Introduction

In 1994, the African National Congress (ANC) took power in South Africa under the leadership of Nelson Mandela, formally ending decades of state-sponsored discrimination. Among a wide range of exclusionary policies during the Apartheid era were restrictions on the ownership of farm land by non-whites outside of the homelands or Bantustans (leaving only 13% of the country’s land for the majority black population). This led to the complete domination of commercial agriculture by the white population, particularly in the Western Cape Province, an area often thought of as the historical hearth of white farming. Of all of South Africa’s provinces, agriculture in the Western Cape is the most commercialized and export oriented (Moseley, 2007a).

The end of protections and subsidies that came with the fall of Apartheid has not necessarily been bad for all forms of large scale (mostly white-owned) agriculture. Wine exports in particular have skyrocketed since the end of Apartheid and the removal of sanctions. While South African wines were once unheard of in North American and European supermarkets, they now compete with their southern hemisphere counterparts, mainly Chile and Australia, for a share of the ‘good value’ wine market (i.e., low to moderately priced, yet reasonable quality wines). In fact, South Africa’s wine production nearly quadrupled between 1994 and 2004, and the country is now the eighth or ninth largest wine producer in the world (SAWIS, 2006). It is unclear, however, if this record growth has helped South Africa’s historically disadvantaged groups, particularly the black and coloured farm workers that comprise one of the poorest segments of the country’s population.

One of the campaign promises of the ANC government has been to redress the legacy of discriminatory land ownership policies in the farming sector through a land reform program that
facilitates the transfer of land from whites to blacks (a generic term in South Africa that encompasses people of African, mixed race and Indian origin). The government pledged to redistribute 30% of the country’s agricultural land by 1999 (a date subsequently changed to 2014) (Mather, 2002). Land reform is part of a broader transformation strategy for South Africa’s agricultural sector aimed at improving the participation of blacks in decision-making (also known as Black Economic Empowerment or BEE). Either as a result of transformation policies, altruism or the prospect of new markets, some white farm owners have voluntarily gone into partnership (gifting all or part of the farm) with their black and coloured workers. Still others have sold all or part of their farms to black entrepreneurs, often leaving farm management and working conditions essentially unchanged (Williams, 2005). Other white farmers have adopted improved labor practices while retaining full ownership of their farms. Some of the farms using the aforementioned arrangements have gained Fair Trade certification, while others have not (either because they do not meet the Fair Trade standards or because they could not meet the costs of certification). These farms may market their goods as produced on worker-owned or black-owned farms.

A small subset of the vineyards in the Western Cape (where a Mediterranean climate prevails) have some type of alternative ownership or labor arrangement (see figure 1 for a map of South Africa’s major wine region). As such, South Africa’s Western Cape is now dotted with a variety of black-owned and black co-owned vineyards that are Fair Trade certified or marketing their wines as worker produced or black owned. This study explores these various alternative arrangements and their connections to local and international wine markets In particular, it explores the potential of these arrangements to create real change in labor conditions and the welfare of historically disadvantaged farm workers. In comparison to other agricultural sectors in South Africa, the wine industry is an especially interesting case because of its economic
importance, growing export potential and history of white dominance. The following sections describe the research methods, provide a brief overview of the situation of farm workers and the South African wine industry, review of the three main categories of alternative vineyard ownership and management in the Western Cape (land reform, BEE and Fair Trade), and examine five cases of alternative farm ownership and management.

(Insert Figure 1 about here)
Methods

This study is based on fieldwork undertaken by the author in June-August 2005, January 2006, July 2006 and January 2007. Semi-structured interviews were conducted with policy analysts and program managers (25 interviews), white commercial farmers (20), farm workers on conventional commercial farms (60), and land redistribution beneficiaries (50). The interviews were conducted in English or Afrikaans (the first language of many whites and coloured farm workers in the province). Interviews were conducted on existing commercial farms and on farms purchased and managed as land redistribution projects (of which some had Fair Trade certification). In addition to interviews, project documents and policy statements were examined. While interviews were entirely voluntary, and every effort was taken to make respondents feel as comfortable as possible, the author acknowledges the inevitable influence of his own position vis à vis the research subjects and the data collected (for more on this, see Mather, 1996; Butz and Besio, 2004). To be more specific, historical power dynamics between white farm owners and black or coloured farm workers sometimes make conversations between farm workers and those perceived as white (the case for the author) challenging. This said, it seemed to help that the author was a white American rather than a white South African. Several respondents indicated that this was, in fact, the longest conversation they had ever had with a white person.

The Coloured Farm Worker Population and the South African Wine Industry

The current situation of the farm worker population and the South African wine industry is best understood within the broader historical and political economic context. Wine production in South Africa’s Western Cape Province dates back to the 17th century when the Dutch established an outpost at Cape Town to provision ships on their way from Europe to the Far East. Because the area’s local Khoisan population was sparse and unaccustomed to crop farming (the
Khoi were herders and the San were hunters and gatherers), slaves were brought in from East Africa, Madagascar and the East Indies to work on European-run farms. The farm laborer population eventually evolved to become a mixed-race or mulatto group, locally referred to as coloureds, that now comprises 60% of the Western Cape’s population. Even though slavery was abolished in 1834, conditions on farms remained difficult and wages were low.

The historic relationship between white farmers and farm workers has often been described in terms of paternalism and dependency (Du Toit, 1993, 1994). Permanent farm workers (as opposed to seasonal laborers) lived on the farms and often did so for multiple generations. In addition to meager wages, permanent workers typically received housing, food and wine as a part of their pay package. Many farm workers bought goods at the farmer-owned store on credit and fell into the classic debt-bondage cycle. The provision of cheap wine to workers as a component of compensation, known as the tot or dop system, was used to attract and retain workers in a low wage industry (and the poorest white farmers were often the greatest abusers of this practice) (Scully, 1992). While this practice has been illegal since 1965, alcoholism continues to be a major problem amongst the farm worker population.

Despite the perception that farm workers are an unskilled labor force, interviews revealed that they often possess specialized skills. An example of this is the ability to quickly and proficiently prune grape vines (see figure 2). Several farmers reported that an inexperienced or careless worker can inflict significant damage as pruning has a profound influence on the quality and quantity of the harvest. Beyond the actual technique, the job can be done better if workers know the personalities of specific vineyards. Farm workers and white farmers spoke of contract gangs who did a poor job because they did not have the skills, hurried too much, or did not have a history of interacting with a specific vineyard (which turns out to be important in terms of
knowing which vines are under-producing, how soils and microclimates vary within field, etc.).

Interviews also revealed that workers are aware of ecological processes and problems. Many are familiar with the problem of pesticide resistance amongst insects and weeds. Workers also notice erosion and they understand what causes it.

Insert Figure 2 about here

In spite of their technical skills and deep history of farming, most workers are only involved in a narrow range of tasks on the vineyard due to stereotypes, social conditioning and capitalistic approaches to management. Workers often have a limited understanding of the larger farm operation, and they almost always have had little to no exposure to the business side of farming. Furthermore, most farm workers came across as largely disempowered in interviews. While some farm workers historically engaged in subsistence production on the side (such as gardening and small-scale animal husbandry), this type of activity is now rare and largely confined to older workers. The exception to the general farm worker situation is a middle management tier that exists on farms with larger work forces (often fruit and wine farms). In such instances, there may be coloured foremen or farm managers who understand, from a technical standpoint, how to run a farm. Unfortunately, even most foremen and farm managers have a limited understanding of the business side of farming as this has, and continues to be, a task undertaken exclusively by the white farmer.

The farm worker population’s narrow (although important) range of skills, their deep sense of disempowerment, and a general lack of a subsistence ethic suggest that this group has been thoroughly proletarianized. This contemporary situation differs from historical accounts describing the pivotal role some coloured farm workers played in establishing successful white-
owned farms in the Cape Colony (e.g., Boonzaaier, 1980), or the existence of an independent and
dynamic coloured smallholder farming sector in the frontier regions of the 19th and early 20th
century Cape Province (e.g., Dicey, 2004). While land reform initiatives in other parts of the
world (e.g., Zimbabwe, Namibia and Chile) have often engaged a population with a history of
subsistence or smallholder production, the situation in the Western Cape is distinguished by the
highly proletarianized character of its beneficiary population.

While some farms in the Western Cape were devoted exclusively to raising grapes, many were
mixed farming operations that raised a variety of crops, including grapes. Grapes were then sold
to a local winery that produced vintages from large numbers of farms in the area (a very different
form of organization than that found in California for example). Raising grapes required a
tremendous amount of labor, so those farms with larger areas in grape production often
employed 30-60 permanent workers who lived on the farm with their families. Spouses and
children would join the workforce at key junctures in the agricultural season. Until the end of
Apartheid, wine production remained somewhat small because exports were limited by
international sanctions. Furthermore, other than the dreg wine reserved for the coloured farm
worker population in the Western Cape, wine consumption was reserved largely for whites (as
blacks in other parts of the country were encouraged to drink beer as per the racist ideology of
the National Party). In addition to a limited market for South African wine, mixed farming also
made sense due to government support for other types of crops. For example, in order to ensure
food self-sufficiency at the national level, and to cater to white farmers who were an important
constituency of the conservative National Party, many commercial farms benefited from
subsidies (especially for wheat) during the Apartheid era (Meadows, 2003).
Since the end of Apartheid, the commercial agricultural sector, and the wine industry in particular, have been impacted by the vigorous engagement of the South African economy with the international political economy and the passage and implementation of a number of neoliberal economic policies and programs at the national level in South Africa (Peet, 2000; Mather and Greenberg, 2003). At the international level, the biggest change was the end of sanctions on products that clearly were South African. This change had less impact on exports whose origin was ambiguous, such as table fruit whose sale continued unabated to Europe throughout the Apartheid era. But as origin and label are extremely important for all but the cheapest of wines, the end of sanctions meant there was an opening of markets for the South African wine industry. As a result, South African wine production went from 38,850,664 liters in 1994 to 153,355,137 liters in 2004 (SAWIS, 2006). Growth in the wine industry has slowed since 2004 due to the strong value of South African Rand and an excess of wine on the international market. Nevertheless, wine grape farms and cellars have fared better than other sectors of the agricultural economy in a ruthlessly competitive global market.

In addition to grape sales and wine production, tourism related activities (e.g., wine tasting tours, guest houses, and restaurants) are another important source of income for many vineyards. Tourism has exploded since the end of Apartheid and is the leading source of foreign exchange in the Western Cape, followed by agriculture. Due to the importance of tourism, the appearance of vineyards that are visible to the public is important (see figure 3 for an example of a well-manicured vineyard) (Bruwer, 2003). Today, there are some 4,400 farming units that produce wine grapes in South Africa, and almost all of the larger production units are located in the Western Cape where the Mediterranean climate favors grape production. The livelihoods of roughly 53,000 South Africans depend on the wine industry.
In the post Apartheid era, international financial institutions such as the World Bank and the IMF pressed South Africa to adopt liberal economic policies that encouraged export orientation and free trade (Mather and Greenberg, 2003). Key donors, such as the United States, pushed the ANC government to more narrowly focus on establishing a procedural democracy, rather than a broader vision of democracy involving economic justice (Hearn, 2000). The ANC also came under pressure from the World Bank to adopt a policy of negotiated land reform based on the principle of willing seller/willing buyer, rather than a more radical alternative (Zimmerman, 2000).

Within this international context, the formerly Marxist ANC government developed five sets of policies that affected wine farming: 1) liberalizing agricultural trade and deregulating the marketing of agricultural products; 2) abolishing certain tax concessions and reducing direct subsidization; 3) introducing a minimum wage and other protections for farm workers; 4) implementing land reform policies and programs; and 5) setting broad goals for black empowerment and transformation in the agricultural sector.

The first two sets of policies called for a dramatic liberalization of South African agricultural policy, with a distinct move away from the protectionist policies for white commercial agriculture that prevailed during the Apartheid era. This orientation resulted from the combination of the external pressures discussed above, the need to redirect resources away from agricultural subsidy programs to other areas, and little sympathy in the new government for the situation of white commercial farmers. The increasingly competitive commercial agriculture sector has led to the loss of smaller and more marginal commercial farms.
The increasingly competitive agricultural sector also contributed to the loss of permanent farm worker positions. While farms in the Western Cape Province employ the largest number of permanent farm workers in South Africa (211,808 permanent farm workers out of 940,815 for the entire country), this figure declined by 14% between 1993 and 2002. In many instances, permanent farm worker positions were cut in favor of seasonal and contractual farm labor. Such changes have been made by commercial farmers to allow for greater flexibility and to avoid offering certain legal protections to workers, most notably the new minimum wage law and regulations concerning housing on farms. The ANC’s first three sets of policies have arguably done little to improve the lot of farm workers, and in some cases their situation became worse. The rest of this paper explores the last two sets of polices (land reform and black economic empowerment) as well Fair Trade.

**Alternative Management and Ownership Arrangements**

This section reviews the three leading categories of alternative management and ownership of vineyards in South Africa: land reform initiatives, BEE and Fair Trade. While each category is distinct, there is also a considerable degree of overlap between the three.

**Land Reform**

Since the late 1990s, the government has been attempting to put land into the hands of historically disadvantaged groups through land restitution and land redistribution, collectively known as land reform. Land restitution seeks to return land, or cash payment, to rightful owners dispossessed in the post 1913 period (i.e., land taken following the 1913 Natives Land Act). Land redistribution programs provide government grants to help blacks and coloureds acquire land when they are not in a position to benefit from land restitution. The second program, now
known as Land Redistribution for Agriculture and Development (LRAD), is more common in the rural areas of the Western Cape as most blacks and coloureds lost their land to European settlers long before 1913, and thus are not eligible to apply for restitution. This program provides 20,000 to 100,000 Rand (approximately $3,080 USD at the low end) per eligible individual for the purchase of farmland. Most recipients receive 20,000 Rand, only becoming eligible for additional funds if they contribute their own additional capital to the project.

In the Western Cape, the majority of land redistribution beneficiaries are current or former farm workers. Because farmland is relatively expensive in the province (especially vineyard appropriate land), large groups of beneficiaries (often 50 to 100 people) must pool their grants in order to buy a farm. In some instances, farms are purchased outright at market prices from willing sellers and the farm is independently run by the land redistribution beneficiaries. In other instances, people use their grants to buy a portion of an existing farm, going into partnership with a white farmer. This second approach, known as a share equity scheme, is the dominant approach used to date with wine grape farms. The reasons why vineyards have not been purchased outright number at least two: the purchase price of most vineyards is so high that it would take an unfathomable number of grantees to purchase such farms; and there are certain advantages to going into partnership with an established wine grape farmer who (presumably) already has the know-how and contacts needed to run a successful vineyard. As of early 2005, there were 101 land redistribution projects in the Western Cape, and of these approximately nine were share equity schemes producing wine grapes. To put this in perspective, there are 7,185 commercial farming units in the Western Cape, of which roughly 2,372 produce 100 or more tons of grapes annually. As such, land redistribution projects only constitute 1.4% of all farms in the Western Cape and projects focused on the production of wine grapes make up .38% of all farms in this category.
South Africa’s land reform program has been criticized by those on the political right and the left. Many conservative white South Africans believe that black or coloured farmers are incapable of effectively managing commercial farms. They see land redistribution as a waste of the government’s money at best and, at worst, a program that could lead to collapse of the agricultural sector if it is pursued too zealously (e.g., Du Toit, 2004). Current problems with Zimbabwe’s land reform process, including a series of disputed farm occupations by war veterans, have only further fueled these fears.

Critics of this program from the political left, and even center, have focused on several issues (Zimmerman, 2000; Mather, 2002; Hall, 2004; Cousins, 2007; Moseley 2007a). First, the pace at which the program is redistributing land has been exceptionally slow. By mid 2006, approximately 4% of the formerly white-owned land had been redistributed to black or coloured South Africans, a long ways from the 30% targeted for redistribution by 2014 (Cousins, 2006). Second, the principle of “willing seller / willing buyer” that relies on the voluntary sale of commercial farms at market value is being questioned as the government does not seem to have anything close to the level of resources needed to help blacks purchase 30% of white owned farmland at market prices by 2014. Third, the appropriateness of the large scale, commercial orientation of land redistribution program is being questioned at a time when so many commercial farms are going under. Critics of the current approach often argue that: 1) we may be setting new black farmers up for failure by encouraging them to go into large-scale farming with little technical support and no protections or subsidies; or 2) that a subsistence or small-scale commercial orientation focused on local markets may make more sense than engaging with a global system that is inherently unfair. Finally, there are some specific concerns about share equity schemes because this mechanism may be manipulated by white farmers to obtain capital
in exchange for no real relinquishment of control. Furthermore, some have questioned how realistic it is to go into partnership with someone who may previously have been the autocratic ‘boss.’

**Black Economic Empowerment (BEE)**

In addition to land redistribution, the South African government has a broader plan for transformation in the agricultural sector (Government of South Africa, 2004) that grew out of its Black Economic Empowerment (BEE) initiative. The BEE has received much criticism, being accused of enriching a few, usually already powerful, blacks. This led to the formulation of Broad-Based Black Economic Empowerment (BBBEE) in 2003, after which time the aforementioned plan for transformation in the agricultural sector was formulated, known as AgriBEE. In addition to land reform, this framework calls for increasing: the representation of blacks in management positions; skills development among black people; black ownership of agro-enterprises; and the supply of produce to supermarkets by black owned farms (Government of South Africa, 2004). Increasing black participation in the management of farms is key because farm workers have been excluded for years from the business and management side of farming (Moseley, 2007a). Moving farm workers into management positions will develop a cadre of black people who could go on to run successful commercial farms of their own.

While encouraging ownership of wineries and wine labels by black business interests is important for economic equality in South Africa, some make an important distinction between this type of ownership and ownership by farm workers. Scholars have been especially critical of the wine industry’s self-serving using of empowerment projects to shield itself from calls for deeper levels of change (e.g., Williams, 2005; McEwan and Bek, 2006; Du Toit, Kruger and Ponte, 2008). For example, Williams (2005) describes how one wine cooperative, *Koöperatiewe*
Wynbouersvereniging van Suid Afrika Beperk (KWV), sold 25.1 percent of its shares to a BEE consortium in 2004. In the end, KWV’s goal was not really to encourage empowerment, but to re-establish a close relationship with the government by complying with official BEE criteria. The deal enriched a small group of politically well-connected black business people but offered little in the way of real change.

*Fair Trade*

While wine produced on farms that are worker-owned (because of the land reform program), or have BEE status, may mean something to the South African consumer, these terms have little import outside of the South African context. In contrast, Fair Trade certification does connote distinction in the global market place. The first two Fair Trade wine producers in South Africa were certified in 2003 (FLO, 2008a). There are now 29 Fair Trade wine operators in the country, of which 17 are producers and 12 are traders (FLO, 2008b; Platter, 2008). In 2005, South Africa exported roughly 2.1 million liters of Fair Trade certified wine, with the U.K. being the biggest export destination. As of 2007, South Africa had more Fair Trade wine grape producers than Chile or Argentina, the two other countries with producers in this category (Origin Wine, 2007). Beginning in 2004, country-specific standards were developed for Fair Trade certification in South Africa. As Kruger and Du Toit note (2007: 206), these country-specific standards were developed because there was concern that “extending unchanged FLO criteria to South Africa would undermine the incentive for transformation in the agricultural sector.” They further describe, with some irony, how labor activists were concerned that a conventional application of Fair Trade standards could signal to consumers that “the ‘feel-good factor’ associated with the ‘miraculous’ transition to democracy - could be linked with a product previously associated with labor conditions verging on slavery.” (Kruger and Du Toit, 2007: 205) The standard Fair Trade criteria that applied to laborers on large farms or plantations called for decent wages, good
housing where relevant, meeting established health, safety and environmental standards, and the right to join unions. The new requirements went beyond this, stipulating 25% minimum ownership of the farm or firm by the workers, worker participation at all levels of operational management, and a skills development and capacity building program (Kruger and Du Toit, 2007; FLO, 2008c).

Case Studies
This section presents examples of different forms of alternative ownership or management of vineyards in South Africa’s Western Cape. These examples include five cases: 1) the Bouwland partnership trust, 2) the Ruitersvlei vineyard, 3) the Nuutbegin trust associated with the Thandi Fair Trade label, 4) Citrusdal Cellers and 5) Gelukshoop. They are presented in order to illustrate the strengths and weaknesses of various models.

The Bouwland partnership trust came into being in 2003 when 60 land reform beneficiaries (of whom 55 are farm workers from nearby Beyerskloof and Kanonkop vineyards) bought a 76% share of the 56 hectare Bouwland vineyard from Beyerskloof outside of Stellenbosch (of which 40 hectares is planted in Pinotage, Cabernet Sauvignon and Merlot grapes). The trust’s membership is roughly half male and half female, a split that is not only required by the government to receive LRAD grants but also reflects the significant presence of women as farm workers in the South African wine industry. The group went into partnership with the winemaker for Beyerskloof and Kanonkop, and the owner of a London-based wine distribution firm, Raisin Social. Using land redistribution grants from the government, and a commercial bank loan, they purchased not only a majority share of the vineyard but a stake in the established Bouwland wine label. The group shares the cost of a team of workers with Beyerskloof that spends 40% of its time on the Bouwland land. The Bouwland property has a former farm house
that it uses as an office and tasting room. It, however, relies on Beyerskloof for the use of its equipment. With the exception of a few full-time employees involved in marketing and management, nearly all of the group’s shareholders have kept their days jobs as farm laborers on the nearby Beyerskloof and Kanonkop vineyards. The group is currently making a very slim profit (largely because they are paying off a loan), producing and selling 17,000 cases of wine per year. Their wine is sold in local supermarkets and exported to the U.K., the Netherlands, Germany and the US. The group markets its wine as worker-produced and is in the process of applying for Fair Trade certification. This is a solid project with a bright future, but the group is wrestling with the fact that it has yet to turn a significant profit, as well as some concerns about its dependence on Beyerskloof (Moseley, 2006).

Not all land reform initiatives with a share equity (or co-ownership) arrangement have turned out as well as Bouwland. The Ruitersvlei vineyard is a case of such an initiative that was exploited and manipulated by the white farmer involved with the project. According to several interviews with farm workers formerly involved with the project, the white farmer initiated the project in 2002. He approached his own farm workers with very little explanation and collected ID numbers (and those of others) for an application. He eventually submitted 251 names and ID numbers in an application for a LRAD grant. The farm workers eventually received a nine million SA Rand grant from the government, and five million SA Rand commercial bank loan. A trust was then created which formally owned the farm with the farm workers having 70% equity in the trust (composed of their government grant and commercial bank loan) and the white farmer with 30% equity.

Unfortunately what then appears to have ensued is that the white farmer continued to run the farm as if he were the sole owner and CEO of the trust. Respondents indicated that, while the
farm workers owned 70% of the trust, they were totally locked out of financial and management decisions. Suspecting that this was not normal, the farm workers expressed concern to the Department of Land Affairs, the government entity which provided the LRAD grant to the trust. Unfortunately, very little support to the farm workers was provided. While legal recourse was an option, the farm workers did not have the funds to pay a lawyer. The Ruitersvlei vineyard eventually defaulted on its loan and bank took over the farm. Ironically, after taking over the farm, the bank appointed the same white farmer to manage it. This same farmer then eventually bought the farm back from the bank. While the lessons that may be drawn from this case are many, it should be clear that share equity (or co-ownership) arrangements are risky if the former white owner is unwilling to share power. More importantly, farm workers need legal recourse and assistance to protect against such abuses.

The Nuutbegin trust began in 2000 when 99 farm workers from Waterskloof and Fransmanskloof vineyards obtained land redistribution grants to purchase a 50% share of a long term lease (from the municipality) for 25 hectares of prime vineyard land. The other two partners, the owners of the Waterskloof and Fransmanskloof vineyards, each have a 25% stake in the project. Nuutbegin, along with two other vineyards, including the much celebrated Lebanon Trust (Kruger and Du Toit, 2007), produces Merlot, Shiraz and Cabernet Sauvignon grapes for the Fair Trade certified Thandi winery (which Nuutbegin trust has a 7% stake in). Thandi was the first wine label in the world to attain Fair Trade certification (Bek, McEwan and Bek, 2007). All of the shareholders have maintained their day jobs as farm workers, and they coordinate with the owners of Waterskloof and Fransmanskloof to schedule time to work the vines at Nuutbegin. Like Bouwland, this group has yet to turn a significant profit and they are somewhat concerned about their continuing dependence on their Afrikaner partners. The group made significant
outlays to become Fair Trade certified, yet it remains to be seen if the market will sufficiently reward them for these investments.

Along with Thandi, Citrusdal Cellers was an early recipient of Fair Trade certification. This wine cooperative sources its grapes from 78 different producers, of which four are Fair Trade certified. The cooperative makes contributions to a local development association which provides services to workers and the community. This group was initially certified under the pre-2004 standards, meaning that it was not required to have worker co-ownership of at least 25% (in contrast to Lebanon Trust of Thandi which always had a worker co-owned farm). Following a revision of South African Fair Trade standards in 2004, producers who were certified before 2004 were given three years (until September 2007) to comply with the standard (FLO, 2004). While not the case for all vineyards certified under the old standard (Kruger, personal communication, 2008), it appears that the four Fair Trade certified vineyards associated with Citrusdal Cellers have taken steps to comply with the new standard with workers now owning a portion of these businesses. Sales of Citrusdal Cellers Fair Trade label have grown steadily. The cellar is now partially owned (along with the cooperative) by Charles Back, a leading South African winemaker who also produces such wines as Fairview (an empowerment label) and ‘Goats do Roam’ (Wine Magazine, 2007). The degree to which workers are being empowered through this project is unclear, but their level of responsibility appears to be improving.

Not all vineyards fully or partially owned by black or coloured workers produce grapes for labels that have worker-owned, black-owned or Fair Trade status. Such is the case of Gelukshoop, a small 23 hectare vineyard completely owned by 40 members, mostly drawn from two extended families. In many ways, these farmers are doing remarkably well. They purchased the farm in
2002 with a government LRAD grant, and they have steadily increased grape production from 168 tons in 2003 to 223 tons in 2006. They earn enough to pay their expenses and pay a small dividend to the owners. The problem, in terms of potential profits, is that they only sell their grapes to the local cooperative winery, Bonnievale Cellars. As such, their profit margins are low, as most profits are to be found in the making of wine. Furthermore, the cooperative winery has no special status as a black-owned, worker-owned or Fair Trade, meaning that its wine sells without a premium. Gelukshoop has been unsuccessful in making contacts with other Fair Trade or worker-owned wine labels as potential outlets for its grapes.

**Discussion and Conclusion**

An assessment of the various alternative management arrangements presented in this study largely depends on one’s expectations for the rate and depth of social change. The South African wine industry is highly racialized. The ownership and much of the middle management is largely white while the workforce is largely coloured or mixed race. How then, does one go about reversing 350 years of repression and disempowerment?

BEE initiatives that have simply installed a few token blacks as co-owners probably show the least promise for social change. While no case study of such a winery or vineyard is presented here, others (e.g., Williams, 2005; Du Toit, Kruger and Ponte, 2008) have made this point. Early Fair Trade certification standards were a small improvement over BEE in that these criteria insured certain working conditions. The concern here, however, is that this only represented a marginal enhancement from the status quo which was already improving through more favorable labor regulation in the post-Apartheid era. Improved working standards alone are problematic if a glass ceiling remains in place which prevents black and coloured workers from moving into management and ownership positions.
Land reform initiatives which provide government grants to black and coloured individuals (often farm workers) to purchase (in part of in full) vineyards are clearly a step in the right direction. However, these initiatives may result in disillusionment if: 1) workers do not have the skills or power to fully participate in the management of farms (such as the case of Ruitersvlei); and/or 2) they are not supported by local and global markets. Bek, McEwan and Bek (2007: 315) argue that “there is a pressing need for producers and consumers to become more directly connected in terms of information flows.” Interestingly, one of the easiest ways for this to occur might be for ethically produced wines to have a greater presence in the domestic South African market. This market includes both South African wine consumers and a vast tourism industry (the largest industry in the Western Cape) that serves local wines in hotels, restaurants and on wine estates, yet almost none of these wines carry any sort of ethical trade certification (Moseley 2007b). While some worker-owned and co-owned vineyards have Fair Trade status (e.g., Thandi), others do not (e.g., Bouwland) which may limit sales with any premium on the global market. Worse yet, some worker-owned vineyards have no distinctive label under which to market their product domestically or internationally, even if the ownership and management of the vineyard comes closest to meeting criteria that represent real social change (e.g., Gelukshoop).

Newer, South Africa specific, Fair Trade standards appear to be the most promising approach as these call for a combination of worker ownership and distinction in the global market place. There, however, remain several problems with this approach. First, the costs of becoming Fair Trade certified still remain prohibitive for many producers. Second, ownership or co-ownership alone does not guarantee a change in social relations if the new owners of production (workers in this case) do not have the skills, confidence, legal support and contacts to successfully run such a
business. These internal constraints point to the limitations of a Fair Trade model that sees informed consumer choice in a global market as a major engine of social change. While this is a useful complement to change, in the end it may require massive government investment in education, appropriate legal support, and protection from international competition if we are to truly see a more multiracial wine industry in South Africa. Such support has been limited by the South African government’s embrace of neoliberalism in the post-Apartheid era (Peet, 2004). While state intervention on behalf of certain groups has been successfully portrayed as a dinosaur of the Apartheid era by neoliberal forces, it will likely take such an approach to undo hundreds of years of support for white interests.

Notes

1 The use of the term ‘coloured’ does not have the same stigma that it does in the United States where it is often perceived as old fashioned and racist. This term continues to be used in the South African context to refer to persons of mixed race or mulatto background.

2 Fieldwork for this study was supported by a National Science Foundation grant and a Fulbright-Hays Faculty Research Abroad Fellowship.

3 According to FLO (2004: 1), “The certification policy was set up by FLO-CERT as supplement to the Generic Fairtrade Standard (for Generic Standard for Hired Labour Situations of FLO International e.V.). The certification policy does not replace the respective Generic Fairtrade Standard but interprets the standard requirement 1.1 ‘Development Potential and Capacity Building’ and 1.2 ‘Freedom from Discrimination’ in the context of the South African legislation.”

References


Figure 1: South Africa’s Major Wine Region
Figure 2: The pruning of grape vines is a highly skilled task (photo by author).
Figure 3: Farm workers on a conventional, white-owned vineyard (photo by author)