

WIETA

Newsletter

Quarter 2 |

May 2016



*Thank
you*

We would like to express our gratitude to all of our members that attended our Annual General Meeting on 26 April 2016. We look forward to the year ahead, including the opportunities and challenges in ensuring improvement of the lives of agricultural workers.

Chairperson Address: By Mzukisi Mooi

Introduction

I wish to welcome everyone here today, as we meet you here to give feedback on our work as mandated by you as members of this Association. We meet during very interesting and profound developments in our country, both politically and economically. The dynamism playing itself out in our country and globally, propels us as an industry to be fully cognisant of these developments and the implications thereof. My address would therefore outline the broad parameters of our intervention and leave the finer details to the CEO who is duly mandated to captain.

Strategic positioning

During the last AGM we indicated that the Board will undertake a strategic planning exercise to correctly situate WIETA's work and formulate a coherent path. In 2015 the Board and staff engaged in a series of facilitated workshops to strategically look at our engagement within the South African Wine Industry ethical trading space. In carving our strategic positioning, we aptly defined Wieta as a pro-active, world class and sustainable ethical trade programme for the South African wine industry and aligned sectors. We then predicating our work on three pillars namely; improving the lives of workers, increasing market access and providing ethical product assurance. Our vision for workers in the Wine Industry is to ensure Fair treatment, respectful relationships and dignified lives toward achieving a transformed agricultural sector. This vision is underpinned by values of:

- **Commitment to change;**
- **Integrity;**
- **Making a difference;**
- **Taking the lead;**
- **Creating space to interact;**
- **Excellence in what we do.**

Sustainable Ethical Trade

Defining WIETA as a sustainable ethical trade programme propels us to think deeper on what we mean and understand by a sustainable ethical trade programme. To ask ourselves as members and leaders the pertinent questions about what we do to ensure such sustainability. One of the many, but key component of such sustainability is the positioning of the beneficiaries. Asking the question of who drives the programme and based on what principles. Amongst the many principles that prevail, I wish to highlight two; participation and ownership by the beneficiaries. The beneficiaries of our ethical trade programme should at all times be the worker. The entrepreneur/owner/business entity is expected to engage in an ethical programme primarily to advance fair treatment that is characterised by respectful relations that would promote dignified lives for the workers. Participation speaks to power and how such power is distributed within and amongst the beneficiaries of Ethical trade programmes.

We further speak about agency where the workers are strongly positioned to become active agents of change on a sustained basis. Agency refers to the fundamental capabilities and abilities of the workers to participate actively in the ethical trade processes and the associated development programmes. These are amongst the key drivers of a transformed agricultural sector and particularly the Wine Industry. However, as I have always amplified in my previous addresses, that the worker within the business is mostly found on the periphery of the ethical trade process. Recognised during the audit processes. It is important that producers and their structures and trade union officials begin to consciously internalise and respect the agency existing within our workers in this industry. What is clear now is that there is an absence of such agency which results in no meaningful participation by the workers in the Ethical programme. But even the poorest of the poor should participate in decision-making and in implementing decisions that effect their lives and their development. (...continues on next page)

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Full participation promotes dignity and self-worth of workers. It is an expression of agency which allows the workers to be participants and not merely spectators in their own Ethical trade programme and development. Participation signifies the role the workers play in the change that is sought. Unfortunately, many of the producers confuse ethical trade and the promotion of worker rights with mere compliance. There is a growing tendency to appoint consultants who uses a tick box approach which focuses more on administration rather than building relationships, communication and trust with the workers and their representatives. Our intervention is more than audits; it is a vehicle for change and transformation driven from below by workers in collaboration with management. We also have to invest in improving and/or developing more worker-friendly direct reporting mechanisms to increase our monitoring of on-site implementation.

Celebrating better practices

We also need to celebrate champions of better practices. In an auditor's report in 2015, Desmilene Minyi made an observation while conducting audits on producers in a producer cellar in the Langeberg, she engaged with three remarkable producers who take a positively different approach to worker empowerment. She further remarked that one of the producers believes that his business can only be successful if his workers understand and believe that they are a valuable and integral asset to his farm and business. This speaks to the core of Ethical Trade which endeavors to view workers as assets in the business and part of a holistic perspective rather than a single audit-focused approach. Desmilene states that another producer in the same area felt that his audit was not merely due to a request by the winery he supplies, but because he is of the view that it is the right thing to do.

These approaches give a different meaning to the dominant logic around Ethical trade and commitment thereto. They build and reinforce businesses' understanding of the meaning of commitment to ethical trade. Instilling confidence in businesses' capacity to effect change and transformation through collective actions with its workforce and their representative organisations. This places a responsibility on SA buyers in the supply chain to provide best practice guidance and support to their suppliers.

Compliance vs Commitment

Although one of Wieta's strategic objectives is increasing market access, it should not be misconstrued as allowing our producers to put commercial gain before improved worker working and living conditions. A clear bias should be towards a commitment to collective efforts aimed at improving the working and living conditions of the workers. Commitment to the Wieta code should not be limited to auditing and certification. Commitment involves on going monitoring by a collective of employers, workers and value chain stakeholders. The importance of remedial action where allegations of code violations are raised is an important part of such commitment.

Freedom of association and collective bargaining

Freedom of association still seem to be an anathema in most parts of our industry. Collective approaches for sustained change through Ethical Trade process is hampered by a willful misinterpretation of freedom of association. Many workers are still systematically denied the right to associate freely and or create endogenous structures (meaning those that are originating, developing and growing from within the workers) that will afford them the power to bargain with the requisite power. There is a growing trend to circumvent the establishment of trade union through establishing quasi workers controlled committees, which are actually remote controlled by management. It is an irony though that trade unions and producers easily find space to engage in various fora outside the workplace. Consequently, we have about 9.1% of Wieta farms unionised with 38.7% of cellars unionised.

A serious and honest debate needs to take place on how to advance Freedom of Association within the Ethical trade space. Our previous experience has highlighted the importance of ensuring producer and workers are well-informed about what's the true meaning and benefit of Freedom of Association, before any party engages on this. There seem to be a trust deficit on each other from both angles. Trust relies heavily on understanding. And understanding can be enhanced by an improvement in the quality and quantity of communication between employer and workers. At many workplaces very few procedures are in place or communicated to workers to give real effect to the principle of freedom of association.

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Strategic engagements

Wieta continues to be a strategic partner in different fora locally and abroad. We participate in local strategic platforms within the Wine Industry such as the DAFF-led Wine Industry Value Chain Roundtable; we also inputting into Producers' Wine Industry Strategic Exercise (WISE) as well as participating in formulating a Civil Society and Labour agenda to inform a Social Compact within the wine industry.

We also had various engagement with entities from abroad such as Systembolaget through roundtable discussions and Nordic Monopolies. Senior management of both WIETA and SIZA, together with representatives of Systembolaget engaged with BSCI around recognition of Wieta audits and certified producers. We are also now confronting a phenomenon where audit bodies such as BSCI introducing what they call, version 2 audits. We are once more faced with the challenge of getting codes to recognise one another. Whereas this appears as a setback on our attempts to decrease the audit load, it also presents an opportunity to collectively engage buyers on Wieta. The Wieta management has subsequently sent out a communique in this regard and the CEO may elaborate on this matter in her report.

Conclusion

Let me end by re-iterating that the relevance of our own work and contribution within the Ethical trade space (alongside audits) to better transparency and better collaboration between all stakeholder is irrefutable. We should make a conscious shift by employing collective, participatory and collaborative processes if we are serious about making Ethical trade sustainable. Collective action for greater protection of our achievements requires sector-wide collaboration of a sort never seen before. There are greater opportunities that exist out there that need collaboration. We **have** the opportunity to argue collectively in the councils of world trade if we respect the existence and roles of all stakeholder within the industry.

I wish to thank my fellow board members for allowing the space to engage meaningfully in our pursuit to develop a ethical trade culture in our industry. It is also through the tireless work and effort put into the activities of the association by the CEO and her team that has culminated in the sustained growth of our interventions, albeit the resistance encountered from some of our members. Last but not least, to thank our donors for making financial resources available to advance our work, especially the Provincial Department of Agriculture for funding projects on ethical trade and fair labour practices in the wine industry.

Thank you for taking time from your busy schedules to attend this meeting.

Financial report:

membership fees

Our increased fee structure, including membership and audit fees, was presented at the AGM and approved. The full fee structure for 2016 was sent to all of our members in May. Please contact **Dominique Olivier** at info@wieta.org.za if you would like to obtain a copy.

Audits for small producers will be quoted on the use of one auditor only which will amount to a lesser cost. Details on the cost of an audit for small producers and all other audits can be obtained from **Andrea Bredell** at andrea@wieta.org.za.

Members

1429 Producer members

1046 Audited members

875 Certified members



DO.A funded projects on ethical trade and fair labour practices in the wine industry



WIETA is grateful to the Western Cape Department of Agriculture for awarding R1 million to WIETA for a third year to further ethical trade in the Wine Industry in 2016/2017.

The funding will be used for various projects that forms part of WIETA's overall strategy towards supporting the wine industry and empowering wine and grape producers and their workers in the pursuit of ethical trading excellence on farms and in cellars over the next year. Some of the projects that we will roll out this year:

- Worker technical training in a safe and healthy environment and labour law;
- Worker organisation skills development & support;
- Supply chain training for better ethical implementation;
- Auditor training and calibration; and
- Contractor development and technical support.

If you are interested in participating in any of the programmes or would like to obtain further information, please contact **Amelia Heyns** at amelia@wieta.org.za.

WIETA ethical management online system

The WIETA ethical management online system has been live since November 2015. A notification email was sent to all of our members to verify their information on the system.

If you have not received this email, please contact **Andrea Bredell**, andrea@wieta.org.za so that your email address can be rectified in our records and you can be registered on the system.

International Engagement:

ETI Corporate members visit



**Ethical
Trading
Initiative**

Respect
for workers
worldwide

Retha Louw (SIZA), Anton Rabe (representing Fruit SA) and Linda Lipparoni (WIETA) met with the Ethical Trading Initiative (ETI) team in London in February 2016. Progress on various fronts was discussed including possible collaboration in training and other initiatives.

Some key areas of interest for the ETI team were trying to unpack some of the global initiatives such as Living Wage Campaigns and the Modern Slavery Act and its implications for UK Companies and their supply chains.

Modern Slavery? What is this?

Modern Slavery, in the United Kingdom Modern Slavery Act, is broadly defined as offences of “slavery, servitude, forced or compulsory labour or human trafficking”. These offences often involve the coercion, deception and forcing individuals into lives of servitude, abuse and unfair treatment.

UK companies have focused primarily in their supply chains and paid little attention to broader labour dynamics when they conduct due diligence and manage their risks associated with forced labour. There has also been insufficient attention to prevention and remedial strategies. There has been a shift in thinking arguing that attention to forced labour should look at the entire value chain including the flow of labour, goods and services.

Outsourcing and subcontracting has tended to cloud the distribution of responsibility and although many companies have required buyers and suppliers to adopt ethical codes of practice, the extent to which primary suppliers are able to deliver on these commitments and agree to cascade the commitment all the way down the supply chain is not clear.

How does the Act impact suppliers in South Africa?

Given the requirements by UK companies to report on the risks, remedial and mitigating factors in ensuring forced labour and modern slavery are prevented, there is likely to be more focus on ensuring remedial actions in supply chains beyond the audit. More attention will be given to the importance of freedom of association and therefore South Africa is likely to see UK buyers engaging more with trade unions and civil society groupings to understand local context in an attempt to pre-empt possible future risk.

WIETA has agreed to work close with ETI’s Knowledge and Learning Manager to develop a

communication to wine and fruit producers on what the Modern Slavery Act means and whether there are likely to be any impacts on the wine and fruit supply chains in SA.

The Global Living Wage Debate

The ETI team shared some insights on various Living Wage Campaigns around the world. There is an increasing focus on the move to pay living wages and to begin to define what this might look like in various parts of the world in differing sectors.

WIETA raised the concern around paying living wages where a fair ethical price was being paid. This is also a focus for many countries and the ETI Norway are now looking at what is termed “Decent Work Accounting”, a calculation to determine what price needs to be paid for the wine for a living wage to be affordable.

Some of the key concerns driving the global Living Wage campaign include the need to understand what is driving low wages and include:

- Understanding how business models drive cost down and distribute unfair value in the supply chain
- The absence of collective bargaining
- Inadequate minimum wage setting by governments

WIETA will certainly need to take a firm position in the Living Wage debate as our Code speaks to the requirements to “Strive to a Living Wage”. Part of this initiative in 2016 will be to assist our members to measure their continuous improvement towards attaining a living wage for their workers.

BSCI engagement

During March 2016 a communication on our engagements with BSCI was sent out to our members.

Please contact **Dominique Olivier** at info@wieta.org.za if you would like to obtain a copy.



Social & Ethical auditing

Update on review of audit documentation

We have undergone an in-depth review process of our audit documentation, i.e. WIETA Ethical Code of Best Practice, WIETA Ethical Code Benchmark and Audit Process and Methodology. Since previous communication through our newsletter, we held a technical workshop with producers, key role players in the industry and technical specialists on the WIETA health and safety requirements. Their inputs were valuable and we incorporated this into our documentation.

Version 3 of our Code and audit documentation will be communicated by end of May to all of our members and will be made available electronically on our website or can be obtained from our office. The new version will be implemented by auditors from **1 July 2016**.

Submission of Improvement plans and Corrective Actions

WIETA ensures that all improvement plans that are sent in electronically, are safely kept. To enable us to effectively review your improvement plan and evidence of corrective actions we have implemented the following procedure.

Improvement plans and evidence of all corrective actions implemented or to be implemented can be delivered to our office in hardcopy or sent electronically.

Once we have received your improvement plan and evidence we will send a confirmatory email. Please ensure that you have received confirmation or contact our office.

The following options are available:

- Improvement plans can be submitted electronically by email to correctiveactions@wieta.org.za in one email.
- If the improvement plan and evidence cannot be sent in one email, the improvement plan and evidence can be uploaded onto **Dropbox** or sent through **wetransfer**.
- Alternatively improvement plans and evidence can be uploaded onto a memory stick or CD and delivered to our office.
- Improvement plans and evidence may also be delivered in hard copy to our office.

Contact **Amelia Heyns**, amelia@wieta.org.za, if you have any questions about the process.

HOW TO UPLOAD

Dropbox

To upload documentation onto dropbox follow the following easy steps:

1. Create a Dropbox account >>> <https://www.dropbox.com/login>.
2. Click the Upload button at the top of the window.
3. A window will appear. Click the Choose File button and then select the file on your computer that you'd like to add to your Dropbox.
4. Choose as many files as you like, and then click the Start Upload button.
5. Go to your list of files and folders and select the folder you want to share by hovering the cursor over the folder's name.
6. Click Invite people to collaborate to give others access to the files in your folder and invite correctivactions@wieta.org.za.

wetransfer

To upload documentation onto wetransfer follow the following easy steps:

1. Go to wetransfer.com.
2. Click on the + sign and add the files you want to send.
3. Type in the email address, **corrective-actions@wieta.org.za**, you're sending the files to.
4. Now type in your own email address.
5. Write the name of your company/member name and the farms which was audited.