

How Black Farm Workers become Land and Business Owners: Actors, Resources, Contexts and Outcomes of Black Empowerment Projects in the South African Wine Industry

Erwin Schweitzer

Abstract

Since the dawn of democracy in 1994, the South African wine industry has been characterised by both, profound economic and political changes as well as continuities with its past, rooted in slavery, apartheid and paternalism. In this context Black farm workers, whose labour built the foundation of a prosperous agricultural industry, still belong to the most marginalised groups in post-apartheid society. A number of state and non-state actors, however, attempt to improve the economic and social positions of farm workers in South Africa. This paper deals with one type of initiatives that aim to accomplish this goal. These so called Black Empowerment projects are based on partnerships between White farmers, farm worker communities and complex networks of actors, ranging from state agencies to non-governmental organisations, international organisations, businesses and private individuals. The mobilisation of these actors and their resources allows farm workers to become land and business owners and in the process to acquire other economic, educational and symbolic benefits. While these projects demonstrate how marginalised Black farm workers become farmers, they also show a series of shortcomings – first and foremost that the ‘new Black farmers’ do not obtain real autonomy.

Introduction

A group of some twenty people are planting vines in a scenic vineyard of South Africa’s main wine region, the Western Cape. Equipped with shovels, one half of the group ditches small holes, while the other half gently puts

the plants into the holes. The people are sweating due to the manual labour and the heat. This presents a common scenario in a country where wine has been produced for more than 350 years, first by slaves and later by marginalised Black¹ farm workers. But this specific incident turns out to be quite different. On this day, it is not only Black farm labourers who are working at this particular vineyard; they are joined by a White farmer, two NGO workers, and a number of social anthropology students from Austria. This occurrence from my fieldwork at the wine farm *New Beginnings*², to say the least, presents a quite odd image, considering the history of Black labour exploitation and abuse in the wine sector as well as South Africa's apartheid history more generally. However, almost 15 years after the end of the segregationist regime this incident is not as exceptional as one might think. Rather, we are confronted with a glimpse of how network resources are mobilised in so called empowerment projects³ that allow farm workers to become land and business owners.

Since the dawn of South African democracy in 1994, various governmental and non-governmental actors have set up a variety of initiatives in order to advance the social and economic position of Black people. In this context Black people are defined as citizens who were systematically exploited and discriminated under apartheid and were previously racially categorised as Africans/Blacks, Coloureds and Indians/Asians. Many of these initiatives have been subsumed under the broad term of Black Economic Empowerment (BEE), which is perceived as part and parcel of post-apartheid transformation. BEE aims to extend Black control and ownership of the South African economy through a series of measures. The South African wine industry, a symbol of White rural power, has not been exempted from BEE. Like in other economic sectors various approaches aspire to empower Black South Africans. Among these we find a range of projects that aim to improve the socioeconomic conditions of one of the most marginalised groups of South Africa's society, Black farm workers.

¹ Black and White are written with a capital letter to indicate the contested and problematic nature of both terms.

² The two farm projects under scrutiny are italicised to allow the reader better orientation in the discussion of the case studies.

³ 'Empowerment project' is a notion used by many actors in South Africa for this kind of initiatives. In this article, however, I do not use the term as an analytical category. Subsequently, I do not imply that these projects lead to empowerment.

Some of these empowerment initiatives have enabled Black farm workers to become land and business owners and to acquire other benefits, especially training and dividends. Based on the mobilisation of various resources through partnerships between White farmers, worker communities and a network of actors, ranging from state agencies to businesses, NGOs, international organisations and private individuals, new Black owned or co-owned wine farms and wine brands were created. The economic success of some of these farm worker empowerment projects has been rather astonishing considering the current situation of the wine sector. In the highly competitive global wine market and a business that is knowledge, technology and capital intensive, new winegrowers, both Black and White, have hard times to enter. Moreover, because of the present restructuring of the South African industry – especially the externalisation, casualisation and flexibilisation of work – most farm workers are fortunate if they can hold on to their permanent employment and not become part of the rural reserve army of temporary labourers. Taking this context into account makes the new internationally exporting wine farms and brands owned by Black farm workers appear exceptional. Yet, at the same time these transformation projects show serious shortcomings. Black farm workers only become dependent farmers because they need agricultural equipment and knowledge from the White farmers in order to create and sustain their businesses. Furthermore, the social status of the involved workers is only marginally affected by the projects. Often they are primarily perceived as farm labourers rather than business co-owners or farmers.

Research Questions and Methodology

Despite the problems of farm worker empowerment projects the existence and operation of these initiatives is puzzling. They beg the question, how Black farm workers become land and business owners at all within both an enabling and constraining economic and political environment of post-apartheid South Africa. In this paper I answer this question by scrutinising how and in which context these projects emerge, who the involved actors are, which resources they invest, and what the factual outcome, both positive and negative, for the involved Black farm workers is. In doing so, I

do not primarily assess the successes or failures of these projects, but rather I focus on the process, however, without omitting the outcomes.⁴

I tackle the aforementioned issues in the following sections primarily grounded in fieldwork carried out in South Africa's Western Cape Province from October to November 2005 and April to July 2006.⁵ In regard to the methodological approach, the research project relied on semi-structured, open and informal interviews with farm workers, farmers, business people, governmental officials, NGO workers and wine industry representatives as well as to a limited degree on participant observation on farms and in meetings. Due to the sensitive nature of some of the data many of the interviewees are referred to as anonymous. In order to answer the posed questions I focus on two Black owned wine farms and wine brands in the Western Cape, *New Beginnings* and *Thandi*. The in-depth discussion of these initiatives through the lense of the nodal governance perspective is used to exemplify farm worker empowerment projects in the South African wine sector.

Continuities and Changes in South African Wine Industry

In order to understand and explain how empowerment projects emerge and operate and what their effects are on Black labourers on a local level, we first need to deal with the larger structures of the South African wine industry. This prosperous agricultural sector is characterised by both continuities and changes, by apartheid and paternalism as well as democratisation, Black Economic Empowerment and the globalised wine market (cf. Bernhardt/Schweitzer 2008; Huss/Kohlweiss/Schweitzer 2008). Farm worker empowerment projects, as will be shown below, reflect this duality of continuities and changes.

⁴ Elsewhere I have focused on the problems of Black empowerment projects in the South African wine industry (Bernhardt/Schweitzer 2008). Other researchers have also dealt with downsides of empowerment projects (cf. Kruger/Du Toit/Ponte 2006; McEwan/Bek 2006).

⁵ The first research was conducted within the framework of a student group research project that was supervised by the social anthropologist Werner Zips and financially as well as organisationally supported by the South African Wine Industry Trust (SAWIT). The second research, four months later, was conducted individually for my master thesis (Schweitzer 2007) and financially supported by the University of Vienna.

Economically the wine industry is still firmly in White hands. According to the last census from 2001, 81.59 percent Black and 18.41 percent White people live in the Western Cape Province where South Africa's main wine region is located (cf. Municipal Demarcation Board 2006). However, as a union representative describes the current distribution of resources and positions, "we still have the White producers, the White growers and the cellars are typically White owned" (personal communication, October 26, 2005). The Black Association of the Wine and Spirit Industry (BAWSI) argues that from a total number of 4,435 wine farms only 20 were owned by Black people in 2005 (Hammer 2005; WOSA 2005). While the number of Black farms should be higher by now, Black land ownership in the wine sector is still estimated only at about 1 percent of the total wine land (government representative, personal communication, May 31, 2006; NGO representative, personal communication, June 22, 2006; trade unionist, personal communication, October 26, 2005). In the same manner, management positions in wine cellars are mostly held by White South Africans. A recent survey on behalf of the South African Wine and Brandy Company (SAWB) showed that 6 percent of the employees in high management and 22 percent in middle management of private and cooperative cellars are Black (Kassier/Cherry/Vink/van Rooyen 2004). Management and ownership structures in the wine industry apparently evoke apartheid patterns.

The same can be said about current living and working conditions of most Black farm workers. The latter still belong to the most marginalised social groups in post-apartheid society, as their income level show that they are even the poorest in the formal economy (SAWB 2003: 23). Those who are permanently employed or whose relatives are permanently employed usually stay on the farm in housing provided by the farmer. The quality of housing largely depends on the attitude of the farmer and ranges from "decent" to "scarcely fit for human habitation" (Ewert/Hamman 1999: 212). Similarly, the educational background of farm workers indicates their marginal position in society. According to a recent study almost one-fifth had no access to formal education and many are illiterate (Kassier 2005: 4, 10). Moreover, due to their working and living conditions, farm workers are two to three times more likely to get infected by tuberculosis than people living in urban areas (SAWB 2006: 23). In part, the socioeconomic situation of farm workers can be attributed to the history of apartheid. However,

apartheid is not sufficient as an explanation. The life on farms is also rooted in the older history of slavery and paternalism. In the course of time a set of asymmetrical power relations between Black farm workers and White farm owners evolved which was characterised by, both, exploitation of the workers and obligations of the farmer. The farm was symbolically conceptualised as 'family', but materially the domination of the farmer was apparent (Du Toit 1993; cf. Huss et al. 2008). One of the most devastating effects of on-farm paternalism was arguably the *dop-system*. Workers received wine as partial payment several times per day which drove them systematically into alcoholism and, hence, dependency on the farmer. Up until today alcoholism presents a widespread social and health pathology for farm dwellers. Yet, not only does alcohol dependency persist, paternalism as a whole has proven to be adaptable to the changing political and economic environment.

"The 'culture of mastery' underpins the moral framework of both 'progressive' and 'repressive' farming styles. The culture of paternalism is easily 'transported' into the modern era. Its key assumptions are not anachronistic forms of 'racism', inherently linked to inefficiency. Rather, they are powerful and seductive ideologies about society and farming – easily adapted to new socio-economic conditions, and not easily relinquished." (Du Toit/Ally 2003: 45)

While continuity is an essential property of the South African wine industry in the 21st century, so is change. With the African National Congress (ANC) rise to power in 1994, a process of transformation was initiated in the wine sector. Until the early 1990s the wine industry was characterised by the heavily centralised regulation of the cooperative association KWV (*Koöperatiewe Wijnbouwers Vereniging van Zuid-Afrika Bpkt*). The KWV, backed by the apartheid state, sustained a regulatory system that encouraged the production of large quantities of low quality grapes for the domestic market and discouraged competition. The new South African government dethroned the KWV, a symbol of the White rural apartheid elites, by withdrawing its power to govern the wine industry. This process of deregulation and the end of international anti-apartheid sanctions boosted the integration of South Africa's national wine industry in the global wine

market. The adaptation to a highly competitive liberalised market brought both new challenges and opportunities for White farmers.

Food store chains have become important buyers of South African wine due to the increasing concentration of supermarkets and the rise of wine sale in supermarkets (cf. Anderson 2004: 7; Charman 2006: 16). This development allowed supermarket chains to enforce on South African producers their sanitation, technical and ethical standards (Ewert/Du Toit 2005: 321). Especially ethical standards by UK supermarket chains have important implications for farm worker empowerment projects, and I return to this issue below. Furthermore, the integration in the global wine market resulted in the need for South African wine farmers to produce quality wine since the demand for outstanding wines internationally increased (Ewert/Du Toit 2005: 320). While these trends in the international wine market present a challenge for South African producers who were used to the production of low quality wine for a non-competitive domestic market, many, nonetheless, succeeded in exploiting the new global opportunities. South Africa's increasing status as a wine exporting nation proves the success of the wine producers. Today, South Africa generates 3 percent of the worldwide wine volume, which made it number nine in the global ranking of wine producing nations in 2005 (SAWIS 2008: 32).

Deregulation, globalisation and increasing competition led to the intensification and specialisation of labour. Gradually, more permanent workers take over better qualified and more elaborated tasks such as irrigation, spraying and tractor driving (Kritzinger/Barrientos/Rossouw 2004: 21–22). At the same time we can observe a trend towards the casualisation, flexibilisation and externalisation of labour. More and more farmers rely on temporary workers, while reducing the numbers of their permanent labour (Du Toit/Ally 2003: 18–19). The downside of this process is that the living and working conditions of temporary workers are often worse than those of permanent labourers.

“Farm workers generally thought they had very little. And now with the significant move from permanent to casual labour, being a permanent worker has become a privilege, even though in real terms it's still a dog's life. It's ironic, when you think about it, people who thought they had little and now they are privileged.” (NGO worker, personal communication, June 28, 2006)

Temporary workers present a heterogeneous assemblage of casual, seasonal and contract workers who have far less legal rights than their permanently employed counterparts. The latter aspect turns out to be an additional incitement for farmers to make use of temporary labour. Some of the 'flexible' workers are female relatives of permanent male workers, who live on the farm, or dwellers of local informal settlements, and others are migrant workers from the Eastern Cape Province (Du Toit/Ally 2003: 14; Ewert/Hamman 1996: 156–157). Due to the high rate of unemployment it does not present a problem for labour brokers or farmers to find people seeking temporary employment. "On any given day, there are many more workseekers than the farmer needs ... the farmer or his foreman can pick and choose amongst those clambering to get onto the lorry for a day's wage" (Ewert/Du Toit 2005: 329). Temporary workers are frequently less educated and earn less than their permanent colleagues (Ewert/Du Toit 2005: 317; Kritzinger et al. 2004: 27). Those of them without relatives who permanently work and live on farms often dwell in shanty towns in non-weatherproof shacks lacking electricity, running water and flush lavatory (Kritzinger et al. 2004: 28). Poverty, hunger and marginalisation represent an integral part of their lives (Du Toit 2004: 30).

While the process of casualisation and externalisation of labour turns out to be also an unintended effect of the introduction of new labour laws, the ANC government's actual objective was to grant rights to a group of people who did not have any legal protection under apartheid. Previously, White farmers had the power to discriminate farm workers based on race and gender, evict them from their land and fire them at will. However, the new legislation based on a series of social, labour and tenure laws (e.g. Basic Conditions of Employment Amendment Act 1993, Employment Equity Act 1998, Extension of Tenure Security Act 1997) forces farmers now to adhere to laws, which are quite progressive compared to international standards. Additionally to new laws in favour of farm workers, the end of apartheid opened a space for unions and civil society organisations to organise farm workers, disperse important information for them, and lobby for their rights. With varying success these organisations limit the power of White farmers over farm workers.

In a sector characterised by both continuities and changes, one of the most peculiar developments, however, is the Black Economic Empowerment (BEE) policy. According to the government, BEE represents "an integrated

and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own and control the country's economy, as well as significant decreases in income inequalities" (Department of Trade and Industry n.d.: 12). BEE measures vary depending on the specific economic sector. In the wine industry, Black Economic Empowerment ranges from land ownership transfer to shareholding by Black people, Black participation in management, mentorship, housing for employees, employment equity, preferential procurement, health care and educational programmes for farm workers and various other instruments. Yet, it is not only the government who shapes the governance of empowerment in the wine industry. Various actors, including civil society organisations and private businesses, are involved and attempt to influence the flow of events in accordance to their interests. The "first wave of transformation projects" (Kruger/Du Toit/Ponte 2006: 21) are a prime example of this involvement of a multiplicity of actors in the implementation of empowerment policy in the wine industry. These empowerment projects were set up by individual White farmers and Black worker communities together with a network of actors ranging from state agencies, businesses, NGOs to private individuals in order to enable the participating farm workers to become land and business owners.

To a certain degree these structures of governance are the outcome of neoliberal ideas and practices. Yet, the policies of the post-apartheid state cannot be reduced to neoliberalism. Rather, as Robins (2005: 11) points out, South Africa is neither the typical neoliberal nor socialist polity since the South African state is marked by, both, "contradictory and ambivalent desires to extend its reach and deliver development (e.g. housing and health care) and the neo-liberal imperatives of the downsizing, rightsizing and outsourcing state." Empowerment projects in the South African wine industry must be understood as an articulation of this peculiar political context.

Nodal Governance Theory

To examine empowerment projects we need a conceptual framework that allows us to capture the aforementioned conditions of governance in South Africa. Nodal governance theory presents such a perspective, or better, a tool to map processes of governance based on the observation that

“[g]overnance today is characterized by a plurality of actors (states, corporations, the World Trade Organization, institutions of ‘civil society’, criminal and terrorist gangs) forming more or less interconnected governance networks; a plurality of mechanisms (force, persuasion, economic pressure, norm creation and manipulation); and rapid adaptive change.” (Burriss/Draho/Shearing 2005: 31–32)

Consequently, nodal governance theorists highlight that “[g]overnance is not performed simply by institutions of the state, nor shaped solely by thinking originating from the state sphere” (Wood/Shearing 2006: 3). Hence, they neither give the state, nor any other societal actor for that matter, conceptual priority, but rather argue that societies are governed through nodes. These nodes are networks or network-like organisational sites that mobilise resources of its members to manage “the course of events” in a social system (Burriss 2004: 336; Burriss et al. 2005: 33). In order to accomplish this task, nodes must have, at least a temporary, institutional structure through which certain methods are applied and resources are activated (Burriss et al. 2005: 38). Examples for nodes are government agencies, trade organisations, NGOs, neighbourhood associations, and also street gangs or police stations (ibid.). Nodal governance theory does not explain the emergence of the political structures of the governance of empowerment in South Africa nor the projects that arise within these. However, it provides a lens for grasping the complexity of settings, such as the post-apartheid wine industry, that involve a multiplicity of governance actors, mechanism and institutions.

Accordingly, applying the nodal governance perspective to empowerment initiatives in the South African wine sector allows me to conceptualise these projects as nodes. Thus, I understand farm worker empowerment projects as organisational sites that allow Black farm workers to become land and business owners through the mobilisation of various actors’ resources. In doing so, I can analyse how the nodes emerge, who the involved actors are, which resources they invest, and what the results are for the Black farm workers. Through this lens, two of these empowerment projects, *New Beginnings* and *Thandi*, serve as case studies which exemplify general structures and processes that mark this kind of projects. In the following

sections I first describe and then analyse the development and outcome of these initiatives.

***New Beginnings* and *Thandi*: Two Cases of Farm Worker Empowerment Projects**

New Beginnings, a Black owned wine farm located in Cape Wine Lands close to the town Paarl, is perceived as the first empowerment project in the South African wine industry. Alan Nelson, the White owner of the wine estate Nelson's Creek, initiated the project in 1997 together with a community of farm workers employed at his farm. In order to motivate his staff, Nelson promised that he would donate land to them once Nelson's Creek produced award-winning wine (Alan Nelson, personal communication, October 12, 2005). After this actually happened, he gave 11ha of land to his farm workers under the condition that the land would be used for agricultural purposes. In the end, the farm workers agreed on viticulture and chose to become wine growers. At present, *New Beginnings* produces three different wines for the domestic as well as the German, Dutch, French, UK, Japanese and US markets. In a quite similar manner, the empowerment project *Thandi*, which means 'nurturing love' in the South African language Xhosa, was set up in 1996 by Paul Clüver, the White owner of the De Rust estate, and the state-owned South African Forestry Company (SAFCOL). Clüver got engaged in the initiative when wage workers at the Lebanon village, next to his estate were facing unemployment because SAFCOL decided to downscale its activities (Ewert/Eva/Hamman 2006: 2). Joining 100ha of land from Clüver and 100ha from SAFCOL, the fruit and wine farm Lebanon, which comprises wage workers from the Lebanon Village and farm workers from the De Rust farm was established in the Grabouw area. Under the name of *Thandi* the farm worker project today internationally and domestically sells Fairtrade certified fruits and wines.

In the case of *New Beginnings* 50 to 60 members of the Nelson's Creek's farm worker community created a communal property association (CPA), a legal entity, in order to own and manage their property together as community (Loots 2005: 56). The CPA is owned by 16 households and its affairs are managed by an elected committee. The farm workers themselves invest their labour in their spare time, practical knowledge of viticulture and state land grants. *Thandi's* institutional structure turns out to be slightly more

complex than *New Beginnings*. Instead of a CPA, three trusts with different functions were created in order to govern the project in regard to business matters and community development (Ewert et al. 2006: 10). While one trust aims to improve the socioeconomic conditions of all dwellers of the Lebanon village and De Rust village, another one only serves the 147 people who actually invested government land grants into the project. Through the trusts about 60 percent of *Thandi* is today owned by the workers (Susan Kraukamp, personal communication, June 13, 2006). In contrast to *New Beginnings*, merely a few project participants actually grow fruits and wine on their land full-time, while most others only help out during the labour intensive harvest (Ewert et al. 2006: 9, FN 27).

In both cases, the role of the White farmer was crucial to the emergence of the projects. Alan Nelson provided the farm workers of *New Beginnings* with farming equipment and his wine cellar at no cost for three years (Alan Nelson, personal communication, October 12, 2005). After several production coordination arrangements with Nelson's Creek, *New Beginnings* settled on conflating the production processes of the two wine farms. Hence, the vineyards are controlled together, harvesting happens at the same time and the experienced Nelson's Creek winemaker Carl Alan makes the *New Beginnings'* wine (Victor Titus, personal communication, June 14, 2006). In exchange two thirds of the harvest go to Nelson, who produces and distributes the *New Beginnings* wine. From the profit of *New Beginnings* wine Alan Nelson gets 92 percent, the community 8 percent (Victor Titus, personal communication, June 14, 2006).

Maybe less obvious but perhaps not of lesser importance, Alan Nelson, as lawyer and White farmer in rural Western Cape, can make use of essential White rural networks. Like Nelson, Paul Clüver, the owner of De Rust, is not only a farmer but also pursues a very prestigious second profession as neurosurgeon. While Nelson donated the 11ha of land free of charge to his farm workers, Clüver sold the 100ha of land under the market value to the Lebanon wage worker village and De Rust farm worker community. *Thandi* also makes use of Clüver's wine cellar. Moreover, Clüver bought 40 percent of the shares of one of the *Thandi* trusts. Besides him several Clüver family members were and are involved as trustees and bookkeepers (Ewert et al. 2006: 10; Susan Kraukamp, personal communication, June 13, 2006). As chairman of Capespan, the biggest South African fruit exporting company, and director of The Company of Wine People, a major private cellar, Clüver

also possesses substantial social capital, which he uses for the *Thandi* project.

In addition to the Black worker communities and the White farmers, external charismatic Black brokers between the communities and the other actors involved played a significant role in the *New Beginnings* and *Thandi* project. Victor Titus, a Black retired school principal from the nearby town Paarl, was brought on to *New Beginnings* by Alan Nelson to serve as facilitator and mediator of *New Beginnings*. He possesses the same cultural and linguistic background as the farm workers and furthermore a high level of formal education, which encouraged the worker community to accept him as project participant (Loots 2005: 59). In a comparable manner, the Black couple Susan and Patrick Kraukamp joined *Thandi*. While Susan acts as director of *Thandi Wines* and manages the farm restaurant with wine tasting facilities as well as a craft centre on the Lebanon farm, her husband Patrick is the award-winning winemaker of *Thandi*.

State actors engaged in both initiatives to varying degrees. In the case of *New Beginnings* the governmental interventions were limited primarily to providing financial resources. The state supported the project with 15,000 Rand per household and agricultural consultation (cf. Loots 2005: 97–98). The *Thandi* worker community was also subsidised with 15,000 Rand per household state land grants, which were invested in farming operations (Susan Kraukamp, personal communication, November 2, 2005). However, through the state-owned company SAFCOL, which was a shareholder of one of the *Thandi* trusts until 2005 and a co-designer of the project, the state played a much larger role than in *New Beginnings*.

In regard to production, distribution and marketing, both *New Beginnings* and *Thandi* rely on a network of business partners. *New Beginnings* uses the viticulture facilities, especially the wine cellar, of Nelson's Creek. In addition, *New Beginnings* together with Nelson's Creek and nine other wine producers are part of the Pearl's Gate region marketing and promotion group that markets and distributes their wines nationally (Victor Titus, personal communication, June 14, 2006). Additionally, just recently the British supermarket chain Marks/Spencer ordered *New Beginnings* wine. Like *New Beginnings*, *Thandi* relies on external viticulture facilities. De Rust and The Company of Wine People provide their wine cellars to the empowerment project (Ewert et al. 2006: 12). Moreover, *Thandi* fruits are marketed by Capespan. Both, Capespan and The Company of Wine People

invest in the training of the *Thandi* farm workers. In the UK market, the British supermarket chains Waitrose and Tesco sell *Thandi* wine.

In addition to the actors already mentioned there is a series of further contributors to the initiatives. In regard to *New Beginnings*, the University of Stellenbosch, the Elsenburg Agricultural College and KWV consulted the project on viticulture (Loots 2005: 61, 64). The latter two, additionally, took soil samples in order to improve the farm workers wine production capacities. Recently, the Council for Scientific and Industrial Research got involved in *New Beginnings* to train the farm workers in management skills. *Thandi* even had a major foreign governmental organisation as supporter, the British Department for International Development (DFID). The DFID has funded *Thandi* in partnership with the company Vinfruco and the Capespan Foundation with in total 830,000 British Pounds (UK Department for International Development n.d.).

Last but not least, notable, foreign individuals got involved and invested resources (money, knowledge) in both empowerment projects. Among them were Japanese consumers and US business women at *New Beginnings* (Loots 2005) and a British retired couple who occasionally lives at *Thandi's* Lebanon village (Susan Kraukamp, personal communication, June 13, 2006).

Merits and Shortcomings

In regard to the factual outcome for the farm workers we can identify economic, educational and symbolic benefits. In 1998, 11ha of land was donated to the members of *New Beginnings* and in 2006 they finally received the land title. Today, with an additionally 2ha acquired, they are the legal owners of all together 13ha of land and an internationally exporting wine brand. With their first income from *New Beginnings*, the farm workers purchased goods such as TV sets and fridges and paid deposits for second hand cars (Loots 2005: 69). Some of the money was used on school fees for children of the community (Alan Nelson, personal communication, October 12, 2005). Additionally, the farm workers acquired retirement pension insurance. Besides the direct economic benefits, members of the community could profit from viticulture and agricultural training as well as marketing and business courses. One of them, Matteus Thabo, was trained to become assistant winemaker. However, for farm workers involved in the empowerment project, *New Beginnings* cannot be reduced to economic or training benefits. Rather at least some participants also perceive it as a

redress of past injustices and a promise of a better future, “my grandpa and his father, they wouldn’t get a piece of ground from any farm here, so we are the first. Here we get some land and we must use that land, see that we can send our children to university” (Daantjie Jagman, *New Beginnings* shareholder, personal communication, October 13, 2005).

The outcome of the *Thandi* projects appears similar. While the workers of the Lebanon and De Rust village are not direct land owners, they are 60 percent shareholders of a successful wine and fruit business. So far the workers have received a dividend of 280 Rand each from the shareholder trust (Susan Kraukamp, personal communication, November 2, 2005). Furthermore, the whole community gained from the community development trust and a Fairtrade social premium. Ten farm workers are permanently employed on the Lebanon farm and hence receive regular wages in addition to their dividends (Ewert et al. 2006: 22). Moreover, they received further training in business and agriculture. The Black representatives of *Thandi*, Susan and Patrick Kraukamp, both, clearly benefited. Susan has her own restaurant and a craft shop on the Lebanon farm and Patrick Kraukamp became assistant wine maker and received training in South Africa and the USA. Akin to the *New Beginnings* project, *Thandi* is heavily symbolic and deeply intertwined with the discourse on new South Africa. Kosie Kleinsmidt, one young Black shareholder, highlights this aspect by asserting that “in the new South Africa there are many opportunities for people like us because we are black ... the door is open for us, for black people in South Africa and there are many things to do ... for me as a shareholder, it changed many things in my life because I’m an owner ... I have many opportunities” (personal communication, November 2, 2005).

Both, *New Beginnings* and *Thandi* contribute to post-apartheid transformation on various levels. Black farm workers become land owners and wine brand owners. At the same time their living standard and level of education increases. Last but not least, these initiatives instil a sense of redress, hope and ownership in new South Africa. Yet, both projects also show the limits and problems of such farm worker projects. First and foremost, the farm workers only achieved a rather partial autonomy. Although, they turn into land and business owners, they remain dependent on various actors, in particular the White farmers, who initiated the projects. This dependency is not limited to the wage that they receive as farm

workers which they still need to sustain their livelihoods. Since the Black working class farmers lack money, tractors, wine presses and water reservoirs, they are dependent on the White farmer's means of production, which has a price (cf. Handl/Lenart/Rest 2008: 245). A substantial share of their harvest or profits from the sale goes to the White farmers and involved companies. At the same time, farm workers still lack knowledge not only on producing wines which match the changing trends in taste, but also means and knowledge on marketing their brands successfully. Here too, they have to rely on the support of White farmers, managers and other mentors. Thus, Ewert and Henderson argue that empowerment projects, such as *New Beginnings* and *Thandi*, do not present a radical break with the old paternalistic traditions in the wine sector. Rather they reproduce paternalistic relations by conflating the interests of workers and the farmer or management respectively (2004: 18–19). An effect of this reproduction of paternalistic relations turns out to be that the social status of the farm workers only partially improves. Fairly often they are not appreciated as fellow directors, trustees or business partners by their White counterparts, but rather still regarded as ordinary farm workers (NGO worker, personal communication, October 10, 2005). This has been reported from people with knowledge of both projects (various anonymous sources, personal communication, 2005, 2006). Furthermore, critics argue that the farmers use the empowerment projects primarily for marketing their own farms (government official, personal communication, May 31, 2006) and to financially enrich themselves (union representative, personal communication, October 26, 2005).

Discussion

Following the detailed description of the actors and the resources that were involved in the projects as well as the successes and the problems, I now explain the emergence, the operation and outcomes of the initiatives from a nodal governance perspective.⁶ First and foremost, we must pay attention to the context. Both projects could only emerge under the specific political and economic environment of post-apartheid society. The dawn of democracy in 1994 made it thinkable and doable for Black farm workers to become land

⁶ Ewert, Eva and Hamman (2006: 21) come in regard to *Thandi* to similar, even though more positive, conclusions.

and business owners. Yet, it not only became possible for Black people to do such things. The new Black dominated government and the emerging idea and practice of Black Economic Empowerment put political pressure on White people for, both, land and ownership transfer to Black people. Moreover, the increasing relevance of international supermarkets and their ethical standards in regard to production offered an incentive for wine farmers to improve the working and living conditions of their farm labourers. Additionally, the new competitive market made it necessary to stick out from the crowd of producers. In this respect the participation in the first Black empowerment projects presented one opportunity to do so. Furthermore, these projects allowed the farmers to build motivated and educated workers.

White farmers, such as Alan Nelson and Paul Clüver, realised the potential and necessity to engage in a partnership with their Black farm workers. Based on a mixture of self-interest and social responsibility (cf. Ewert et al. 2006: 21), which also met with the burgeoning neoliberal discourse, they initiated quite comparable empowerment projects with Black farm worker communities. For the farm workers, these initiatives were an opportunity to improve their bleak livelihoods and to participate meaningfully in the industry, not only as workers but as land and business owners. In addition, being Black in new South Africa meant that they could get access to resources, e.g. land grants, newly accessible to Black people because of the changed political environment. This factor also encouraged the farmers to invest in the initiatives. Under the newly Black dominated government, the White farmers could acquire symbolic capital by initiating and supporting the projects, which made it later less likely that their considerable ownership as White farmers would be questioned in a politically Black dominated society.

In order to successfully create an institutional structure for the initiatives, formal legal entities – a Communal Property Association in the case of *New Beginnings* and three trusts in the case of *Thandi* – were set up and charismatic Black brokers, who could represent the projects, were brought on board. Furthermore, the ideas of business orientation and Black empowerment mutually guided the empowerment projects. Initiatives that focused only on social responsibility would not have survived in the competitive international agricultural market (Ewert et al. 2006: 21). Hence

the combination of a sound business model with the notion of Black empowerment was another aspect for the success of the project.

This combination of the political and economic environment, a particular main actor constellation, an institutional setting, as well as specific guiding principles made it possible for the *New Beginnings* and *Thandi* to mobilise a series of actors. These actors, ranging from state agents, business actors, civil society organisations and private individuals to international organisations, had diverse motivations to support the projects. Some needed to show their willingness to support the new South Africa, others were infected by the enthusiasm of the projects, and a number of them also wanted to exploit business opportunities. Together these actors provided the resources, ranging from agricultural consultation to viticulture training, financial resources and mentorship, necessary for the nodes to accomplish their goals.

The occurrence from my own fieldwork described in the beginning of the paper adequately illustrates this amazing ability of the projects to mobilise various actors' resources. By highlighting the Black empowerment principle (rather than the business orientation) of the *New Beginnings* project, Alan Nelson, the White farmer, was able to encourage the Austrian student group as well as two NGO workers to contribute their labour for a day to the initiative. Since *New Beginnings* was behind its planting schedule, the farm workers and Alan Nelson needed some helping hands to quickly plant the vines. On this day, however, not only labour was gained. The episode was also filmed by an Austrian documentarian, a journalist of a local newspaper wrote an article on it and it was later published on the *New Beginnings* homepage. In sum, the project could mobilise a number of actors, some part of the initiative and others external to it, local and international, to obtain labour and marketing capital. However, the incident also demonstrates a major problem of these projects: the dominant role of the White farmer. It were not the *New Beginnings* workers who asked the student group and the NGO workers to help, it was Alan Nelson. And, although the invested physical labour primarily benefited the farm worker community, the publicity also substantially benefited Alan Nelson and his estate Nelson's Creek.

While both *Thandi* and *New Beginnings* show how marginalised communities in new South Africa are able to mobilise resources through projects, understood as nodes, they also demonstrate how powerful actors,

especially the White farmers, use the projects to further their interests. “If weak actors engage in governance in and through organisational nodes that others, particularly rich and powerful others, have established and work through, they will typically find themselves at a disadvantage because they will find that the agendas of others have been built into nodal processes” (Wood/Shearing 2006: 10). Agendas of the White farmers are obviously part of the nodal process, however the central questions turns out to be, how much the farm workers benefit and what significance their agendas have in the nodal process. Clearly, as has been shown, the workers have, indeed, on various levels benefited. However, at the same time their social status is ambiguous, somewhere located between worker and farmer. Certainly the strong dependency on others, first and foremost the White farmer, and hence their position as ‘dependent farmers’ remains one of the biggest challenges for them in the projects.

Conclusion

The mobilisation of actors and their resources allowed members of one of the most marginalised societal groups in South Africa, Black farm workers, to become land and business owners as well as wine farmers. In the process, these workers, additionally, acquired a series of other benefits that allowed them to improve, their otherwise often bleak, livelihoods. Considering the competitive market and the economic restructuring in the wine sector these projects appear rather astonishing. While other farm workers have to struggle to hold on to their permanent employment as farm workers and not become temporary workers, who live in shanty towns, the participants of *New Beginnings*, *Thandi* and similar initiatives could actually improve their social and economic position. But, were they empowered as the commonly used label of these initiatives, ‘empowerment projects’, suggests? It is debateable if we can talk of empowerment from an analytical point of view. The price for becoming land and business owners was an intensive partnership with and thus dependency on White farmers and other actors more powerful than them, which evokes reminiscences of paternalism. Autonomy of the Black workers was not achieved on short-term. Yet, for the near future the close integration of White farmers into the projects seems necessary to sustain the economic success. Nonetheless, the resources – such as money, land, shares, education, viticulture and business experience – which the farm workers have acquired might enable them to exit this

relationship of dependency, obtain a status of autonomy similar to White farmers and to become empowered Black farmers. However, the future outcome in this respect, of projects such as *New Beginnings* and *Thandi*, is contingent.

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Zusammenfassung

Seit dem Ende der Apartheid im Jahr 1994 ist die südafrikanische Weinindustrie sowohl von umfassenden wirtschaftlichen und politischen Transformationsprozessen als auch von Kontinuitäten mit der Geschichte der Sklaverei, der Apartheid und des Paternalismus geprägt. In diesem Kontext gehören schwarze FarmarbeiterInnen, deren Arbeitskraft die Grundlage für eine florierende landwirtschaftliche Industrie bildete, noch immer zu den am meisten marginalisierten Gruppen in der Post-Apartheidgesellschaft. Einige staatliche und nicht-staatliche AkteurInnen versuchen jedoch, die wirtschaftliche und soziale Situation von FarmarbeiterInnen in Südafrika zu verbessern. Dieser Artikel beschäftigt sich mit einem Typ von Initiativen welche dieses Ziel verfolgen. Diese so genannten Black Empowerment-Projekte basieren auf Partnerschaften zwischen weißen Farmern, Farmarbeitergemeinschaften und komplexen Netzwerken, die staatliche Einrichtungen, Nichtregierungs-organisationen, internationale Organisationen, Firmen und private Individuen umfassen. Die Mobilisierung dieser AkteurInnen und ihrer Ressourcen ermöglicht es FarmarbeiterInnen, zu LandbesitzerInnen, GeschäftseigentümerInnen und WeinbauerInnen zu werden und darüber hinaus weitere wirtschaftliche, die Ausbildung betreffende

und symbolische Vorteile zu genießen. Obwohl diese Projekte aufzeigen, wie aus marginalisierten schwarzen LandarbeiterInnen FarmerInnen werden, belegen sie auch zahlreiche Probleme – allen voran die begrenzte Unabhängigkeit der „neuen schwarzen FarmerInnen“.

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