



Q&A: Transformation Issues in the Wine Sector

Labour Practices

1. Are workers allowed to join a union?
 - Yes, all farm workers are entitled to join a union of their choice.
 - The right to join a union is governed by law (eg. Labour Relations Act; the Constitution).
 - If producers do not allow freedom of association then they are acting illegally.
 - Producers can be prosecuted for contraventions.

2. Do you recognise unions?
 - Union recognition is negotiated between the employer and employees through their union.
 - The union must prove sufficient membership before the union can be recognised - (usually 25%) membership must be maintained to receive recognition.
 - Union benefits are derived depending on membership, (Eg. The right to deduct membership fees from salaries or negotiate salaries).

3. Why are some workers afraid to join a union?

Some farmers enjoy good relations with unions and others don't, for a number of reasons.

- Farmers sometimes feel that trust is broken when their workers join a union. This affects relations on the farm. Many farmers prefer direct relations with employees.
 - Some farmers see union membership as an act of aggression by their workers. Farmers often feel isolated and are not encouraged by some strikes turning violent.
 - Joining a union is a right and we have to find ways to make it work.
4. Do workers get paid for overtime work?
 - Workers are entitled to overtime pay.
 - Not paying workers overtime is an offence.

 5. What action have you taken against farmers who prevent workers from joining a union?

- Ethical audits are conducted on farms to ensure workers' rights are protected. These include that workers are not prevented from joining a union.
 - Audits are conducted by independent bodies.
 - The Department of Labour overseas that labour requirements are complied with, which includes the right of affiliation with a union.
 - Depending on the contravention, either corrective action is taken or severe transgressions are prosecuted.
 - Some wine suppliers are excluded from local and international markets for severe offences.
6. Which audits verify that farm workers can freely join a union?
- Ethical audits that investigate worker conditions include Fairtrade and the Wine Industry Ethical Trade Association (WIETA)
 - Countries that wines are exported to also have their own ethical audits.
 - Some international and local retailers also audit labour conditions before buying South African wine.
 - The wine industry supports all the ethical audits as we are committed to protecting workers' rights.

Wages

1. What is the minimum wage?
 - The current minimum wage is R120.32 per day?
2. How many farmers comply with the minimum wage?
 - All farmers are expected to comply with the minimum wage.
 - Non-compliance is a criminal offence.
3. Do farmers pay above the minimum wage?
 - There are many farmers who pay above minimum wage.
 - A study conducted during the 2016 harvest season by the Cape Agri Employers Association indicated that the 2 956 workers that were included, were on average paid 15% more than the minimum wage.
4. Why do farmers make deductions from salaries?
 - All employees are entitled to make salary deductions that are agreed with workers.
 - These may include cost of housing, and electricity costs.
5. How do you regulate farmers who don't comply?
 - Non-compliance is usually picked up in independent ethical audits.
 - Some civil society organisations working in the wine sector sometimes bring this to our attention.
 - Unions also report offences.
 - Ultimately, the Department of Labour has an overview of labour conditions on farms.
 - The wine industry supports all ethical audits.

- Some wine suppliers are excluded from local and international markets for severe offences.
6. Many workers say you are ineffective in reprimanding farmers. Is this true?
 - We have set up mechanisms to monitor and reprimand offenders.
 - Industry organisations cannot fulfil the role of law enforcement.
 - For minor offences organisations like the Wine Industry Ethical Trade Association (WIETA) adopt a corrective approach to save jobs and grow the industry.
 - Where offences are illegal the law must take its course and we don't have jurisdiction over that.
 7. How do you pay workers who are seasonal?
 - Seasonal workers are most often paid in cash.
 - They are paid weekly.
 - Time has to be recorded.
 8. The wine industry employs about 300 000 workers. Does this include seasonal workers?
 - Yes.
 9. South Africa has the highest levels of inequalities in the world. How do you justify the massive inequality between workers and owners?
 - The wine industry is competing on a global level and to remain competitive sometimes costs are reduced, so labour is reduced and mechanisation is introduced. It's both positive and negative.
 - The minimum wage is determined by all stakeholders including government.
 - The minimum wage is not decided by farmers and some pay above the minimum wage.
 - Ultimately the market determines what wages can be tolerated.
 - Inequality is not unique to the wine industry.

Foetal Alcohol Syndrome

1. How prevalent is it?
 - Foetal alcohol syndrome is unacceptably high in South Africa.
 - SA figures are amongst the highest in the world.
2. What are you doing to stop it?
 - The industry invests in support programmes to educate vulnerable persons.
 - The Industry Association for Responsible Alcohol Use (ARA) is registered as a non-profit organisation (NPO) with the Department of Social Development and is focused on the prevention of the negative consequences of alcohol abuse. (www.ara.co.za) There are rehabilitation programmes in place.
 - In some cases children are supported through crèches.
 - Full time social workers are employed by the industry to help those affected.
 - Alcohol abuse is common in many communities, and not confined to the wine sector.

3. Does the dop system contribute to FAS?
 - The Dop system is unlawful.
 - It was outlawed in the 1960s.
 - It may have contributed to high levels of alcohol abuse and FAS in the past.
4. How do you manage pregnant women working on farms?
 - Working conditions of pregnant women is governed by the Basic Conditions of Employment Act and other relevant laws.
5. FAS incidents are the highest in the world. How did you get here?
 - Regrettably, alcohol abuse is prevalent in many communities.
 - Apartheid caused significant harm to family structures and matters of self-worth amongst rural families.
 - We have made some progress in addressing many of the social problems, including FAS, but a lot of work in terms of education is still to be done.

Dop system

1. Do farmers pay workers with wine?
 - No. The Dop system is unlawful.
 - It was outlawed in the 1960s.
 - We are not aware of workers being paid with wine. Such incidents are illegal and will be severely dealt with.
2. What mechanisms do you have in place to report farmers who pay workers with wine?
 - This can be picked up through independent ethical audits. (eg. Fairtrade and WIETA)
 - Some civil society organisations working in the wine sector can bring this to our attention.
 - Unions also report offences.
 - Ultimately, the Department of Labour has an overview of labour conditions on farms.
 - The wine industry supports all ethical audits.
 - Some wine suppliers are excluded from local and international markets for severe offences.
3. What action do you take against farmers?
 - We have a zero tolerance approach if any farmer were to be found paying workers with wine.
 - The full extent of the law will prevail in such cases.
 - Industry bodies, however, do not have the mandated to enforce the law and will report such offences to law enforcement authorities.
4. How do you protect whistle blowers who report farmers?
 - A complaints process is in place with the ethical standards authority (WIETA).

- Any workers or stakeholders can use this anonymous process to report complaints.
 - The Wine Industry Value Chain Round Table is multi-stakeholder structure, with representation from the wine industry, unions and labour, as well as government. This structure has introduced the Rapid Response Unit, which is a mechanism provided to handle anonymous complaints.
5. Are farmers allowed to sell wine to workers?
- Some farms do sell wine.
 - Workers are not prohibited from buying wine on farms.

Housing

1. Whose responsibility is it to provide housing?
 - That of government and that of employees, but farmers are given the responsibility if it is necessary for employees to be housed in close proximity to the farm.
2. Do farmers provide electricity and water?
 - Farmers are expected to provide clean water and electricity for workers if they are housed on the farm.
3. Can farmers deduct cost of electricity and water from wages?
 - Yes, farmers can deduct costs from wages.
 - Deductions cannot exceed 20% of wages.
 - Workers must be informed of the deductions and what they are for.
4. Do you have minimum standards for housing?
 - Yes, the ethical codes outline the minimum conditions for housing.
5. Why do most farm workers live in shacks?
 - Most farm workers do not live in shacks. They live in houses.
 - Seasonal workers sometimes live in informal settlements off the farm. Providing accommodation is not the responsibility of the farmer.
 - Informal settlements are often a symptom of the migrant labour practices that have a long history under apartheid.
6. What facilities do farmers have for children?
 - Some farms have crèches and schools.
 - In many cases farmers pay for the schooling of children as well as provide transport to local schools.
7. How do you monitor to check that housing is adequate?
 - The quality of housing can be picked up in independent ethical audits.
 - Some civil society organisations working in the wine sector bring this to our attention.
 - Unions also report offences.

- The Department of Human Settlements with provincial and local government have an overview of housing.
- The wine industry supports all ethical audits.
- Some wine suppliers are excluded from local and international markets for severe offences.

Certification / Audits

1. What ethical audits do you have?

- There are numerous ethical audits in the wine industry.
- These include, but are not limited to:
 - Wine Industry Ethical Trade Association (WIETA)
 - Global Social Compliance Programme (GSCP)
 - The Sustainability Initiative of South Africa (SIZA)
 - Fairtrade
 - Fair for Life
 - The Business Social Compliance Initiative (BSCI)

2. What do they audit?

- The audits check compliance against an internationally accepted set of codes.
- Some of the things they consider include:
 - Housing and tenure security.
 - Employment conditions (child labour, forced labour, fair disciplinary processes, working hours and minimum wage).
 - Health and safety.
 - Freedom of association and other relevant human rights.
 - Unfair discrimination.

3. Are audits announced?

- Scheduled audits are announced as this is a detailed interview and cite inspection.
- Unannounced audits are carried out when a complaint is laid in an area. Wieta is looking to introduce more regular unannounced audits.

4. Do you have your own ethical protocols? What does it cover?

- Some of our own ethical audits include:
 - Wine Industry Ethical Trade Association (WIETA)
 - Global Social Compliance Programme (GSCP)
 - The Sustainability Initiative of South Africa (SIZA)
 - The Business Social Compliance Initiative (BSCI)
- Ethical audits typically check:
 - Housing and tenure security.
 - Employment conditions (child labour, forced labour, fair disciplinary processes, working hours and minimum wage).
 - Health and safety.

- Freedom of association and other relevant human rights.
 - Unfair discrimination.
5. There are 400-odd audits. How can I be sure they are authentic?
 - Yes, there are many audits, which can get confusing.
 - They are regulated by retail and government sanctioned codes and laws.
 - They are independent.
 6. Ethical labels are confusing. How can I be sure that I'm making the responsible choice?
 - Ethical labels are one way in which consumers can satisfy themselves that they are making responsible choices.
 - They audit both social and environmental issues.
 - They are independent organisations.

Government

1. Is government doing anything to make the social problems better?
 - The industry works very closely with Government.
 - Many argue that government has to review the housing policy for farm workers.
 - Social grants have helped some destitute communities.
2. What else can government be doing?
 - Many argue that government has to review the housing policy for farm workers.
 - We can improve skills development.
 - Support for enterprise development in the wine industry.
3. Hasn't the lack of land reform contributed to the problem?
 - Effective land reform will contribute to broaden ownership of land in the wine industry.

Transformation / BEE

1. What training programmes do you have?
 - The following training and development programmes are available to people in the wine sector:
 - Black leadership development.
 - Social work support to vulnerable families.
 - Bursaries.
 - Technical production training.
 - Worker rights based training.
 - Ethical codes training.
 - Health and safety training.
2. How many workers have moved up to management and other positions? Is it common?

- Yes, it is common.
 - Management and leadership development programmes have been successful.
 - Several hundred personnel have moved into middle and farm management position as a result of training and development programmes.
3. Is share ownership by workers common in your industry?
 - Yes, share ownership comprises the majority of black ownership in the industry.
 4. What can be done to improve ownership or access to the industry?
 - Credit lending models for enterprises.
 - Improved Government land reform policies. Current land reform policies are not effective in intensive farming models and more effective in extensive farming models.
 5. How many wine farms have BEE partners? Is it effective?
 - Approximately 40 farms have BEE partners.
 - It is quite common in the wine industry.
 6. Do you support enterprise development? How?
 - Yes, enterprise development is supported.
 - We facilitate access to grants and loan funding and provide free technical advice and training.
 - We share best practice in methods of enterprise development through a dedicated consulting service.
 7. How many brands are black owned?
 - About 37 wine brands are black owned.
 8. Is black ownership the answer to the socio-economic problems?
 - In itself, it is not the solution to socio-economic problems.
 - Socio-economic factors have several causal factors and solutions are multi-faceted involving several stakeholders.
 9. Has this industry been slow to transform?
 - Yes, given inherent barriers to entry in terms of market competitiveness and costs of capital.
 - All new entrants struggle to sustain wine enterprises.
 - A recent government study found that only 38% of land reform farms across the agricultural sector are legally compliant with labour laws.

Toxic Chemicals

1. Are farm workers exposed to harmful chemicals?
 - Strict legislation and protocols govern the use of chemicals (eg. Occupational Health and Safety Act).

- Workers can be exposed to harmful chemicals if health and safety regulations are not enforced.
2. What training is provided?
 - Training is compulsory for workers administering chemicals.
 - Workers are taught how to store, administer and dispose of chemicals safely.
 - Workers are taught about safety equipment such as gloves, masks, gumboots.
 - No spraying is done when the wind blows to prevent chemical drift.
 - No workers are allowed in vineyards when chemicals are applied, except those who are applying the chemicals.
 3. How do you ensure farmers comply with protocols?
 - This can be picked up through independent environmental and health and safety audits. (eg. Fairtrade and WIETA)
 - The wine industry supports all environmental and health and safety audits.
 - Civil society organisations working in the wine sector can bring this to our attention.
 - Unions also report offences.
 - Some wine suppliers are excluded from local and international markets for severe offences.
 - Retailers also enforce their own environmental and health standards.
 - Health and safety compliance is managed by the department of labour.
 4. How do you police the correct use of agro-chemicals?
 - Audits help to ensure the correct use of chemicals.
 - The Integrated Production of Wine (IPW) audit specifically entails agro-chemicals in terms of environmental sustainability.
 - Retailers also enforce their own environmental and health standards.
 5. What mechanisms are in place to ensure farmers comply with the Occupation Health and Safety Act?
 - This can be picked up through independent environmental and health and safety audits. (eg. Fairtrade and WIETA)
 - The wine industry supports all environmental and health and safety audits.
 - Some civil society organisations working in the wine sector can bring this to our attention.
 - Unions also report offences.
 - Some wine suppliers are excluded from local and international markets for severe offences.
 - Retailers also enforce their own environmental and health standards.
 - Health and safety compliance is managed by the department of labour.

END