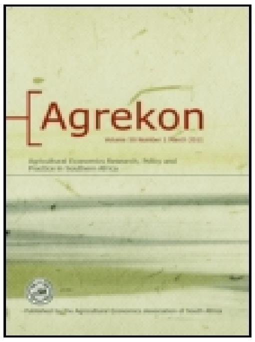

Agrekon
Agricultural Economics Research, Policy and Practice in Southern Africa

ISSN: 0303-1853 (Print) 2078-0400 (Online) Journal homepage: www.tandfonline.com/journals/ragr20

A gendered analysis of wine export value chains from South Africa to Sweden

Stephen Greenberg

A GENDERED ANALYSIS OF WINE EXPORT VALUE CHAINS FROM SOUTH AFRICA TO SWEDEN

Stephen Greenberg*

ABSTRACT

This article is based on research conducted in early 2012 in the Cape Winelands municipality in South Africa. It considers the gendered dynamics of employment in two wine export value chains. In one of the chains, produce is packaged and branded in South Africa for export and in the other, bulk wine is sold for packaging and branding in Europe. The research draws on a survey of workers and in-depth interviews with managers, industry and farm worker support organisations. It considers the possible impact of the adoption of a Code of Conduct on labour standards by the Swedish alcohol retail monopoly, Systembolaget. The research reinforces findings over more than a decade that female workers are concentrated in lower paid, more fragmented and insecure employment. The findings reveal that processors are more or less compliant with national labour standards, but supplier farms are less so, especially in bulk chains. Monitoring at the individual farm level is missing. This makes it difficult to track compliance of codes down to farm level. The study queries the sustainability of initiatives to improve labour standards on farms, should costs be borne entirely by producers who are already facing a cost-price squeeze.

Key words: Codes of conduct, South Africa, Sweden, wine industry

JEL Classification code: Q17

1 INTRODUCTION

This study considers the situation of workers in wine export value chains from South Africa to Sweden, with a focus on gender dynamics. The research followed

* Post-doctoral researcher, DST/NRF Chair of Poverty, Land and Agrarian Studies, Institute of Poverty, Land and Agrarian Studies, University of the Western Cape.
Email: stephen.greenberg@axxess.co.za.

pp 34–62
DOI: 10.1080/03031853.2013.821747

two value chains[1], one from the Stellenbosch district and the other from the Paarl district (Figure 1). The conditions in the two chains are better than average and, at least in the cellars, management is sensitive to issues of standards, including labour standards. The aim of the study was to understand:

- the structure and dynamics of the chains and the distribution of value and power in the current global context;
- the possible role of the Code of Conduct (the Business Social Compliance Initiative or BSCI Code[2]), adopted in 2012 by Systembolaget, the Swedish state-owned alcohol retail monopoly, in the distribution of value and power in the chain; and
- the way in which workers, with a focus on the production nodes, might be affected by the BSCI Code.

The research started off by identifying two specific companies that sell wine to Sweden, drawing from a list of top-selling brands sold by Systembolaget. One company packages and brands wine before export, while the other exports bulk wine for packaging and branding in Europe. Both products are 3 litre bag-in-box (BIB) wines, a very popular form of packaging in the Swedish market. Quality in the Swedish market is very high, and BIB is no exception.

1 Details masked and names withheld for confidentiality reasons, at request of participating companies.

2 Business Social Compliance Initiative, an initiative of the European Foreign Trade Association. Available at http://www.bsci-intl.org/ (29 November 2011).

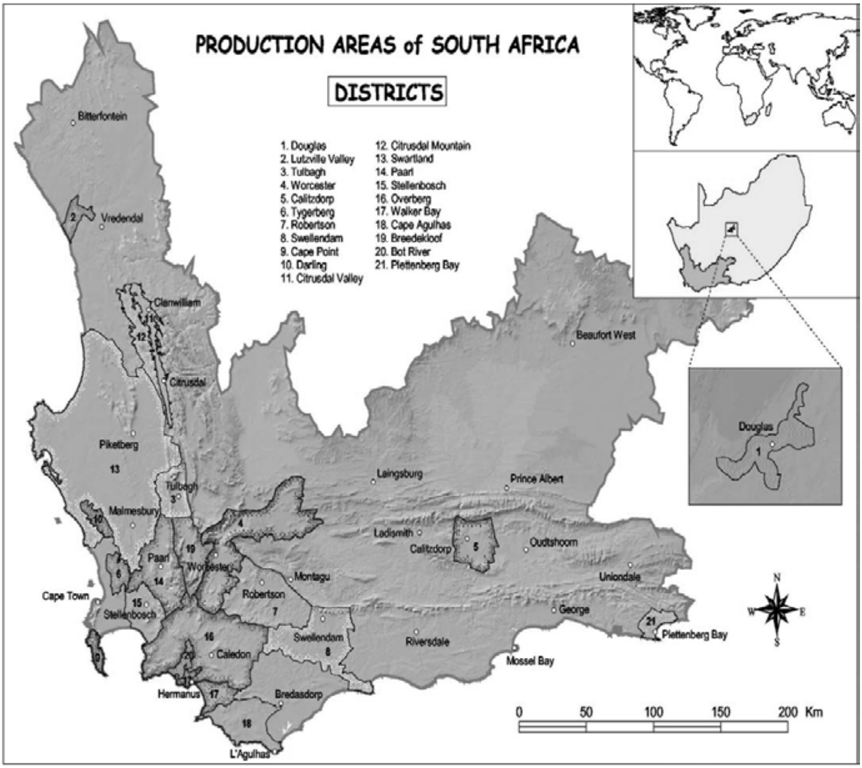

Figure 1: Map of Western Cape wine production districts

Source: DAFF, 2010:10

2 GLOBAL VALUE CHAINS AND PRODUCTION NETWORKS

I use a broadly defined value chain approach in the article to uncover the dynamics of wine exports. Although commodity or value chain approaches are theoretically and conceptually diverse (see Leslie and Reimer, 1999; Henderson *et al*., 2001, specifically on global production networks), they share a common focus in connecting consumption and production and in focusing attention on power relations in production chains or networks. The emphasis on the relationships between consumption and production is especially important in the context of ethical trade initiatives, where consumers play a role in establishing the boundaries for production practices.

The approach has developed in an effort to overcome the limitations of macro-level statistics on trade and investment that leave unanalysed inter- and intra-firm relations. On the other hand, the approach also seeks to go beyond localised studies of economic activity that ignore or cannot fully absorb cross-border structures and flows (Sturgeon, 2000). Global production network (GPN) theory seeks to integrate macro-level analysis with actor-network theory to make the connections not only with localised economic activity, but also with the ways in which economic activity is socially and culturally embedded (Coe *et al*., 2008). This is a very useful expansion of value chain analysis, although the timeframes and terms of reference for the research reported in the current paper did not permit a detailed analysis of such dynamics.

Applications of the concepts developed through the vast literature on value chains and production networks are found in studies on South African horticulture chains (e.g. Ponte, 2007; Ponte & Ewert, 2009) including applications with specific reference to gendered relations of power (e.g. Barrientos & Visser, 2012) and gender and codes of conduct (Barrientos *et al*., 1999). These studies focus on possibilities for greater inclusion or for "upgrading" in value chains. However, as Hickey and Du Toit (2007) have suggested, in many cases inclusion does not automatically mean greater benefits for those previously excluded. If strategies of inclusion do not incorporate a challenge to existing relations of power, the same inequities can be reproduced.

This paper adds to this literature by considering the dynamics within and between nodes in systems of production and distribution of wine. Given the brief for the original research, the case studies focus on a portion of the chains from grape producers through to wine retailers. They included neither dynamics upstream of production (i.e. input supply, credit and land in particular) nor those on the consumer end after retail. These are areas for further work.

3 METHODOLOGY

The research was based on a small survey of 57 workers in the two value chains, incorporating seven supplier farms in Paarl and three in Stellenbosch, as well as processing facilities, comprising cellars in both districts and a packaging facility in Stellenbosch (Table 1). The final sample included 47% women. Because of timing issues (it was off-season when the interviews were conducted), the sample included only 25% casual or seasonal workers. While women constituted 86% of the casual/seasonal workers in the sample, men constituted 65% of the permanent workers. The casual or seasonal workers in the survey are re-employed from year to year but remain in casual employment.

Table 1: Breakdown of respondents by sex and area

Area	Men	Women	Total
Stellenbosch	13	15	28
Paarl	17	12	29
Total	30	27	57
% of sample	52.6%	47.4%	100%

Focus groups with workers supplemented the information gathered in the survey. A total of 22 workers (5 men and 17 women) participated in the focus group discussions. Furthermore, managers in the processing facilities, logistics companies, Swedish importers, farm worker support organisations and various South African wine industry bodies, including the Agricultural Industry Ethical Trade Association (Wieta, formerly the Wine Industry Ethical Trade Association) were interviewed. Although management in both companies were cautious about participation, they graciously opened their doors to the researchers, allowing them access to workers for interviews during office hours. In itself, this was a sign that their workforces were at the better end of the labour spectrum in wine production. In many cases, especially where conditions are poorer, it was impossible to gain access to farms or processing facilities to conduct the research by speaking with workers.

In both chains, the cellars got most of their grapes from a network of grape growers (called "supplier farms" in this study), and they also bought wine for blending or finishing in the cellar. In Chain A, the company that owned the cellar, packing facility, land and vineyards was privately owned by a few individuals. In Chain X, the cellar was under the ownership of shareholder members who had to be wine grape producers to be members. Many of these members also produced animals and crops such as wheat, vegetables, table grapes and/or deciduous fruit.

4 BACKGROUND TO SOUTH AFRICAN WINE INDUSTRY

South Africa's wine production is increasing, although vineyard areas have been decreasing for some years (Sawis, 2009). The domestic market has stagnated but exports have grown significantly, especially in the past decade. Wine exports are the single largest agricultural export from South Africa. Europe is the largest market for South African exports, with the UK, Germany and Sweden the top three destinations by volume (Sawis, 2011).

At the base of the wine industry are many small supplier farms that sell to wine producers (cellars). Cellars have become concentrated among large corporate producer-wholesalers who buy grapes in bulk to produce wine. Nevertheless, there are a number of medium-sized wine producers, including those referred to in this study. There is a trend towards cellars becoming more closely involved in the grape production process to ensure appropriate quality, especially for export markets and for buyers to consolidate relations with a few big suppliers (Ponte, 2007). Supplier farms are caught in a cost-price squeeze, with rapidly rising input costs and declining net farm income (Figure 2). This is leading to the consolidation of farm units and a gradual decline in new vineyard plantings. According to the general manager (GM) of Company X

> [T]here are small growers that get by, and they replant and they move forward, and there are bigger growers that struggle. There is no general rule, but overall it will become increasingly more difficult to sustain a small farming unit. The cost of land has gone up so consolidation is difficult. More people are coming from outside and buying small farms for 'lifestyle farming'. Non-members or non-shareholders have bought farms recently. Some continue with grape farming, but not all, although grape farming is part of the aesthetic, even though the vineyards are not always making money[3].

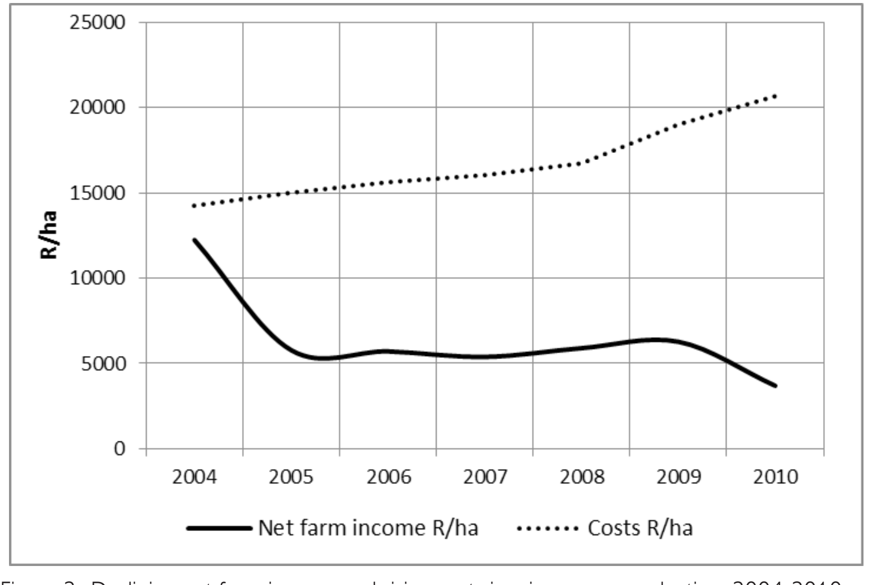

Figure 2: Declining net farm income and rising costs in wine grape production, 2004-2010

Source: NAMC, 2010:2

3 Interview with GM, Company X, 1 February 2012, Paarl

5 THE SWEDISH WINE TRADE

Europe is by far South Africa's largest market for wine, with 70% of wine being exported to the UK, Germany, Sweden, the Netherlands and Denmark (Sawis, 2011:535). Sweden attracts about 10% of South Africa's wine exports and is the largest export market in terms of value (DAFF, 2010:43). In 2010, Europe was also the second largest destination for packaged (BIB and bottled) exports by volume, and the largest for BIB (Sawis, 2011:537).

In South Africa, BIB is usually associated with low quality. But in Sweden, the base standard is very high because of the high degree of competitiveness, and a monopoly retailer that insists on only high quality wine. It is an excellent market for South Africa because, if high quality wine can be delivered in bulk, it cuts out major costs in the chain. Box wine is less expensive to produce than bottled wine and more environmentally friendly. Additionally, it is easier to handle and transport, and less packaging mass is required. It also prevents oxidation of wine during dispensing and is not subject to cork taint or spoilage if it is not consumed immediately. The main drawback, though, is that it is not hermetically sealed and therefore has a shorter shelf-life than bottled wine.

Sweden had a state wine importing monopoly until 1995, called Vin & Sprit. Private businesses were still involved, but only as agents to import and sell to Vin & Sprit, which, in turn, would sell to Systembolaget. Although this single channel was abolished in 1995 and wine imports were opened to private business, they were still required to contract with Systembolaget (Ilkjaer, 2007:28). Monopolies similar to Systembolaget exist elsewhere in Scandinavia (in Finland, Norway, Iceland and the Faroe Islands). These monopolies collaborate on the BSCI Code of Conduct. Systembolaget functions as regulator as well as monopoly owner of alcohol retail. It is the only retailer in Sweden that is allowed to sell alcoholic beverages with more than 3.5% alcohol by volume[4].

Private businesses import wine to sell to Systembolaget. Systembolaget publishes invitations to tender for particular wines in a particular price range, with detailed specifications (e.g. South African wine, what blend, type of packaging), with about a six-month lead time between the tender being put out and the delivery of the wine. There are other ways of getting wine into Swedish stores but these are not relevant here. Systembolaget sets price points in the tenders but, being a near-monopoly buyer, "they know they can more or less set any price and still get tenders coming in. There is always someone prepared to sell", according to one of the importers[5]. The monopoly makes a small profit but is not driven by profit maximisation. Its main function is to control the consumption of alcohol. New

4 Information on Systembolaget from interview with Importer A, 31 January 2012, Stellenbosch.

5 Interview with Importer A, 31 January 2012, Stellenbosch.

products are launched twice a year, in April and October. It is a very competitive process, with 433 active importers in 2009. The top ten importers accounted for 55% of wine imports to Sweden in 2009 (CBI, 2010:2). The two importers in the case studies are among the top ten. There are two main types of import: packaged and bulk. In the packaged type, the importer essentially acts as a marketing agent and distributor for a brand (Chain A in the case studies) and in the bulk type, the importer packages the wine and distributes it under its own brand (Chain X in the case studies).

6 CODES OF CONDUCT, WIETA AND THE BSCI CODE

The basis of ethical trade and Fair Trade initiatives is to ensure that basic minimum social conditions are met as a minimum barrier to entry into markets. Codes of conduct are developed, setting out the standards to be adhered to, and those who sign a code agree to some kind of verification process. In 2006, there were an estimated 10 000 privately regulated labour codes (Barrientos, 2008:979), mostly linked to national minimum labour standards, or International Labour Organization (ILO) Conventions, in the absence of adequate national regulation of labour standards.

Fair Trade is a global ethical trading initiative that aims to increase the share of final value that goes to primary producers in value chains. Fair Trade includes the agreement by buyers:

- to purchase directly from producers;
- to buy at a price that covers the cost of production and a social premium to improve conditions;
- to advance payment to producers to prevent small producers from falling into unsustainable debt; and
- to sign contracts that allow for long term production planning.

Conditions for certification of producers include allowing workers to engage in union activities, with regard to decent wages, housing, and health and safety standards, as well as programmes to improve environmental sustainability (Renard, 2003:90). Fair Trade has its critics who argue that money does not reach farmers and that retailers retain very high levels of power in the chains (e.g. Reed, 2009). Others suggest that ethical trade, and the trade unionism around which it is built, tends "to privilege the concerns and interests of permanent on-farm workers" (Du Toit & Ally, 2003:48). Barrientos (2008) argues that codes for ethical trade are simultaneously a point of pressure for workers to improve their working conditions, and a driver of employment shifts that include the greater use of a vulnerable and insecure workforce.

Wieta started off as a voluntary association for the promotion of ethical trade in the wine industry and has buy-in from all major stakeholders, including industry representative bodies, government, trade unions and civil society organisations. The association had 182 members in June 2011[6], including 76 wine producer members and 6 major supermarkets in the UK. It has a Board with representatives from the wine industry, trade unions and other civil society organisations. Wieta has started the process of expanding to agriculture as a whole on the basis of its perceived success in the wine industry. The association involves independent monitoring against a local code which requires adherence to minimum standards and conditions built on the Ethical Trade Initiative (ETI) base code (incorporating core ILO Conventions) and South African legislation. It includes:

- "a living wage" (defined as "enough to allow employees and their households to secure an adequate livelihood" or sufficient to meet "basic needs" and have some discretionary income remaining);
- freedom of association;
- prohibition of unfair discrimination;
- compliance with the Extension of Security of Tenure Act (ESTA); and
- the provision of regular employment (Wieta, 2002).

Wieta is no more than a codification of existing law, incentivising industry to comply with the law. Therefore, the meeting of Wieta's standards does not imply a transformation of labour relations in the industry but merely requires producers to do what they should already be doing by law. It was, and still is, partly funded through the common customs tariff paid by UK importers, but this was not adequate and producers now pay levies to Wines of South Africa (Wosa), a representative industry body, which administers the fund to cover Wieta's costs[7].

The association appoints independent consultants to do social audits. If members are not fully compliant, they are requested to develop and sign an improvement plan in consultation with workers. Once members are compliant, they are certified. Wieta has started working with members' suppliers, but processes are still being developed. In a pilot under way at the time of the research, 100% of suppliers were to be audited, with a minimum of 60% complying with the Code in all respects. The other 40% had to comply with at least 60% of the criteria, with a plan to bring them to full compliance over time. Workers are directly involved in monitoring, but monitoring is weak on supplier farms. In most cases, suppliers

6 http://www.wieta.org.za/members.html – accessed 17 Jan 2012

7 Interview with Wieta's chief executive officer, Linda Lipparoni, 30 January 2012, unless stated otherwise.

do not have the paperwork or even a signed contract with contractors stipulating the requirements for compliance with ethical trade. The emphasis with suppliers is thus on enforcement. Wieta is aiming for a 100% audit of members' suppliers, compared with a 10% target in the BSCI Code. A key challenge is the cost of the auditing process and who will foot the bill.

At the start of 2012, Systembolaget introduced a purple label on its shelves for "ethically produced" wine, which, for now, is limited to Fair Trade and Fair for Life. However, there is not enough good quality certified Fair Trade and ethical trade wine in South Africa to meet the demand. In the case studies, Company X's cellar was Wieta certified, although this did not extend to supplier farms. Company A was in the process of being certified, although, at that stage, codes of conduct were not a contractual requirement for it. Fair Trade had an impact on cost and pricing, but it had to be considered as a minimum barrier to entry: "Most of these things, there's a financial implication and we don't have a lot of margin to work with … [but] if you can't adhere to Wieta, then you're basically outside the laws of the country and then you shouldn't be producing wine for the international market."[8]

BSCI is a European corporate social responsibility initiative, which Systembolaget joined in 2011, with the aim of integrating the BSCI Code of Conduct into its purchasing agreements as of 1 January 2012. The Code aims to "attain compliance with certain social and environmental standards" (BSCI, 2009:1), based on national laws in supplier countries and UN/ILO Conventions. The stress is on freedom of association, the right to collective bargaining, and prohibition of discrimination. According to the Code, "supplier companies, in addition, must ensure that the Code of Conduct is also observed by subcontractors involved in production processes of final manufacturing stages carried out on behalf of BSCI members" (BSCI, 2009:1). The Code is not voluntary: "All suppliers are obliged to take the measures necessary to implement and monitor the BSCI Code of Conduct" (BSCI, 2009:5, Terms of Implementation). In other words, anyone who intends to sell into Systembolaget must comply with these specifications. The supply contract can be cancelled if compliance is not adhered to. Monitoring compliance is the responsibility of management.

Wieta and Systembolaget have made efforts to adopt a common code. However, they have not yet come to final agreement on methods of monitoring or enforcement without disrupting the market. A key challenge is effective mechanisms to monitor compliance down to supplier farms. In the value chains analysed in the research, neither of the companies had contracts that required audits up the value chain beyond the cellars. Fair Trade and ethical trade, in particular Wieta, are voluntary

8 Interview, General Manager, Company X, 1 February 2012, Paarl.

and proactive codes. However, the BSCI Code and the trajectory of Wieta suggest that these codes will become standard industry practice in future, for exporters at least.

7 VALUE CHAIN A: PACKAGED AND BRANDED WINE FROM STELLENBOSCH

Value chain A emanates from Stellenbosch. Company A is a privately owned producer-cellar that produces packaged wines. Exports constitute more than 80% of its market. Sweden is its biggest market and had expanded rapidly over the past three years.

Company A employs 30 permanent workers (nine in its own vineyards, 10 in the cellar and 11 in the pack house), and another 40 casual or seasonal workers who work for varying periods in the cellar and pack house. While permanent workers are mainly men, casual and seasonal workers are overwhelmingly women. The company uses labour contractors for casual or seasonal work in the vineyards and for bottling in the cellar. Contract workers and workers in the packing facility are mainly women. All workers live off the farm and only a few are provided with housing by the company. The company also pays for transport and school fees. It is in the process of being accredited by Wieta and Fair Trade.

Company A produces some of its own wine grapes and also buys grapes from more than 20 grape producers. The focus on the production of higher quality grapes means the average yield of the supplier farms is low in comparison with industry averages. Growers are thus paid a premium. According to Company A's vineyard manager and viticulturalist, "[t]hat's a reason why a lot of people [grape producers] are finding it tough in the Stellenbosch region, because with low yields you can't farm against the production costs we have these days".

Company A contracts grape producers on the basis of the amount and variety of grapes the cellar needs to meet expected market requirements for the year. Growers are contracted a year ahead of time. Company A has run Swedish tenders for seven years, so it has a rolling forecast on the amount of wine that needs to be delivered. Because of the emphasis on quality, Company A has a hands-on approach to the contracted grape production. The same applies to wine suppliers for wine that is bought in. Although Company A has had a relationship with many of the supplier farms for about 11 years, it remains on yearly contracts, thus passing risk down to the supplier farms.

Company A attempts, in an informal way, to ensure that suppliers they work with closely comply with all relevant labour legislation. However, they merely inform their other supplier farms and bulk wine suppliers of the laws, but do not monitor them in any proactive way. Compliance with the terms of the Sectoral Determination for farm workers based on the Basic Conditions of Employment

Act (BCEA) is uneven, and contracts, sick leave and voluntary overtime are issues of concern on supplier farms (Table 2). Although most women workers who responded indicated they received maternity leave, seven out of eight received less that the required four months.

Table 2: Compliance with sectoral determination on Company A supplier farms (N=14)

Regulated area	%
Pay slip	100
Work hours	100
Annual leave	93
Family responsibility leave	93
UIF deductions	93
Voluntary overtime	71
Maternity leave*	13
Sick leave	64
Contracts	47

*N=8, women only

Workers on Company A supplier farms (in the small survey of 15 workers on three supplier farms) earn average wages of R2 703 per month, but women are paid substantially less than men, at only 47% of men's average wages (Table 3). Nevertheless, average wages are above minimum wages, and even women's average wages are 36% above the 2011 farm worker minimum wage of R1 375.94 per month.

Table 3: Average wages on Company A supplier farms (N=15)

All	R2 703.34
Men	R3 956.87 (N=6)
Women	R1 867.65 (N=9)
Women as percentage of men	47.2%

Company A also has its own vineyards and they are likely to continue expanding their own production in future. Labour on the company's own vineyards is a combination of a core permanent workforce of nine people (two women and seven men), split between coloured and African workers. The monthly salary of its permanent workers varies, but is substantially above the minimum wage.

A significant amount of work in the vineyards is outsourced to a contractor who is paid to perform specific tasks. The contractor supplies his own tools and workforce. He has a team of 20 permanent and up to 60 regular contract workers, expanding to over 200 workers during harvesting. 75% of the core team are

Coloureds, with the remainder being Africans from Zimbabwe and the Eastern Cape. 98% of contract workers are women. They have 11-month contracts and almost all of them are re-employed each year. Workers are generally paid piece rates and, according to the contractor, earn above minimum wages. Company A pays the contractor a fixed rate and the contractor takes a fee of slightly over 25%, including overheads.

Company A employs eight permanent workers (all men) in the cellar, plus two wine makers and an administration assistant. An additional 12 women work for three weeks during the season. They are re-employed each season. The cellar also employs a bottling contractor with eight workers (six casual women and two permanent men). Another eight permanent workers (three men and five women), plus a manager and three supervisors are employed in the packing facility owned by Company A. When the packing facility opened a year earlier, workers were moved there from the cellar. An additional 28 contract workers were on the production lines at the time of the research, mainly women and overwhelmingly coloured workers. Workers in the packing facility work an average of four days a week, on a "no work, no pay" basis, because the facility is not running at full capacity. All workers in the cellar and packing facility earn well above minimum wages, although women's average wages are only 73% of men's wages (Table 4).

Table 4: Average wages, cellar and packing, Company A (N=12)

All	R3 978.57
Men (N=6)	R4 596.90
Women (N=6)	R3 360.23
Women as % of men	73.1%

Terms of trade are free on board (FOB) Cape Town, meaning that the buyer takes ownership of the wine and the risk, after the product is loaded on the ship in Cape Town. Company A only uses one importer in Sweden, who sells the wine "on spec" to Systembolaget. This allows the retail monopoly to request the importer to take unsold stock back, and therefore the risk remains with the importer until the stock is actually sold.

8 VALUE CHAIN X

Value chain X emanates from the Paarl district. It involves the bulk sale of wine for packaging in Europe (not necessarily Sweden, since much packaging is done in neighbouring countries). Company X is a producer-cellar with grape-producing members. Most suppliers are shareholders of Company X. There are contractual agreements between individual growers and the cellar, stipulating the terms of delivery. Suppliers are allocated tonnages, and it is captured in the agreements that they can sell off anything above that. The viticulturalist gives the suppliers technical advice but, apart from that, there is no involvement of Company X in their activities. Some supplier farms diversify into table grapes, wheat and livestock products, as well as other farming activities. Wine grape production might thus be only a small proportion of that shareholder's business. Hence, according to Company X's general manager, the cellar does not have control over that and, as a result, the company feels it cannot take responsibility for labour conditions on supplier farms.

Not all supplier farms in the district supplied Company X, but some have similar conditions in that they supply grapes destined for export, including to Sweden, only by another company. However, all of these supplier farms were surveyed and average wages for all workers are just above the minimum, while women's average wages are below the minimum (Table 5). 64% of women respondents on supplier farms in Paarl earn less than the minimum wage on average. Overall, women earn around 83% of men's wages on these supplier farms.

Table 5: Average monthly wages on Paarl supplier farms (N=20)

All	R1 440.19
Men	R1 586.21
Women	R1 320.71
Women's wages as percentage of men	83.3%

Compliance with basic conditions of employment is weaker on the supplier farms of Chain X than on those of Chain A. Of particular concern are contracts, family responsibility and maternity leave, and voluntary overtime (Table 6).

Table 6: Compliance with Sectoral Determination on supplier farms in Paarl (N=20)

Regulated area	%
Work hours	100
Annual leave	85
Pay slip	80
UIF deductions	80
Sick leave	70
Voluntary overtime (N=19)	68
Family responsibility leave	55
Maternity leave*	64
Contracts	30

*N=11, women only

Company X employs 48 permanent workers in the cellar and about another 50 casual/seasonal workers who work for varying lengths of time. Permanent production staff members are all men, as are casual and seasonal workers, that is, there are no women production workers. The cellar does not have its own vineyards and does not use labour contractors. All workers live off the farm and the company does not provide housing for any workers. The company pays for transport. Wages of all workers in the cellar are above minimum and basic conditions of employment are adhered to. The cellar is Wieta and Fair Trade certified, but this does not extend to supplier farms.

The importer is dominant in the relationship in Chain X. The importer moves around identifying wines it wants to buy and the cellars it wants to buy from, and then contracts the cellars to deliver according to its specifications. Company X gets specifications for the product, but there is no direct technical intervention from the importer. The relations of power in Chain X between wine producer and importer are therefore quite different to those in Chain A. Where the producer essentially contracts the importer in Chain A, the reverse is the case with Chain X.

In most cases, Company X knows where the bulk product is going. However, generally speaking traceability is more of a challenge for bulk exports than for packaged exports. Company X sells to about 15 bulk buyers, including corporate producer-wholesalers and exporters. Terms are usually FOB Cape Town.

9 ILLUSTRATIVE DISTRIBUTION OF VALUE IN THE CHAINS

It is just about impossible to work out the precise distribution of value in each chain without a detailed financial audit. This is not entirely an issue of lack of transparency. Even for producers, it is not easy to provide this information. For example, for how much do cellars buy wine grapes? The answer varies from season to season and from block to block and also depends on the quality of the grapes produced. The best that can be done without a full financial investigation in a single season is to work backwards from known costs in Sweden, where Systembolaget sets the final price of the product, takes a fixed mark-up and the Swedish state takes fixed amounts for customs, VAT and other taxes.

Chain A sells a higher value product than Chain X. As a result, the Swedish state and retail costs are slightly lower as a percentage of the final price than in the case of Chain X. Based on the known price of the BIB, customs and taxes total 55.8% of the final product price in Chain A and 56.7% in Chain X (Table 7). Alcohol tax is a fixed amount per litre regardless of the cost of the final product, thus favouring higher priced wines. Systembolaget's mark-up calculates to 12.8% of the final price in Chain A and 20% in Chain X. Hence, between the Swedish state and Systembolaget, 68.6% of the final price in Chain A and 76.7% of the value in Chain X is absorbed. This leaves 31.4% in Chain A and 23.3% in Chain X to be split between supplier farms and workers, wine producers and workers, packaging, logistics and other export costs, as well as importer and storage costs in Sweden.

Using industry statistics from VinPro, it is possible to get some sense of average costs of production for supplier farms and for cellars. However, this is precisely where each chain has unique costs that vary from industry averages. Managers are loath to reveal these costs because that is where their competitive advantage lies. The prices grapes are purchased for depend on yields and grape quality in a particular season and this, in turn, determines the split in the proceeds between supplier farms and cellars. The cost structure in a given season also depends heavily on the amount of grapes purchased for processing compared with the amount of bulk wine purchased for blending.

Based on industry averages, supplier farms are likely to get less than 15% of the final shelf price to cover their costs including labour plus any margins, although this is very sensitive to yield and quality. For farms that produce lower yields but higher quality, as in Chain A, labour costs are generally higher in terms of a proportion of the value of grapes sold. On the one hand, fewer grapes are produced for sale (even though they are sold at a premium) and on the other hand, the quality of labour required is higher and calls for better pay. Based on industry averages, labour costs on supplier farms in Chain A come to around 4% of the total price of the product on the shelf, and for bulk wine in Chain X around 2% of the final price. Export logistics in both chains are 2–3% of the total cost. Although transport costs are lower for bulk wine exports than for packaged exports, the latter has a higher shelf price, and therefore transport costs are reduced as a proportion of overall costs.

Deducting the costs of grape production, labour on grape farms and export logistics from the final price, after Swedish taxes and Systembolaget mark-ups, leaves around 16% for Chain A and 10.5% for Chain X to split between wine producers in South Africa, packaging (in South Africa for Chain A and in Europe for Chain X) and importers. According to PriceWaterhouseCoopers (PWC) figures, industry averages for labour in wine production are around 1% for Chain A and 0.6% for Chain X, based primarily on geographical differences in labour costs. This leaves 14% in Chain A and about 10% in Chain X to split between wine producers and importers. From here, it is not possible to work out the split without detailed information on each chain in a specific season for a specific product. However, some costs (and margins) go towards packaging, which in Chain A go to the wine producer and in Chain X go to the importer. Production costs are much lower in Chain X because bulk wine is produced. The split varies from season to season within each chain. In Chain A, the wine producer and the importer have a partnership where they agree to share some of the risks, for example, exchange rate fluctuations or failure to sell the product. In Chain X, once the bulk wine is sold, the remaining profit or loss accrues solely to the importer.

Table 7 provides a broad breakdown of these costs for each chain. It is apparent that workers in production do not get a significant portion of the final product. It is also very clear that the bulk of value is secured by the Swedish state and Systembolaget.

Table 7: Illustrative distribution of value in the two value chains (packaged, bulk)

	Chain A (branded wine, BIB) % of final price	Chain X (bulk wine used for BIB) % of final price	Source
Grape producer costs and margin (excl. labour)	9.5	8.2	Averages from VinPro, 2010
Labour on grape farms	3.7	1.8	Averages from VinPro, 2010
Wine production costs and margin (excl. labour)	11.4*	2.5	Averages from PWC, 2011
Labour in wine production	1	0.6	Averages from PWC, 2011
Export logistics	2.2	2.8	JF Hillebrand, Mega Freight
Importer	3.6	7.4*	Derived
Customs and taxes – Sweden	55.8	56.7	Interviews
Systembolaget mark-up	12.8	20	Interviews

*including packaging and associated labour costs

10 FEMALE WORKERS IN WINE VALUE CHAINS

Historical relations between farm workers and owners in South Africa have been characterised as “patriarchal paternalist”, where owners treated workers as children and where women’s social and economic dependence on men was reinforced through the way work was organised and housing was provided (Du Toit, 1993; Barrientos, Kritzinger & Rossouw, 2004). Following agricultural sector restructuring (state deregulation and trade liberalisation) and the introduction of labour laws into agriculture in the early 1990s, a modernised labour relations system gradually emerged out of this paternalism (Du Toit & Ally, 2003).

Key features of this modernisation were the movement of workers off the farms, the casualisation and outsourcing of work, and the "feminisation" of this precarious work. Over the past 20–25 years, women have become increasingly concentrated in casual and seasonal work categories (Barrientos, 2008). Their lack of access to housing in their own names continues, both on and off farms. The permanent workforce is declining, mechanisation (with physical limitations though) is on the rise and the outsourcing of labour is common (Du Toit & Ally, 2003; Conradie, 2004).

Workers in the Western Cape are mainly Coloureds, a legacy of the labour preference policies of apartheid. African workers are mainly migrants[9] from the Eastern Cape (and a small but growing proportion from Zimbabwe), and these workers are also located in more precarious forms of work.

11 WAGES

According to Linda Lipparoni, the chief executive of Wieta:

> [T]he sectoral determination [minimum wages] for farm workers is extremely low, and we'd like to see it a lot higher. We are demanding a living wage. Of course there are huge debates about what constitutes a living wage and how you calculate it. NGOs tried to calculate a food basket and came to an amount of just over R6,000 a month. But of course that's unrealistic because there's absolutely no way you're going to get any business to say we're able to afford payment of R6,000.

Labour costs are up to half of supplier farms' input costs if provision for renewal is not taken into account (VinPro, 2010). Labour costs, as a proportion of total grape production costs in both the Stellenbosch and Paarl production districts, are higher than the average across all districts. There are a number of reasons for this state of affairs, particularly in the case of Stellenbosch. These include closer proximity to the city, use of contractors (which increase costs because brokers also take a fee, but increase flexibility), and the especially high quality requirements in Stellenbosch[10]. However, as a proportion of wine production costs, labour costs are lower because of the greater capital intensity. For bulk production, labour costs were 23% of overall costs on average, and for packaged production, labour costs were 8% of the total costs in 2010 (PWC, 2011:11). This indicates the high capital investment required for packaging in particular, but also the increased transport costs.

9 Migrants are workers who have homes in other parts of the country or continent but who have moved to the Western Cape to look for work. Although they may have settled in the Western Cape, they do move back and forth between the Western Cape and their original homes.

10 Telephone discussion, VinPro economist Gert van Wyk, 26 January 2012.

Table 8: Weighted average monthly incomes[11]

	All	Excluding supervision/ management
All workers (N=55)	R2 653.85	R2 345.03
Men (N=28)	R3 245.13	R2 718.57
Women (N=27)	R2 119.16	R2 119.16
Women's average monthly wage as % of men's	65%	78%

The survey showed that, on average, workers are earning above the minimum wages. 9% of workers in the sample earn below the minimum wages, and these are all on supplier farms in Paarl. 97% of those surveyed did not know how much the minimum wage was, indicating a critical lack of information. For agriculture as a whole, women earn less than men, except for the bottom 5% (Human Rights Watch, 2011:29). In the survey, women only earn 65% of men's average wages (Table 8). For non-supervisory workers, the gender wage gap narrows to 78%. However, the averages disguise significant differences between supplier farms and processing facilities. In the latter, wages are much higher and men also dominate permanent employment. Recalculated for a monthly comparison, casual/seasonal workers earn only 58% of permanent workers' wages.

There might be a number of possible reasons why, according to the survey, women's wages are lower than those of men. Key variables might include status of employment (permanent or casual/seasonal), location of employment (vineyards or cellars/packaging), type of work, or geographical area of employment (Stellenbosch or Paarl). However, the findings indicate that female workers are persistently underpaid compared with their male counterparts. Permanent female workers earn the equivalent of 75% of the wages of their male counterparts and female casual workers earn only 71% of the wages of their male counterparts (Table 9).

11 Hourly rate x 178.5; daily rate x 21; weekly rate x 4.2; fortnightly rate x 2.1; and monthly rate x 1 weighted for number of cases. 53% of respondents were paid weekly or fortnightly and one-third were paid monthly. The remaining 14% were paid hourly or daily.

Table 9: Average monthly wages by type of employment and sex (N=55)

Type of work	All	Men	Women	Women as % of men
Permanent	R2 949.68	R3 160.08	R2 360.28	74.7%
Casual	R1 758.12	R2 381.40	R1 688.87	70.9%
Seasonal	R1 498.00	-	R1 498.00	-
Casual/seasonal combined	R1 698.09	R2 381.40	R1 641.15	-

Women vineyard workers earn only 67% of their male counterparts' wages, and 84% in the processing environment (Table 10).

Table 10: Average monthly incomes by location of employment and sex (N=55)

Location	All	Men	Women	Women as % of men
Vineyard workers	R2 051.91	R2 534.47	R1 707.22	67.4%
Cellar/packaging workers	R4 005.15	R4 027.62	R3 394.49	84.3%

The type of work also did not make a significant difference, because the survey showed that women doing similar types of jobs to men still earn significantly less than their male counterparts. This finding was made from a survey done in two broad categories: one considered less skilled, although this ignores "tacit" skills, and another for sorting and packing (Table 11).

Table 11: Average monthly incomes by selected types of work and sex

Type of work	All	Men	Women	Women as % of men
Weeding, planting, pruning, general maintenance, general, harvesting, garden, domestic, cleaning equipment and buildings	R2 267.95	R2 833.43	R1 820.28	64.2%
Cleaning of produce, sorting, packing	R3 044.62	R3 877.05	R2 489.67	81.8%

Finally, although female workers earn higher wages in Stellenbosch than in Paarl, the gender disparity in wages is higher in Stellenbosch than in Paarl (Table 12). On average, across all employment categories, women earn only 57% of what men earn in Stellenbosch. In Paarl the figure is a still very low 64.7%.

Table 12: Average wages by geographical area

Area	All	Men	Women	Women as % of men
Paarl	R1 968.66	R2 335.06	R1 510.65	64.7%
Stellenbosch	R3 437.33	R4 295.20	R2 455.93	57.2%

It can only be concluded that women earn less than men for doing the same or similar work, however, this is disguised by the different kinds of work. Despite management statements that women are better at doing certain kinds of work than men, for example picking grapes and labelling bottles, they are still paid less for doing these kinds of work than men are for doing different kinds of work. This raises a key issue of what kinds of work women are given to do, and how this work is valued and remunerated.

12 HOUSING

Housing has always been a big issue on farms. Workers mostly lived on the farms during the apartheid era, but two processes changed this:

(i) The decline in agricultural employment over the decades with mechanisation, information technology and farm consolidation, which meant that there were people living on the farms but no longer working there;

(ii) Legislation that sought to grant permanent tenure rights to farm dwellers who had stayed on the farm for more than 10 years and were over 60 years of age.

Women are and largely remain tied to men for access to housing. It has been said so many times that it hardly bears repeating that, if a man leaves, the women attached to his homestead must leave too. ESTA, the legislation passed in 1996 and amended on numerous occasions since then, has not sufficiently dealt with this aspect of tenure insecurity. It sought to secure land for the "head of homestead", with the assumption that this was a male. Security of tenure for "secondary" household members, mostly women, was not covered.

In the surveyed areas, 53% of respondents live on the farms they work on, 12% live on other farms in the neighbourhood and the other 35% live in townships or informal settlements. A quarter of respondents explicitly indicated that they live in the house of their parents, grandparents or siblings, even though this question was not specifically asked. This highlights reliance on family networks, not only by the workers, but also by the companies that do not have to pay a social wage for as long as workers' families subsidise their accommodation. The gendered dimension of housing on farms is made clear by workers in focus groups. On one supplier farm, a female worker said:

> If the men die, we women have to move from the house. That is when we move to town. The housing contract is in the man's name. The week that my husband passed away, the farmer came to me and told me to vacate the premises even though I still worked for the farmer.

Around 30% of the respondents (N=54) said they own their own houses (37% of men and 23% of women). The research did not delve into any detail on what kind of housing this was or what type of ownership it entailed. 48% of all workers said they pay rent, while the remaining 22% get their housing for free. 23% of workers living on the farms pay rent. 18% of all workers have rent deducted from their wages but only two-thirds of these live on the farms, thus some people living elsewhere have rental deducted from their wages.

One of the Wieta provisions in the Code of Conduct is based on ESTA, which recognises the rights of farm dwellers, whether they are workers or not, and also recognises the rights of the farm owner. There is a provision on housing standards. Unlawful evictions are prohibited and, even if a grower is going through a legal eviction process, he/she is required to communicate that process with all relevant parties and engage in a joint consultation on the outcome of the process (Wieta, 2002). Farm owners may find it easier to simply employ workers from off the farms. "The intention of legislation was to improve standards of living conditions on farms," said Company X's general manager, "but since then more housing has been demolished than built. The laws are draconic and there is no recognition for the role that farmers play. There are no government subsidies, no support programmes, poor standards of schooling, no transport to school, poor medical facilities. It then all goes back to the owner of the farm. But we, as a company who supplies no housing, have none of that to contend with."

Farm owners question why the agricultural sector should be singled out to foot the bill for housing when other sectors do not have to do so, arguing this amounted to "discrimination against rural landowners' (PMG, 2008). However, Women on Farms Project (WFP), a farm worker support organisation based in Stellenbosch, argues that housing should be considered a part of agricultural production costs and should thus be incorporated into the farmer's financial planning, since farms are far from residential areas. This should also be considered in the context of historical government subsidisation of farm worker houses in many instances, and of workers having given their entire lives to the farms. Housing stock on farms should therefore not be seen merely as the property of the farm owner to be used or removed as they wish, but as a shared asset.

13 BASIC CONDITIONS OF EMPLOYMENT

Cellars and packing facilities in the case studies generally meet the conditions of the Sectoral Determination. The main concern is with supplier farms where the conditions of a significant number of workers are below minimum requirements. Contracts, voluntary overtime and maternity leave stand out as key issues that need closer enforcement on supplier farms. Across the board on supplier farms, conditions for women are worse than for men. The areas where the biggest gaps exist between women and men are sick leave, annual leave, voluntary overtime and written contracts (Table 13).

Responsibility for child care falls mainly on women. 86% of survey respondents indicated that there is no crèche at their place of work, and 80% of those who indicated that they pay for child care are women. When combined with poorer working conditions, more precarious work and lower wages, women's lives are far more constrained than those of men. The way in which employment is structured already offers very limited opportunities for farm workers to advance beyond farm work, except for the occasional supervisory position. For female workers, these opportunities are even more restricted.

Table 13: Meeting minimum conditions according to the Sectoral Determination

	Terms of Act	All	Men	Women	Supplier farms (men and women)
Pay slip	Written pay slip showing hours worked, wages and deductions	93%	97%	89%	88%
Work hours	45 hours per week on normal pay (with some flexibility); 9-hour working days for a 5-day week; a rest period of 1 hour for every 5 hours worked; normal work cannot be spread over more than 12 hours in a day	100%	100%	100%	100%
Voluntary overtime	Overtime must be voluntary	66%	73%	56%	52%
Contracts	Written contract stipulating terms of employment	61%	67%	56%	40%
Annual leave	15 working days paid leave per year	68%	83%	61%	88%
Sick leave	Permanent workers: 30 days paid leave over a 3-year cycle Seasonal/casual workers: 1 day paid leave for every 26 days worked	50%	67%	23%	68%

Family responsibility leave	3 days per year for those who work more than 4 days per week	72%	81%	61%	71%
Parental/ maternity leave	Female permanent workers: 4 months unpaid leave; can draw from UIF during this time	41%	*	41%	59%
UIF deductions	UIF to be deducted by law, and employer to contribute 1% of wage	91%	93%	89%	85%

*No statutory paternity leave

14 ORGANISATION AND COLLECTIVE BARGAINING

There is a right to collective bargaining in South Africa, but only in the context of the ability of workers to organise collectively. Unorganised sectors, such as farm workers, are essentially left out of collective bargaining. In the survey, 21% of the respondents indicated that they belong to a trade union, two-thirds of them being men. The relatively high proportion of union members, by the standards of South African farm workers, can be accounted for by the fact that the cellar at Company X is fully unionised.

There are various answers as to why some workers do not belong to any organisation, but about one-third feels that the unions provide no services, or take their contributions and then disappear (Figure 3). 22% of the workers who do not belong to a worker organisation report feeling intimidated or feel that they are not permitted to form a union, or associate freely with others. 19% of them feel that they do not have any need to join a union or form a workers' organisation, and some express it as having "no problem with the owner". 16% of workers have never heard about or from trade unions, nor have they heard about unions in the area.

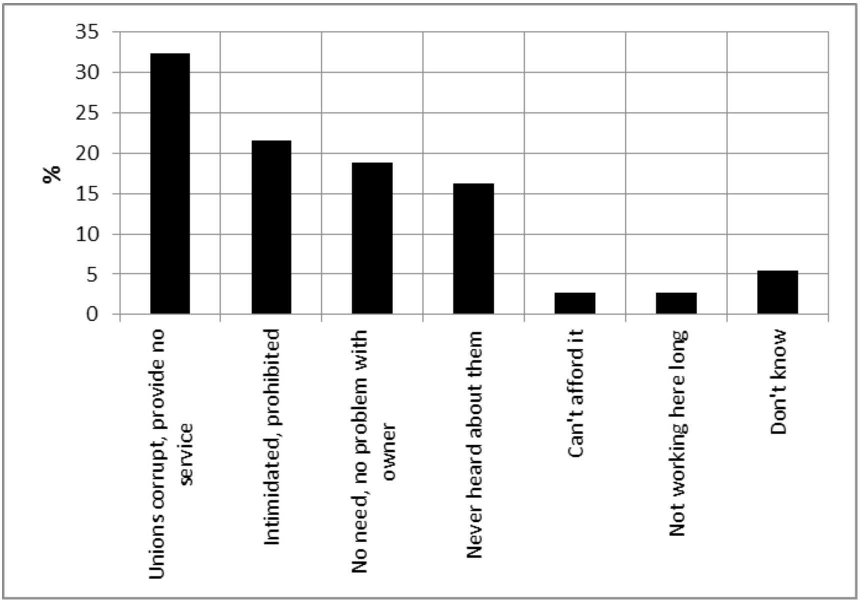

Figure 3: Why have you not joined a trade union or worker's organisation?

Only 37% of respondents indicated that they negotiate with management as a group. 71% of all cellar and packaging workers say they negotiate as a group, but only 19% of all workers on supplier farms negotiate as a group. Only 25% of all casual and seasonal workers say they negotiate with management as a group, compared with 41% of all permanent workers. Company A has a workers' forum with representatives from each unit of the company, which has monthly meetings with managers from all areas, chaired by the general manager. At Company X, trade unions negotiate with management on workers' behalf. There is a correlation between gender and negotiating as a group, since women are concentrated on the supplier farms and 72% of those who said that they do negotiate as a group are men.

The history of farm worker unionism in South Africa is a history of fly-by-nights, and only a few organisations have managed to establish themselves with any credibility. Trade unions have a very limited capacity to properly organise on farms. Unions tend not to include seasonal women farm workers in their organisation, as is indicated by the fact that union membership in general is among permanent male workers. There is an implied trade union bias against women in their focus on processing and permanent workers. There is also a male bias in union structures, according to WFP, since women on the periphery of farm labour and their issues are not considered important. There is a need for a different structure and strategies to respond to the needs of these women.

A fairly high proportion of workers (31%) indicated that they have had some engagement with codes of conduct. It is likely that this was through Wieta processes. Wieta is developing a worker-based monitoring mechanism with quarterly meetings, during which issues that have gone well and current issues are being addressed. Workers are actively involved in monitoring processes. Focus groups with workers are part of the auditing process, with target groups such as seasonal or female workers. Wieta also aims to encourage management to recognise a representative group of elected people and to work together with this group to develop a plan. Company A and Company X are also involved in Fair Trade. 71% of workers who said that they have had some engagement with codes of conduct are in processing, and 60% of these processing workers said that they are still involved at some stages. 77% of those who answered positively are men, while only 16% of women said that they have interacted with codes of conduct in the past. This indicates a bias towards processing in particular, where men are predominant. Both Wieta and Fair Trade focus on first-tier suppliers, revealing how women, particularly on supplier farms, are excluded from the monitoring of codes.

15 CONCLUSIONS

The research was based on two case studies that show only a snapshot of dynamic processes that vary from one chain to the next and from one season to the next. The conclusions here are drawn from these case studies. Although the results cannot therefore be extrapolated to the industry as a whole, they do reveal some interesting dynamics that other literature confirms. Responses to presentation of these findings to various fora over the past year also suggest the findings accord with the experiences of participants in the industry, in particular workers.

On average, workers' conditions in the two value chains hover around minimum requirements, but there are important locational and gender differences. Workers in processing are generally more secure and have better conditions than workers in vineyards, especially where vineyards are small supplier farms to the cellars. Conditions for workers on farms in Paarl are generally less ideal than for those in Stellenbosch, but this is not a hard and fast rule. Female workers are concentrated in more precarious employment, and their conditions of work are generally worse than that of their male counterparts, regardless of location or type of work. Men's labour is more highly valued than women's.

Both chains are clearly buyer-driven chains, with a dominant retailer. Chain X conforms to the fairly straightforward hierarchical relationships of a buyer-driven chain. The retailer is dominant in relation to the importer, who is dominant in relation to the wine producers, who, in turn, are dominant in relation to the grape and wine suppliers. Chain A, with a branded product emanating from the wine producer, also follows this general pattern, except that the relationship between the wine producer and importer is more equal. This indicates that wine producers have greater power where they are producing a high quality branded product.

Whatever the degree of accuracy in the distribution of costs in the value chains shown above, it is clear that workers, farm owners and importers certainly accrue a small portion of the final value of the wine on the shelves of the Systembolaget store. If supplier farms actually get more money for their grapes, others lose by the same amount, since the final prices are fixed. The prices on the shelves do not reflect socially and ecologically sustainable costs of production.

A fundamental contradiction is that the codes aim to ensure certain minimum standards, but those standards are embedded in a history of wine production in South Africa, which comes from a base of ultra-cheap labour. Given the current structure of the industry, it essentially cannot pay a living wage, as opposed to a minimum wage. This was evident in a report released by the Bureau for Food and Agricultural Policy (BFAP) at the end of 2012. The report showed that even increasing the minimum wage to R150/day would be insufficient for a "typical" farm worker household in the Western Cape to meet more than 61% of the household's essential nutritional needs (BFAP, 2012).

Codes of conduct can be a step forward if they are implemented properly and become the baseline for entry into the market. However, at this stage they do not, in themselves, lead to vastly improved conditions for workers, or change the underlying power relations between owners, managers and workers.

ACKNOWLEDGEMENTS

This is a shortened version of a paper funded by and produced for Africa Groups of Sweden (AGS). Thanks are due to Patricia Dyata, Rolene Hendricks, Ida Jacobs and Elna Lindoor for fieldwork assistance, and to Fatima Shabodien, Colette Solomon, Åsa Eriksson, Dean van Rooy and others who reviewed a draft report.

REFERENCES

Barrientos, S., McClenaghan, S. & Orton, L. 1999. Gender and codes of conduct: a case study from horticulture in South Africa. Available at: http://www.christian-aid.org.uk/indepth/9908grap/grapes2.htm (accessed 23 January 2003).

Barrientos, S. 2008. Contract labour: the 'Achilles Heel' of corporate codes in commercial value chains. *Development and Change* 39(6):977–990.

Barrientos, S., Kritzinger, A. & Rossouw, H. 2004. National labour legislation in an informal context: women workers in export horticulture in South Africa. In Commonwealth Secretariat (ed.), *Chains of fortune: linking women producers and workers with global markets*. London: Commonwealth Secretariat.

Barrientos, S. & Visser, M. 2012. South African horticulture: opportunities and challenges for economic and social upgrading in value chains. Capturing the Gains Working Paper No. 2012/12. Available at: http://www.capturingthegains.org/publications/workingpapers/wp_201212.htm (accessed 23 February 2013).

BFAP (Bureau for Food and Agricultural Policy). 2012. Farm sectoral determination: an analysis of agricultural wages in South Africa. Available at: http://bfap.co.za/documents/research%20reports/2012/BFAP%20farm%20sector%20determination%20report%20draft%2017%20Dec.PDF (accessed 24 January 2013).

BSCI (Business Social Compliance Initiative). 2009. *Code of Conduct*, version 3, November 2009. Brussels: Foreign Trade Association.

CBI (Ministry of Foreign Affairs of the Netherlands). 2010. Trade channels and distribution strategy for wine in Sweden. Available at: http://www.cbi.nl/marketinfo /cbi/docs/wine_in_sweden_trade_channels_and_distribution_strategy (accessed 25 January 2012).

Coe, N., Dicken, P. & Hess, M. 2008. Global production networks: realising the potential. *Journal of Economic Geography* 8:271–295.

Conradie, B. 2004. Wages and wage elasticities for wine and table grapes in South Africa. *CSSR Working Paper No. 90*. Centre for Social Science Research, University of Cape Town.

DAFF (Department of Agriculture, Forestry & Fisheries). 2010. *A profile of the South African wine market value chain*. Pretoria: DAFF.

Du Toit, A. 1993. The micro-politics of paternalism: the discourses of management and resistance on South African fruit and wine farms. *Journal of Southern African Studies* 19(2):312–336.

Du Toit, A. & Ally, F. 2003. The externalisation and casualisation of farm labour in Western Cape horticulture. *PLAAS Research Report No. 16*, PLAAS, Cape Town.

Henderson, J., Dicken, P., Hess, M., Coe, N. & Yeung, H.W-C. Global production networks and the analysis of economic development. SPA Working Paper No. 49, School of Geography, University of Manchester. Available at: http://www.ids.ac.uk/ids/global/rockport.html (accessed 16 July 2006).

Hickey, S. & du Toit, A. 2007. Adverse incorporation, social exclusion and chronic poverty. *CPRC Working Paper 81*. Chronic Poverty Research Centre, University of Manchester, UK.

Human Rights Watch. 2011. *Ripe with abuse: human rights conditions in South Africa's fruit and wine industries*. New York: Human Rights Watch.

Ilkjaer, T. 2007 The Swedish market begins to open. *Meininger's Wine Business International*:28-31. Available at: http://www.wine-business-international.com/mediadb/1886200/1886201/wbi_507_s28-31_mw_sweden.pdf (accessed 25 February 2013).

Leslie, D. & Reimer, S. 1999. Spatialising commodity chains. *Progress in Human Geography* 23(3):401–420.

NAMC (National Agricultural Marketing Council). 2010. *The cost of grape production and producer profitability: Top performers in difficult times (2010)*. Pretoria: NAMC Markets & Economic Research Centre.

PMG (Parliamentary Monitoring Group). 2008. Farm evictions. Briefings from Deputy Minister, Nkuzi Development, Transvaal Agricultural Union of South Africa, Agri SA and National African Farmers' Union. Available at: http://www.pmg.org.za/report/20080304-farm-evictions-briefings-deputy-minister-nkuzi-development-transvaal- (accessed 25 February 2013).

Ponte, S. 2007. Governance in the value chain for South African wine. *Tralac Working Paper* No. 9. Available at: www.tralac.org (accessed 21 November 2011).

Ponte, S. & Ewert, J. 2009. Which way is 'up' in upgrading? Trajectories of change in the value chain for South African wine. *World Development* 87(10):1637–1650.

PWC (PriceWaterhouseCoopers). 2011. *The South African wine industry insights survey 2011*. Stellenbosch: PriceWaterhouseCoopers.

Reed, D. 2009. What do corporations have to do with fair trade? Positive and normative analysis from a value chain perspective. *Journal of Business Ethics* 86(1, Supp):3–26.

Renard, M-C. 2003. Fair trade: quality, market and conventions. *Journal of Rural Studies* 19(1):87–96.

Sawis (South African Wine Industry Information and Systems). 2009. Macro-economic impact of the wine industry on the South African economy (also with reference to the impacts on the Western Cape) – Final report, 9 December 2009.

Sawis (South African Wine Industry Information and Systems). 2011. *South African wine industry directory, 2011/12*. Paarl: Wineland Publications.

Sturgeon, T. 2000. How do we define value chains and production networks? MIT IPC Globalisation Working Paper 00-010. Available at: http://kms1.isn.ethz.ch/serviceengine/Files/ISN/29407/ipublicationdocument_singledocument/6957a5bc-408e-44cc-8b6c-e31a5b2fb87d/en/globalization+2000-010.pdf (accessed 14 February 2013).

VinPro. 2008–2011. Production costs for wine grapes, all districts (irrigation). Available at: http://www.sawis.co.za/info/vinpro2011.php (accessed 25 January 2012).

Wieta (Wine Industry Ethical Trade Association). 2002. Wieta Code of Conduct. Available at: http://www.wieta.org.za/documents/WIETA%20Code%20in%20English.pdf (accessed 9 March 2012).