons are prohibited. Under SA8000, auditors are expected to apply a “food basket cost” formula for calculating the living wage. ETI has yet to define a methodology for calculating a living wage, although it has published a discussion paper. There are currently no wine industry or agricultural minimum wages in South Africa. However, agricultural minimum wages will soon emerge as a result of negotiations between government, civil society and the industry. Wages on many wine farms are undoubtedly low, but the government is unlikely to set high agricultural minimum wages for fear of distorting local labour markets and creating more unemployment. By contrast, wages in wine cellars are generally regarded as meeting “living wage” levels.</td>
</tr>
<tr>
<td>Hours of work:</td>
<td>Companies are required to comply with national laws or industry standards, whichever provides the greatest protection. Regardless, a standard working week should not be more than 48 hours and overtime should be voluntary and not exceed 12 hours per week. One day a week should be free of work. South African legislation contained in the BCEA is more strict than the ETI and SA8000 codes. Normal working weeks should not be more than 45 hours and the maximum amount of overtime per week is 10 hours. The act does however allow employers to request temporary exemptions from these limits in exceptional circumstances. Wine industry employers frequently apply for and receive exemptions due to the highly seasonal nature of their businesses. In general, farm workers work between 45 and 48 hours per week. Compiling with overtime legislation on farms is particularly difficult given the variety of tasks that workers perform in scattered locations around the farm. Clocking in and out is not possible. Even if they do not comply with the letter of the law, progressive farmers comply with the spirit by compensating workers on mutually agreed terms.</td>
</tr>
</tbody>
</table>
| Health and Safety: | The codes require safe and hygienic working environments, health and safety training, and, where provided, worker accommodation to be “clean, safe and meet the basic needs of the personnel”. The South African Occupational Health and Safety Act is a comprehensive piece of legislation that extends beyond the provisions of labour codes. Most wine industry employers meet the majority of requirements. South African law is not explicit on the quality of worker
housing. Some guidance may be available from local authorities but no standards are binding. The state of worker accommodation in the wine industry varies widely. Depending on proximity to local towns, many cellars do not provide worker accommodation. Occasionally they help permanent workers to buy properties locally. Where cellars do provide housing, conditions are generally good. Farm workers are often provided with housing, although the standards tend to be low.

**Employment relationship**

The codes require adherence to national laws and practices. Labour only contracting, apprenticeship schemes or informal arrangements should not be used to avoid legal and financial obligations. Most wine farms and cellars comply with the BCEA regarding their permanent workers. However, employment relations with casual workers (including the wives of permanent male farm workers) do not always comply with the law.

**Management systems:**

Here the SA8000 code is more explicit than its ETI cousin. It requires employers to implement formal systems and procedures for managing all aspects of labour relations, remuneration, contracts and welfare. The only piece of SA legislation that requires specific management procedures is the Occupational Health and Safety Act, under which employers are required to appoint a senior member of the management team as a health and safety officer and to develop a plan for improving procedures at the workplace.

(Collinson, 2001)
Annex 2: Impact indicators articulated by workers during participatory phase

<table>
<thead>
<tr>
<th>Permanent women</th>
<th>Permanent men</th>
<th>Temporary workers (women and men)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Higher wages</td>
<td>• Higher wages</td>
<td>• Job security: permanent status, contracts</td>
</tr>
<tr>
<td>• Better Housing: more space, tiled surfaces, water on tap, warm water, flush toilets, electricity, higher subsidies for electricity, regular maintenance</td>
<td>• Training: opportunities, formal courses, certificates</td>
<td>• Better housing: more space, bath, hot water, more plugs</td>
</tr>
<tr>
<td>• Improved education for children: higher school exit level, tertiary education, financial support by company</td>
<td>• Secure title to land: documentary proof</td>
<td>• Own house/home</td>
</tr>
<tr>
<td>• Job security: contracts</td>
<td>• Shorter hours</td>
<td>• Better communication with management, opportunity to voice concerns, information on company performance</td>
</tr>
<tr>
<td>• Participation: information on financial performance of company</td>
<td>• Sponsors for seed, seedlings in order to cultivate vegetables on own land</td>
<td>• Training: continuous opportunities</td>
</tr>
<tr>
<td>• Training: opportunities, formal courses, certificates</td>
<td>• Better housing: clean water, higher water pressure for gardens</td>
<td>• Recreation: facilities other than sport-related</td>
</tr>
<tr>
<td>• Better opportunities for promotion</td>
<td>• Better opportunities for promotion</td>
<td>• Inclusion: invitation to end-of-year function</td>
</tr>
<tr>
<td>• Better recreational facilities</td>
<td>• Job security: job description in contract</td>
<td>• Better remuneration: higher wages, same fringe benefits as permanent workers</td>
</tr>
<tr>
<td>• No alcohol abuse by men</td>
<td>• Training: continuous opportunities</td>
<td>• Better relations amongst workers: amongst women, between temporary and permanent workers</td>
</tr>
<tr>
<td>• Better day care facilities</td>
<td>• Better health care: more frequent visits by doctor to farm</td>
<td>• Information: on labour rights</td>
</tr>
<tr>
<td>• More company support for empowerment project</td>
<td>• Improved education for children: higher school exit level</td>
<td></td>
</tr>
<tr>
<td>• Better personal relationship with partner and children</td>
<td>• Day care: also after school</td>
<td></td>
</tr>
<tr>
<td>• To be treated with respect and dignity by owner/management</td>
<td>• More interaction with management</td>
<td></td>
</tr>
<tr>
<td>• Better transport to town</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• No hard physical work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Food rations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex 3

University of Stellenbosch & University of Greenwich

Impact Assessment of Codes of Practice

WORKER QUESTIONNAIRE

Introduction
This research project tries to assess whether ‘labour’ codes like the ETI base code, which have been introduced on some Cape wine farms over the last three years, have any impact on workers’ lives. In order to do this, we first have to assess workers’ current position with regard to income, working conditions, housing and a number of other questions. We appreciate your co-operation in this regard and want to assure you that all information will remain confidential.

Name of researcher: _____________________________

Date of interview: ______________

1. Company name: ___________________________________

2. Code
   1. Adopter
   2. Non-adopter

3. Interviewee: ___________________________________

4. Language
   1. Afrikaans
   2. Xhosa

5. Work status
   1. Permanent
   2. Temporary
   3. Temporary contract
   4. Seasonal
   5. Seasonal contract
A. HOUSEHOLD (includes all people that usually live and prepare food together)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. adult</td>
<td>1. female</td>
<td>1. income</td>
<td>1. paid employment</td>
<td>1. Resp.</td>
<td></td>
</tr>
<tr>
<td>2. child</td>
<td>2. male</td>
<td>2. no income</td>
<td>2. farm produce</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>younger than 7</td>
<td></td>
<td></td>
<td>3. non-farming</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>3. Child</td>
<td></td>
<td></td>
<td>enterprise</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>between 7-15</td>
<td></td>
<td></td>
<td>remittances</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>state transfers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Resp. 
2
3
4
5
6
7
8
9

B. HOUSING, SERVICES AND ASSETS

12. Type of house
   1. formal (brick)
   2. informal

13. Who owns the house?
   1. employer
   2. another person
   3. municipality
   4. I
   5. I and my partner

14. Cement floors
   1. yes
   2. no
   3. only some rooms

15. Ceiling
   1. yes
   2. no
   3. only some rooms

16. No. of rooms: .................
17. Cooking and sleeping areas separate
   1. yes
   2. no

18. Electricity for
   1. lights
   2. cooking
   3. heating
   4. warm water
   5. lights and cooking
   6. lights and heating
   7. lights, cooking and heating
   8. lights, cooking, heating and warm water
   9. none

19. Do you pay for electricity?
   1. yes
   2. no
   3. partially (subsidized by employer)

20. Piped water into home or plot
   1. yes
   2. no

21. No. of minutes to water source: ________

22. Washing facilities
   1. basin
   2. shower
   3. bath
   4. basin and shower
   5. basin and bath
   6. basin, shower and bath
   7. none

23. Sanitation
   1. flush toilet
   2. chemical toilet
   3. pit latrine
   4. none of above

24. Which of the following assets are part of the household?

<table>
<thead>
<tr>
<th>ITEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1    Stove</td>
</tr>
<tr>
<td>2    Cooker</td>
</tr>
<tr>
<td>3    Refrigerator</td>
</tr>
<tr>
<td>4    Tables</td>
</tr>
<tr>
<td>5    VCR</td>
</tr>
<tr>
<td>6    PC</td>
</tr>
<tr>
<td>7    Chairs</td>
</tr>
<tr>
<td>8    Sofa set</td>
</tr>
<tr>
<td>9    Beds</td>
</tr>
<tr>
<td>10   Mattress</td>
</tr>
<tr>
<td>11   Sewing/knitting machine</td>
</tr>
<tr>
<td>12   Kitchen utensils</td>
</tr>
<tr>
<td>13   Household tools</td>
</tr>
<tr>
<td>14   Dishes</td>
</tr>
<tr>
<td>15   Cutlery</td>
</tr>
</tbody>
</table>
25. Who in the household decides on the purchase of bigger (durable) items?
   1. I
   2. my partner
   3. I, together with my partner
   4. all adults in the household together

C. INDICATORS

C.1 MATERIAL WEALTH

26. What is your job?
   1. general worker
   2. driver
   3. specialist worker (e.g. irrigation, fencing)
   4. general worker & plus specialist tasks (e.g. welding)
   5. supervisor

27. Cash wage per week (before deductions): R __________

28. No. of hours worked per week (excluding overtime) __________

29. Can you choose whether you want to work overtime?
   1. yes
   2. no

30. How many years have you worked for this employer? __________

31. Over the last two years, how many training courses have you attended paid for by the company? __________

32. Do you have a written contract?
   1. yes
   2. no

33. If yes, do you understand it?
   1. yes
   2. no

34. Are you in debt to

   1. Employer/manager
   2. Farm shop
   3. Friends/colleagues
   4. Bank
   5. Shop(s) in town
   6. Cash loans
   7. Combination
35. On this farm, will the owner/manager allow you to stay in the house if you lose your job?
   1. yes, indefinitely
   2. yes, for a short period
   3. depends on how one loses job
   4. no
   5. don’t know
   6. not applicable

36. Are you a member of the farm’s equity share/social empowerment scheme?
   1. yes
   2. no
   3. not applicable

37. If yes, has it made a difference to your life on the farm?
   1. yes
   2. no
   3. partly

38. If yes or partly, how?
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

39. Does your employer provide free transport between farm and town?
   1. yes
   2. no

40. If yes, how many trips per week? _______

C.2 SOCIAL WELL-BEING

41. Is alcohol abuse causing problems in the relationship with your partner?
   1. yes
   2. no
   3. not applicable

42. Is there violence in your home?
   1. yes
   2. no

43. Does the owner/manager provide you with alcohol?
   1. yes
   2. no

44. Does the owner/manager provide protective clothing when you have to work with pesticides?
   1. yes
   2. no

45. Does your employer subsidise your medical care?
   1. yes
   2. no

46. If yes, in what way?
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
47. Does the company provide training on HIV/AIDS?
   1. yes
   2. no

48. Is there day care on this farm?
   1. yes
   2. no

49. Do your children go to day care?
   1. yes
   2. no
   3. not applicable

50. If no, why not?
    ___________________________________________________________________
    ___________________________________________________________________
    ___________________________________________________________________

51. Does the company subsidise the school education of your children?
   1. yes
   2. no
   3. not applicable

52. If yes, how?
    ___________________________________________________________________
    ___________________________________________________________________
    ___________________________________________________________________
    ___________________________________________________________________

C.3 EMPOWERMENT

53. Have you heard of labour codes on Cape wine farms like the ETI code or SA 8000?
   1. yes
   2. no

54. If yes, what do you know about them?
    ___________________________________________________________________
    ___________________________________________________________________

55. Does the owner/contractor/manager/supervisor threaten or swear at you?
   1. never
   2. sometimes
   3. most of the time
   4. always

56. Does the owner/contractor/manager/supervisor abuse you physically?
   1. never
   2. sometimes
   3. most of the time
4. always

57. Is there a workers’ committee on this farm?
   1. yes
   2. no

58. If yes, has it made a difference to your working life?
   1. yes
   2. no

59. If yes, how?
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

60. Does the owner/manager allow you to take up a job somewhere else, but remain living on the farm?
   1. yes
   2. no
   3. not applicable

61. Can you keep your job on this farm, even if your partner was to resign or lose his job?
   1. yes
   2. no
   3. don’t know
   4. not applicable

62. Do any of your children (younger than fifteen) work on this farm?
   1. yes
   2. no
   3. not applicable

63. If yes, why?
   1. employer expects them to
   2. they have to supplement the household income
   3. they no longer want to attend school

64. Are you a member of a trade union?
   1. yes
   2. no

65. If yes or no, why?
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

66. Do you know what an NGO or Advice Office is?
   1. yes
   2. no

67. If yes, can you describe what it is?
   ____________________________________________________________
   ____________________________________________________________
68. Over the last two years, how many visits have you paid to the local Advice Office or NGOs? _________

THANK YOU FOR YOUR TIME AND COOPERATION!
Annex 4

University of Stellenbosch & University of Greenwhich

Impact Assessment of Codes of Practice

OWNER/MANAGER QUESTIONNAIRE

Introduction
This research project tries to assess whether ‘labour’ codes like the ETI base code, which have been introduced on some Cape wine farms over the last three years, have any impact on companies and workers’ lives. More specifically, we would like to know whether

- whether social investment is working
- how codes make a difference to workers and companies and
- whether there are things about codes that could be improved

The purpose is not to assess compliance with the codes. Also, the research is not a judgement of any specific company or of the industry per se.

We appreciate your co-operation in this regard and want to assure you that all information will remain confidential.

Joachim Ewert & Valerie Nelson (082 335 4808)

Name of researcher: _____________________________

Date of interview: ______________

1. Company name: ___________________________________

2. Code
   3. Adopter
   4. Non-adopter

3. Interviewee
   1. Owner
   2. Manager
   3. Owner-Manager

4. Name of Interviewee: ______________________________

A. COMPANY PROFILE (ALL COMPANIES)

5. Type of company
   1. estate
   2. private cellar
   3. cooperative farm
   4. Other___________________________________________

6. No. of hectares under cultivation? ____________
7. No. of hectares under grapes? ___________

8. No. of tonnes of grapes pressed (2002)? ______________

9. To whom do you sell your grapes?

<table>
<thead>
<tr>
<th>Sales to</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Co-operative</td>
<td></td>
</tr>
<tr>
<td>2. Wholesaler</td>
<td></td>
</tr>
<tr>
<td>3. Estate or private cellar</td>
<td></td>
</tr>
<tr>
<td>4. Other</td>
<td></td>
</tr>
<tr>
<td>5. Not applicable</td>
<td></td>
</tr>
</tbody>
</table>

10. To whom do you sell your wine?

<table>
<thead>
<tr>
<th>Sales to</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Domestic market</td>
<td></td>
</tr>
<tr>
<td>2. Exports</td>
<td></td>
</tr>
<tr>
<td>2.1 supermarkets</td>
<td></td>
</tr>
<tr>
<td>2.2 other</td>
<td></td>
</tr>
<tr>
<td>3. Not applicable</td>
<td></td>
</tr>
</tbody>
</table>

11. To which markets do you export?

<table>
<thead>
<tr>
<th>Exports to</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Europe (incl. UK)</td>
<td></td>
</tr>
<tr>
<td>2. USA</td>
<td></td>
</tr>
<tr>
<td>3. Asia</td>
<td></td>
</tr>
<tr>
<td>4. Other</td>
<td></td>
</tr>
</tbody>
</table>

Composition of the labour force

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>2002</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

What is the average wage per week for the following categories of workers?

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>2002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

25. Do you make use of labour contractors?

1. yes
2. no

26. If yes, how are they paid?

1. commission per worker recruited
2. amount per ha or ton
3. lump sum for job
27. What are the most important challenges facing this business?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

28. What are the implications of these challenges for the company’s workers? 
(e.g. it requires the upgrading of skills)

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

B. FOR NON-CODE ADOPTING COMPANIES ONLY

29. Have you heard about codes of practice on Cape wine farms like the ETI code or SA 8000?
   3. yes
   4. no

30. If yes, what do you know about them?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

31. What are the positive aspects of these codes?
32. What are the negative aspects of these codes?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

33. In your view, what factors determine whether a company adopts a code or not?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

C. FOR CODE ADOPTING COMPANIES ONLY

34. In which year did the company adopt a code? ____________

35. What are the positive aspects of this code?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

36. What are the negative aspects of these codes?

______________________________________________________________________
37. In your view, what factors determine whether a company adopts a code or not?

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

38. Does the implementation of the code provide the company with an extra advantage in the marketing of its wine?
   1. yes
   2. no

39. If yes, how?
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

40. Did the company make any improvements in the working and living conditions of its workers before the adoption of a code of practice?
   1. yes
   2. no

41. If yes, what kind of improvements?
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
42. Has the company make any improvements in the working and living conditions of its workers since the adoption of a code of practice?
   1. yes
   2. no

43. If yes, what kind of improvements?

______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________

44. If yes, which of these were made because of the code?

______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________

45. What have been the greatest costs involved in the implementation of the code?

______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________  
______________________________________________________________________

46. Did you inform the workers about the implementation of the code on this farm?
   1. yes
   2. no
47. If yes, how?

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____________________________________________________________________

48. Are there important social issues on the farm which are not addressed by the code?
   1. yes
   2. no

49. If yes, what are these?

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50. In your view, how should these issues be addressed?

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51. Are you considering de-listing from the code?
   1. yes
   2. no

52. If yes, why?

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THANK YOU FOR YOUR TIME AND COOPERATION