

MBUSO NKOSI

STUDENT NUMBER: 319205

ETHICS PROTOCOL NUMBER: CECON/1012

**RESEARCH TOPIC:
DECENT WORK AND ECONOMIC DEVELOPMENT?
A CASE STUDY OF HORTICULTURE IN GAUTENG**

**SUPERVISORS:
NICOLAS PONS-VIGNON
PROF. EDWARD WEBSTER (co-supervisor)**

A research report submitted to the Faculty of Commerce, University of the Witwatersrand, Johannesburg, in partial fulfillment of the requirements for the degree of Master of Commerce in Development Theory and Policy.

Johannesburg, 2013.

DECLARATION

I declare that this research report is my own unaided work. It is submitted for the degree of Master of Commerce at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination in any other university.

Mbuso Nkosi (319205)

_____ of February 2013

Contents

ACKNOWLEDGMENTS.....	iv
ABSTRACT.....	vi
ABBREVIATIONS	vii
CHAPTER 1: INTRODUCTION.....	1
CHAPTER 2: RECONCEPTUALISING DECENT WORK.....	4
2.1 THEORETICAL APPROACH	4
2.2 RESEARCH QUESTION	7
CHAPTER 3: THE STURCUTRE OF COMMERCIAL AGRICULTURE IN GAUTENG AND RESEARCH METHODOLOGY	12
3.1 THE DECLINE OF THE NFPM AND THE RISE OF THE RETAIL SECTOR.....	12
3.2 THE STRUCTURE OF COMMERCIAL AGRICULTURE IN GAUTENG	18
3.2.1 Size of Agricultural Land in Gauteng.....	18
3.2.1.1 The number of farms and municipal activity in Gauteng.....	18
3.2.1.2 Gross farming income in Gauteng based on the census of commercial agriculture, 2007	19
3.2.2 Agricultural Trade in Gauteng	21
3.3 EMPLOYMENT TRENDS IN COMMERCIAL FARMING	22
3.4 RESEARCH METHODOLOGY	23
3.5 ETHICS	26
CHAPTER 4: FARMERS' PERSPECTIVES ON PRODUCTION, MARKETING AND WORKING CONDITIONS.....	27
4.1 RESEARCH FINDINGS.....	27
4.1.1 Production Calendar.....	27
4.1.2 Employment Creation versus Decent Work	31
4.1.3 'I am Following the Law Within Reason': Changes in Paternalism in Gauteng	36
CHAPTER 5: CONCLUSION – CAN THIS DILEMMA BE SOLVED?	40
REFERENCES.....	44
INTERVIEWS WITH FARMERS + PARTICIPANT OBSERVATION	48

ACKNOWLEDGMENTS

I dedicate this report to my family: my late grandmother Sithandwa Mary Nkosi and grandfather Aaron Nkosi. It is through their resilience and love for me that I had the courage to do anything in life. It is sad that they never had a chance to see that sobbing child become a man!

To my mother Didi Thokozane Besta Nkosi, the first philosopher, who tutored me, ensured that I was loved, received a good education, and was protected in every struggle. Uthando lwakho luyangiqinisa mihlanamalanga...Anginalo uvalo!

To my brothers and sisters: Lebogang, Philani, Nokuphiwe, Tumelo, Zanele, Keke, Siyabonga, Nonhle, Mbali, and little Nkosi. I hope to make you proud one day.

To my uncles: Linda, Lungi, Mgcina, Funky, Zephania, and Thogwane. You see I did go deep into it. My favourite aunt in the world: Ntombikayise Currien Nkosi. Lena yimpi yempilo engapheli kodwa sizoyinqoba.

To my friend and comrade Simphiwe Johannes Msibi; I will never forget those dark nights in SOWETO listening to hip hop music.

To Nokulunga Mntambo who has made a lot of things easier for me. May we continue to grow strong!

I extend my appreciation to my supervisor Nicolas Pons-Vignon. His enthusiasm and love for knowledge inspires me.

I am eternally grateful to my mentor and co-supervisor Prof. Edward Webster who played a very critical role in my work; this would not be possible without his guidance and patience.

To the research team at SWOP: Karl von Holdt, Kayaat Fakier, Crispen, Aatiyah Loonat, Mondli Hadebe, Abnavien King, Shameen Govender, and Katherine Joynt; thank you for the support.

During my first days on the field it was Thabang Sefalafala (SWOP) who was always with me in those isolated areas in Gauteng, he shared with me my frustration and hunger for knowledge, thank you.

To the CSID staff that provided a lively academic space for us, my sincere gratitude: Rex McKenzie, Seeraj Mohamed, Firoz Khan, Sajida Durwan, and Louise Honnet.

To my classmates: Uyabongeka Walaza, Fatsani Banda, Mathophane Mashe, Malose Letswalo, Sipho Maluleke, Thabo Chauke, Gerald Mfenghi, Moses Metileni, Leonard Lamola, and the late James Theledi (may his soul rest in peace). It was in those afternoon seminars and long debates that I got to question a number of things I thought I knew and learnt a lot from you.

To my friends: Jojo Radebe, Sizwe Mbatha, Vuyelwe Nqobo, Thandeka Mbonani, Macdonald Chauke, Polite Chauke, Sphelele Vilakazi, Neilwe Mashigo, Mncedisi Mvelasi, Nhlanhla Nkobi, Nompumelelo Melaphi, Sandile Chonco, Robert Mopp and Thomas Selemane. It has been through their continuous encouragement and support that I surpassed every obstacle, this research report attests to that!

The research project had begun to have a life of its own outside me, threatening to crush me, a true description of Marx's concept of alienation. Flesh may have been destroyed but God preserved my spirit!

Without the aid of the research participants there would be no research paper and I would have not acquired the knowledge I have today.

I thank you all!!!

ABSTRACT

The purpose of this research is to look at the application of decent work in the horticultural sector in Gauteng. It was inspired by the fact that the New Growth Path (NGP) was the first policy post-1994 that articulated the promotion of decent work in agriculture. I focus on the debates of decent work policy in South Africa and about the possibilities of a high road (decent work) and a low road (labour market flexibility). I used the horticultural sector in Gauteng as a case study to understand the pressures farmers face and how this affects the working conditions of workers and the development of the province. In this paper I question the practicality of the decent work strategy given the changes in the state involvement in agriculture, such as relinquishing marketing boards, reduction of aid to farmers, trade liberalization, and the shedding of jobs in agriculture. The findings of this research indicate that given the pressures farmers face in supplying retailers and the National Fresh Produce Markets (NFPM), the only input they can cut on is labour. The farmers argue that they are for employment creation but they favour the low road and if the workers complain about the working conditions they will either mechanize production or hire unregistered foreign migrants who have less bargaining power. I suggest that it is the work of Ben Selwyn (2012) that can help us link decent work with an alternative ‘high road’ development path. Selwyn (2012) focuses on exporting horticultural farms in Brazil’s São Francisco Valley (SFV) and argues that because of the pressures farmers face in ensuring they upgrade their production and supply to the United Kingdom (UK) retailers all year round, they needed a permanent labour force which both understood its structural power and had associational power. The importance about Selwyn’s approach is that it does not see labour as a cost to development, but as an active agent in the developmental process.

ABBREVIATIONS

BFAP	Bureau for Food and Agricultural Policy
CoJ	City of Johannesburg
ECARP	Eastern Cape Agricultural Research Project
ESTA	Extension of Security of Tenure
EUREGAP	Euro-Retailer Produce Working Group for the Development of Good Agricultural Practices
EUREP	Euro-Retailer Produce Working Group
GADS	Gauteng Agricultural Development Strategy
GCC	Global Commodity Chain
GDP	Gross Domestic Product
HACCP	Hazard Analysis and Critical Control Point
HSRC	Human Science Research Press
ILO	International Labour Organization
IMF	International Monetary Fund
LRAD	Land Redistribution for Agricultural Development
NALEDI	National Labour Economic Development Institute
NAMC	National Agricultural Marketing Council
NFPM	National Fresh Produce Markets
NGP	National Growth Path
PLASS	Programme for Land and Agrarian Studies
R&D	Research and Development
SAIRR	South African Institute of Race Relations
SFV	São Francisco Valley
STR	Sindicato de Trabalhadores Rurais – Rural Workers’ Union
UK	United Kingdom
USA	United States of America
WST	World System Theory

CHAPTER 1: INTRODUCTION

The New Growth Path (NGP) adopted by the South African government identifies the creation of decent work¹ as a central objective of its new economic policy (Ministry of Economic Development, 2010). The NGP aims to support employment creation in six sectors, one being the agricultural value chain. Webster (2011) and Godfrey (2012) question how working conditions can be improved in an epoch of labour-market flexibility fostered by neoliberal policies? This question taps into the crux of the debates of the South African labour markets, a debate centred on the high road vs. the low road (Webster, 2012). The high road being the decent work agenda and the low road being the creation of ‘bad jobs’ through labour market flexibility (*ibid.*). Webster (2012) argues that this is the dilemma facing economic development in South Africa. The fundamental question is ‘which way to go?’ The NGP seems to be speaking of the high road, but I ask: how feasible is this? To understand the dilemma facing economic development, I will only be focusing on the interviews with farmers in this paper.

However, I do not deal directly with the question of the farmworkers’ future according to their point of view, but I focus on the farmer to understand his views about the future of farming and the future of his/her workforce. Which labour market structures the farmer favours; why these structures are in place? In so doing I open a window for the question of how workers can strategically place their concerns in this future. In this paper I build on my earlier work in which we did research in Gauteng focusing on a survey of 600 farmworkers² and we used the nine

¹ The NGP’s objective is to facilitate the creation of five million jobs by 2020 and the six sectors identified are seen as crucial in realizing the target. The NGP uses the International Labour Organization’s (ILO) definition of decent work: the availability of opportunities to do work that delivers a fair income, security in the workplace, social protection, and freedom for workers to express their concerns and collectively participate in decisions that affect their lives at work (ILO, 1999). The ILO later decided to develop nine decent work indicators to quantify decent work: employment opportunities; adequate earnings and productive work; decent hours; stability and security at work; balancing work and family life; equal opportunity and treatment in employment; safe work environment; social protection; social dialogue and worker representation (Webster, 2011). These indicators are measured using quantitative methods. Decent work is rooted in a Keynesian argument based on the idea that there is a need to make the economic growth process more inclusive and wage-led employment creation. This means that by paying workers a better wage allows for stable economic expansion and an increase in the home market (Gosh, 2010; Lerche, 2012).

² In the survey of 600 workers, nearly one out in four respondents (19%) worked in the horticultural sector. We also conducted interviews with two trade union organizers from the Food and Allied Workers Union (FAWU) who spoke about the problems they encountered in organizing farmworkers. We argued that Sikhula Sonke (a trade union for women workers) is an ideal model of a farmworkers union; it organizes casual and seasonal workers and goes beyond the traditional model of organizing workers (which relies on accessing farmworkers on the farmer’s property). Sikhula Sonke addresses issues like paid maternity leave, evictions, identity document attainment,

decent work indicators to measure decent work in this sector. We found that the agricultural sector in Gauteng is following the low road (decent work deficit) and if workers tried to talk to the farmer about their working conditions they were shown the ‘gate’, a metaphor of the tight boundaries through which employers exercise their power over the entry and exit of employees to their private property (see Webster and Nkosi, 2013). The sectors the survey dealt with were: livestock, fieldcrops, horticulture, and mixed farming. The summary of the findings are indicated in Table 1:

Table 1: Summary of findings

Decent Work Indicator	Evidence on Horticulture Farms
1. Stability & Security	29% have a written contract 44% have no dismissal procedure
2. Earnings	50% of workers earn below the minimum wage of R1,300 Women earn 20% less than men in all sectors
3. Working hours	Above 50% work over 45 hours a week in all sectors
4. Work, family, life balance	72% of all horticultural workers cannot refuse overtime and the long hours impact negatively on family life
5. Social protection	16% get paid maternity leave 1% have medical aid 11% belong to a pension or provident fund
6. Social dialogue	4% are unionized in horticulture and the total in all sectors is 3% unionization

Source: Webster and Nkosi, 2013:24.

The problem with my earlier research was that it saw the achievement of decent work as a result of progressive state policy shift. In this paper I anchor my argument in Ben Selwyn’s (2012) work that focuses on horticultural farms in Brazil’s São Francisco Valley (SFV). In doing so, I try to understand the social relations that emerge in this sector, focusing on how the labour process is structured, and understanding the production calendar of the farmers. In this way, I use Selwyn’s (2012) analysis try to understand the workers’ structural and associational power and

alcoholism in the Western Cape, gender inequality, healthcare, school fees, uniforms, etc. (Ndungu, 2012; Scully, 2012; NALEDI, 2011; White, 2011).

how this can contribute to the development of the Gauteng's horticultural sector. Selwyn's (2012) analysis of capital-labour relations and the usage of the distinction between workers' structural power and associational power is not a new form of theoretical analysis, it builds from the theoretical work of Erik Olin Wright (2000) on *Working-class power, capitalist-class interests, and class compromise* and also from the work of Silver (2003) who divided Wright's concept of structural power into two sub categories, namely: market place bargaining power and workplace bargaining power. Thus, this approach will help in shedding some light into my research topic: 'How can we link decent work and economic development?' Selwyn's (2012) approach does not see economic development as a result of a win-win situation, i.e. as the state adopts policies that favour farmworkers there will be development which means more profit for farmers. Therefore the approach by Selwyn (2012) goes beyond the high road versus the low road debate and it analyses economic development within the ambit of class struggle.

In this paper I focus on horticultural farms in Gauteng, South Africa because they are mostly labour intensive, are capable of providing jobs if production is increased, and are exploitative (Bureau for Food and Agricultural Policy/BFAP, 2012). This interest has been heightened especially after the recent farmworkers unrest over the minimum wages and living conditions in the Western Cape.³ I use the Gauteng horticultural sector as a case study to understand, what capital-labour relations can tell us about the development trajectory of this region and how we can link decent work and economic development.

³ I will show that the Selwyn (2012) approach of class analysis to development captures the contestation on farms and is able to provide alternatives that favour workers and leads to agricultural development. The Western Cape horticultural strikes started in the De Doorns region and spread to other parts of the province. Farmworkers in this region wanted their working and living conditions improved; arguing for an increase of R150 a day. This forced the Department of Labour to argue that it will have to revisit the Sectoral Determination (see Phakathi, 2012). What is interesting about this case is that workers began striking during the harvest season, showing their structural power in production (as I will show using Selwyn (2012) in the Theoretical Approach, in Chapter 2) and also what Chun (2009) calls the symbolic power of workers, i.e. they made their plight visible in the public domain by marching in the streets of the Western Cape and burning vineyards.

CHAPTER 2: RECONCEPTUALISING DECENT WORK

2.1 THEORETICAL APPROACH

In the book *Workers, State and Development in Brazil: Power of Labour, Chains of Value*, Ben Selwyn (2012) uses the Global Commodity Chain (GCC) approach in investigating how capital-labour relations (grounded on a Marxian class analysis) impact on an emerging regions' development process. His hypothesis is that:

...the nature of capital-labour relations is a fundamental determinant of a region's (and by extension a state's and the entire globe's) developmental trajectory. If workers are able to organize successfully and, through class struggles, achieve meaningful concessions from capital, a region's developmental process will be very different to that where workers are unorganized and completely subordinated to the dictates of firms' accumulation strategies. (Selwyn, 2012:1)

Selwyn (*ibid.*) starts by problematizing how the GCC approach grounded in the World System Theory (WST) theorized by Wallerstein and later through a Schumpeterian conception of innovation and upgrading has influenced lead firms in relocating their production processes to the Global South in search for cheap highly exploited labour. He also shows that because of this approach, the WST argues that this economic pattern between the core and the periphery (North and South) continues to reproduce uneven development with the North dominating the South. The GCC was later revised by Gerreffi and Korzeniewicz's, whereby the 'north-south inequalities ... were almost immediately dropped in favour of an increasingly policy-based approach concerned with facilitating upgrading' (Selwyn, 2012:14–17; Bair, 2005). Thus, the argument by the latter GCC approach has been a 'trickle-down' process of economic growth, based on the argument that the process of upgrading will lead to spillover effects for the wider economy contributing to increased employment, better working conditions, and local development (Selwyn, 2012:5–17). Selwyn (2012:5) argues 'in such interpretations labour has no role in determining processes and outcomes of global integration and development'. Therefore labour in this firm-centrism argument is 'portrayed as subject to firm's strategies of

cost-price rationalization, which are in turn a function of the suppliers subordination to northern lead firms' (Selwyn, 2012:27). His conclusion is that in this analysis labour is invisible in the process of development (see Selwyn 2007; 2011; 2012).

Moving from the above argument, Selwyn (2007; 2012) focuses on Northeast Brazil's (São Francisco) horticulture sector and the class relations that developed in this sector. Selwyn (2012:49) gives a historical timeline of development in this region, which was 'synonymous with drought, poverty and widespread misery'. Prior to SFV horticulture sector, the dominant economic activities in this region were cattle ranching, artisan fishing, food-plain agriculture and the system of sharecropping (Selwyn, 2012). The valley in 2008 accounted for over 90% of the Brazilian grape exports and it was able to do this because the producers organized production to take advantage of periods of low supply in Europe (Selwyn, 2012). Selwyn (2007; 2012) argues that this transformation in the valley would not be possible without state intervention, the role of European retailers, and the role of labour, and private investors. He starts by showing that the state between the 1960s and 1970s started participating in the agricultural sector to ensure food security by providing training to *colonos* (small-scale family farmers) in the production of basic food crops. From the 1970s to mid-1990s it shifted from small-scale to medium- and large-scale farmers who moved to horticultural production (grapes) and state-formed private and public partnerships amongst others. This development occurred in the epoch of the rise of what GCC scholars term the Global Retail Revolution (Selwyn, 2012). This revolution speaks to the transformation of the UK and mainland European retail sectors, 'in particular processes of market concentration, enhanced buyer power, global sourcing, and increased intra-supplier competition' (Selwyn, 2012:43). The literature refers to this as a buyer-driven value chain (Tallontire et al., 2005).

The retail revolution was accompanied by the insistence on food quality standards, which include Hazard Analysis and Critical Control Point (HACCP) of packing houses (*ibid.*). With HACCP '[f]arms must be able to demonstrate at least annually to third-party monitors (contracted by buyers) that they have monitored all aspects of production in packing houses where a critical control point exists' (*ibid.*:47). There is also the Euro-Retail Produce Working Group for the Development of Good Agricultural Practices (EUREGAP) established in 1997 as an initiative of

UK retailers belonging to the Euro-Retailer Produce Working Group (EUREP), which focuses on good agricultural practices such as traceability, record keeping, soil management, registered pesticide usage, site management, waste management, worker health-safety and welfare (*ibid.*). A number of scholars interested in improving the working conditions of workers have concentrated on exposing employers for not abiding by these standards (see Dolan and Humphrey, 2000; Tallontire et al., 2005). As I will show Selwyn's approach is different from such studies.

Selwyn (2012) goes on to show that small-scale farmers (*colonos*) have failed to supply or to tap into the export market because of the inadequacy in their technical processes (i.e. having access to proper irrigation schemes, lack of fertilizers, agronomist, tight production calendars, etc.). Thus, his work focuses on large-scale farmers who have been able to upgrade and supply to the export market. Drawing from Wright's (2000) concepts, Selwyn (2007; 2012) uses the concept of workers' structural and associational power to show how workers in the large grape farms in this region were able to maintain high wages and permanent employment. This was due to large commercial farmers, who were exporting, being subject to quality pressures from retailers in Europe and they needed a permanent workforce that was trained and possessed the required skills to meet the demands of the retailers. This need for a permanent workforce is also a result of the farmers producing all year round, meaning that they follow a tight production calendar (Selwyn, 2007; 2012). This gave workers structural or marketplace bargaining power (requirements of their skills by employers) and their diligence in the process gave them workplace bargaining power (Silver, 2003; Selwyn, 2007; 2012). The workers' structural power meant they could disrupt production if they were not satisfied with the working conditions in this sector and employers could not afford to allow this given strict delivery requirements from the retailers. Selwyn (2007; 2012) goes on to show that the structural power meant nothing if it was not linked with associational power, which is the power to join a union. According to Selwyn (2007; 2012) the STR (Sindicato de Trabalhadores Rurais – Rural Workers' Union) began successfully organizing in the 1970s, through staging strikes and blocking roads and farm entrances. The employers began to recognize the power of this union and it played a crucial role in ensuring there is a collective bargaining system, promotion of workers' rights, participation of women in the union, maternity leave for women, formation of crèches, and raising wages of

farmworkers in this sector (10% more than the minimum wage), a ban on unregistered labour, health and safety measures, and closed contracts with specified overtime remuneration (Selwyn, 2007; 2012).

Selwyn (2007; 2012) indicates that farmers by retaining skilled permanent labourers were able to benefit from high productivity and meet their retailer's demands abroad and also upgrade to more sophisticated processing. Despite the introduction of scientific management and mechanization in the horticultural sector there has been less shedding of jobs in this sector, this is because grape production is labour intensive and requires a skilled permanent workforce (Selwyn, 2007; 2012). Although the STR has been able to be dominant because of the *Unicidade Sindical*, which is a system of union monopoly whereby workers of a single category within a certain territory or municipality are represented by a single union, the STR gains are limited as it is only able to organize permanent workers and not seasonal workers who are mostly employed by small farmers (*colonos*) (Selwyn, 2012). As Selwyn concludes:

If the STR were to overcome this internal contradiction and find innovative ways of organizing the valley's wage labour force (which do not have the same degree of structural power as workers in the export grape sector), then the positive developmental impacts of its actions and achievements to date could be extended more widely across the valley. The challenge for the STR and the valley's wage labour force (both registered and non-registered) is to find new modes of representation, organization and mobilization. (2012:178)

2.2 RESEARCH QUESTION

My focus on the NGP is on its application in agriculture, particularly horticulture as one of the sectors that the government has committed itself to and I ask whether the application of decent work in this sector is a viable strategy. In asking this question about the viability of the government strategy, I am taking into consideration the changes that have happened in commercial agriculture in South Africa. During segregation and apartheid the state intervened extensively in agriculture and food production (Roberts, 2011). Marketing Boards controlled the marketing and prices for almost every agricultural product and subsidized finance was allocated to farmers through the state-owned Land Bank (*ibid.*). However, in the late 1960s, the state had

already begun to decrease its support to commercial agriculture and Marketing Boards. At the same time employment in agriculture was declining (Naidoo, 2011). In 1996, two years after the democratic elections, the government ‘went about removing state regulations and continuing the liberalization which had been started under the former regime’ (Roberts, 2011:1). The Marketing Boards were relinquished through the passing of the Marketing of Agricultural Products Act, 47 of 1996 (*ibid.*). During the years of state intervention in agriculture, employers relied on permanent workers who lived on the farms, but now employers rely on seasonal and temporary workers, thus changing the nature of the employment conditions in the sector reflect the changes in agriculture from intervention to non-intervention (Pons-Vignon and Anseeuw, 2009).

After the aforementioned changes, the government tried to pass labour laws that would protect farmworkers (Du Toit and Ally, 2003; Naidoo, 2011; Pons-Vignon and Anseeuw, 2009). As Du Toit and Ally (2003:5) argue ‘[t]he intention of labour law reform was to take agricultural labour relations out of the 19th century, while deregulation was meant to remove the “policy distortions” that had led to overmechanisation and underemployment’. The contradictions are clear, first the government liberalized, then the farmers hired casual and seasonal workers, and began mechanizing.⁴ Despite this change, the government argues for a promotion of a decent work agenda in agriculture. Godfrey (2012:4) argues that an improvement in working conditions using the decent work indicators will generally increase labour costs to the employer and this ‘can force a reduction in work opportunities, unless the increase in labour costs is matched by a productivity increase. Furthermore, even if there is a productivity increase work opportunities will probably still decline if there is not an increase in market share’. This contradiction taps into the crux of the debates centred on the high road (decent work agenda) versus the low road (the creation of ‘bad jobs’ through labour-market flexibility) (Webster, 2012) of the South African labour markets. The fundamental question is ‘which way to go?’ The NGP seems to be speaking of the high road, but as I ask: ‘how feasible is this?’

There are two narratives in South Africa, which criticize the concept of decent work. The first is from the neoclassical or neoliberal school of thought, which sees decent work ‘as an obstacle to

⁴ Sender (2012:6) shows that ‘there appears to have been no growth at all in the total area equipped for irrigation over the last two decades and the ratio of the total area equipped for irrigation to the total area cultivated remains below 10 percent, compared to an Asian average of about 34 percent’.

competitiveness in the age of globalization' (Webster, 2012:6). The proponents of this view argue that the future for job creation in South Africa lies in the informal economy or in a less rigid labour market system. If the South African government focuses on decent work, it is argued, the realization of job creation will be thwarted for this will create a rigid labour market of a 9am to 5pm jobs that are protected (Webster, 2012). The neoliberal or neoclassical school argument is that every employee should be free to sell his or her services for whatever wage he or she can obtain (Barker, 2007:109). This school of thought argues that it is also interested in job creation, but job creation should be the task of the unregulated market not state intervention in the market to promote workers' rights (Barchiesi, 2011). This argument is also supported by the International Monetary Fund (IMF) research:

Labo[u]r market institutions that are designed to guarantee a minimum standard of pay and benefits may instead affect the operation of labo[u]r markets in ways that harm workers' interests. While regulations – such as minimum wage laws, centrally-mandated wage changes, and benefits unrelated to individuals' productivity – are sometimes intended to correct market imperfections, they create wedges between market conditions and wages, and may impede the efficient allocation of labo[u]r by muting the response of wages to gaps between the supply of job-seekers and available vacancies (Estevão and Filho, 2012:3).

The second critique comes from a radical school of thought with writers like Barchiesi (2011) suggesting that wage labour in South Africa has failed to eradicate poverty. Instead post-apartheid development has led to the rise of the working poor who have been employed in atypical employment (Barchiesi, 2009; 2011; 2012). To Barchiesi (2011) decent work in this context (of informalization, atypical, and precarious work) is for a shrinking minority and this is primarily a result of global capitalism. Barchiesi (2012) argues that the struggle in this epoch of neoliberal hegemony cannot be reduced to the erosion of stable jobs with benefits and the proliferation of insecure occupations. To Barchiesi (2011; 2012) class struggle is nullified when one speaks of job creation or decent work for it renders workers captive to the hegemony of capital. Therefore given the aforementioned debates, is there a space open, whereby we can ask whether decent work is a viable strategy or is the government's policy commitment to decent work mere rhetoric? These questions may not be entirely answered in this paper, but the answers will come to the fore as time progresses.

However, given the aforementioned dilemma my interest in the horticultural sector will be on the views of the farmers, which route do they favour most and why? Using a Selwyn (2012) approach my argument is that the decent work agenda should be understood within the struggles of the working class; the achievement of decent work in this sector will be a reflection of gains won by the working class (farmworkers) only if they are able to organize successfully in a trade that represents their interests (associational power) and understand their position in the labour process (structural power). However, this power should be understood within the production process: what are the challenges faced by farmers, how have they structured the labour process, and what are the possibilities for upgrading horticulture to give workers greater leverage to bargain with the employer? Such a strategy does not see labour as a cost, but as an active agent in economic development. The problems with the decent work debate when applied to the agricultural sector are: firstly, in agriculture we are not dealing with an industrial worker who is subject to economic coercion, but with a worker who is subject to both economic coercion mediated by the labour market and extra forms of coercion mediated by historical and political factors (in the form of feudal paternalistic relations);⁵ secondly, there is this implicit assumption that the promotion of decent work or the high road will be a result of the benevolence of the employer (farmer) or the result of progressive state policy. Hence, the usage of workers bargaining power in this paper is important because it shows how and when a policy can be won in a way that benefits workers.

The approach by Selwyn is important because it takes into consideration that in agriculture we are not dealing with an industrial worker and economic development occurs within the ambit of class struggle. Thus, this approach does not see low road versus high road, but argues that we need to understand the nature of capital-labour relations to understand the trajectory of a region's development. The struggle of farmworkers for better wages in Brazil was not as a result of state

⁵ This is an indication of how the South African agricultural sector is highly uneven with an advanced and developed commercial sector existing side by side with a subsistence sector located in the ex-Bantustans. This 'dualism' is the result of a process of primitive accumulation, which was a result of segregation laws like the 1913 and 1936 Land Acts, whereby the indigenous populations were dispossessed of their land to become wage labourers (Wolpe, 1972; Legassick, 1974; Morris, 1976; Cousins, 2006). This history has also brought about paternalistic relations. Paternalism in agriculture with its slave and master relations has not vanished, as Du Toit and Ally (2003) show that payment in kind, the 'tot' or 'dop' system, still persists on the Western Cape farms where the farmer pays workers using surplus wine which had little commercial value.

policy, but of a strong trade union (STR), which was able to articulate the class interests of horticultural workers in this region.

CHAPTER 3: THE STRUCTURE OF COMMERCIAL AGRICULTURE IN GAUTENG AND RESEARCH METHODOLOGY

3.1 THE DECLINE OF THE NFPM AND THE RISE OF THE RETAIL SECTOR

In this section I aim to show that the rise of the retail sector in the North that Selwyn mentions is parallel to that of the rise of the retail sector in South Africa and the decline of the NFPM. The fresh produce markets were created as a space whereby producers and consumers could trade under the control of a government body (Chikazunga et al., 2008). However, in 1967, the Department of Agricultural Economics recommended that there be a formation of national markets to separate markets of national and local interest (*ibid.*). ‘Fresh produce markets include National Fresh Produce Markets (NFPM) as well as privately owned markets not controlled in terms of bylaws’ (*ibid.*). The focus in this section will be on the NFPM that are controlled by government/bylaws. There are four large NFPMs in South Africa, namely: Durban, Johannesburg, Cape Town and Pretoria (Chikazunga et al., 2008; Euromonitor International, 2010). ‘The four medium markets include Bloemfontein, East London, Pietmaritzburg and Port Elizabeth, and the six smaller markets are Kimberly, Klersdorp, Springs, Uitenhage, Vereeniging and Welkom’ (*ibid.*:2). Respective local authorities manage the large majority of the markets. The products sold at the NFPMs are mostly fresh fruit and vegetables.

The aim of the NFPM is to establish equal trade opportunities for both large-scale and small-scale farmers (*ibid.*). Therefore, the NFPMs have created a space for small-scale farmers to find a market and sell their product easily ‘... as the barriers to entry into the market would otherwise be near impossible, as large corporate buyers and marketing agents are not interested in procuring small fluctuating quantities and/or varying quality fresh produce from these smallholders’ (*ibid.*:2). However, ‘[l]arge scale commercial farmers still dominate the majority of the supply to the NFPMs with between 80 and 90 percent while small scale producers supply the remaining variable volumes’ (*ibid.*:2). This reflects the problems that are faced by small-

scale farmers who lack transportation (refrigerated trucks), ‘inadequate production equipment (e.g. tractors and ploughs) and infrastructure (e.g. irrigation)’ (Chikazunga and Paradza, 2012).⁶

How do the NFPMs function and how are they structured? The NFPMs use a system of a ‘marketing floor’ in which farmers or producers pay 5% to the NFMP market management and 5% to 7,5% to the market agents who sell the produce on the market floor (Interview, Johannesburg NFPM Consignment Control Process Manager, 04/05/2012). The prices are set by a system of supply and demand (the market system), if there is an oversupply then farmers get a low price for their produce but if there is undersupply, farmers get a good price for their produce (*ibid.*; Interview, Johan*, 22/11/2012). The core of this supply and demand price system is a;

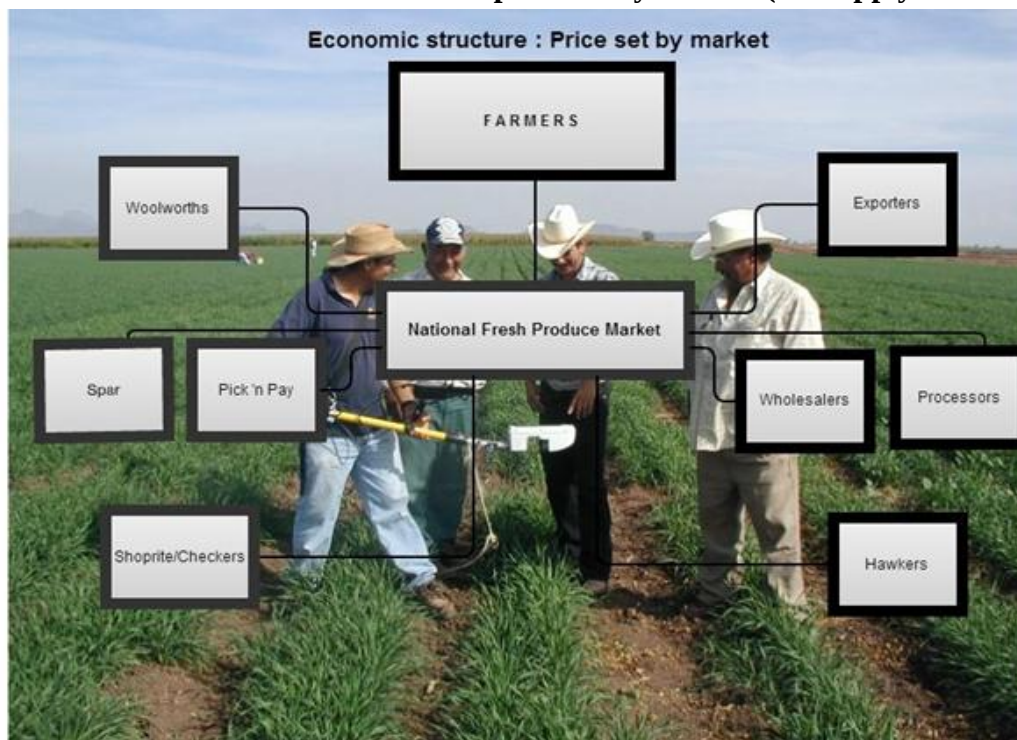
good relationship between the farmer and the marketing agent... the agent has to constantly call his farmers and alert them about the price changes. This involves understanding the periods in which certain produce are undersupplied or oversupplied... if they fail to do this, large amounts of produce may return to the farmer unsold or rotten, then dumped... (Interview, farmers and Johannesburg NFPM Consignment Control Process Manager, 04/05/2012)

The NFPMs do not only sell produce in bulk, but they also cater for individual purchases (Chikazunga et al., 2008). The NFPMs cater for the following buyers: the exporters (mostly from Southern African countries), processors, hawkers (sometimes given a small space in the market, for example the Mandela market in Johannesburg NFPM that sells mostly to individuals), Woolworths, Spar, Pick n Pay, and Shoprite/Checkers (Interview, Johannesburg NFPM Consignment Control Process Manager, 04/05/2012). The flow of produce starts from the farmer to NFPMs (through the relationship between marketing agent and farmer), and then to the different buyers (see Illustration 1). As much as the price in this system is set by supply and demand, the farmer still has control in terms of setting the price of his/her goods before they enter the marketing floor system, the price fluctuates depending on the number of produce the

⁶ Research by Euromonitor International (2010:1) shows that: ‘The main national fresh produce markets in South Africa are the Johannesburg, Tshwane, Cape Town and Durban markets. These four markets accounted for about 75% of the total turnover of all 18 national markets in 2006. The Johannesburg FPM was the largest, with a 35% market share in terms of turnover and a 32% market share in terms of volume handled. 6.1% of the market share is made up 8 much smaller national markets with very small contributions to the overall turnover of the fresh produce market.’

marketing agent has procured from different farmers (Interview, Johannesburg NFPM Consignment Control Process Manager, 04/05/2012; Interview, Johan*, 22/11/2012). In terms of the four dominant retailers mentioned above, they have been procuring less of their produce from the NFPMs over the years because of concerns related to a lack of cold chain maintenance in the NFPMs, and the adaptation of internationally recognized food quality standards (Bienabe and Vermeulen, 2007). Hence, the retailers procure as little as 10% from the NFPM and these are mainly produce like potatoes and onions (*ibid.*). With retailers procuring less produce from the NFPM this means that demand has been reduced on the market floor.

Illustration 1: Economic structure of NFPM-price set by market (i.e. supply-demand)



Source: Fieldwork, interview with farmers and Johannesburg NFPM Consignment Control Process Manager

Today, 'South Africa food markets are estimated to be worth over R200 billion, with the fresh produce sector commanding a 15% share' (Chikazunga and Paradza, 2012:1). The four retail chains, namely: Shoprite/Checkers, Pick n Pay, Spar and Woolworths are described as oligopolistic entities with growing market power (Weatherspoon and Reardon, 2003; Chikazunga and Paradza, 2012; Kirsten, 2009). 'Market power refers to the ability to raise

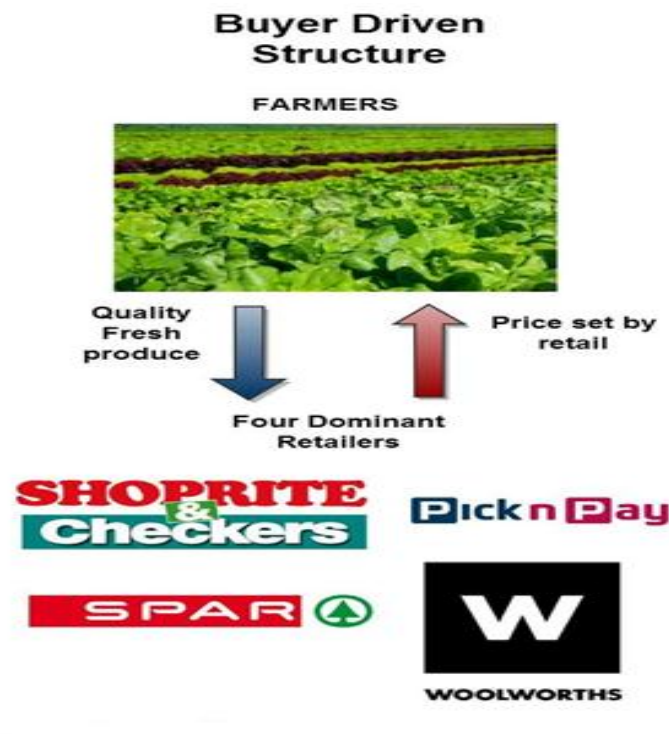
selling prices and depress input prices, to deter entry, to redistribute profit to oneself, from other firms and more importantly to sustain these benefits over time' (Kirsten, 2009:5). This market power reflects the changing procurement styles of these retailers from apartheid to post-apartheid (Weatherspoon and Reardon, 2003; Stroebel, 2010). Shoprite/Checkers is the leader of the four retailers, it owns about 36% of the formal food markets followed by Pick n Par and Spar with 28 and Woolworths Food which targets the wealthiest South African consumers with a share of 8% (Naidoo, 2011). Weatherspoon and Reardon (*ibid*) argue that the growth of these retailers shows similarities with the growth of retailers in the UK, US, and Latin America and I will also show why they made such an argument.

The four retailers have different procurement strategies; they may use direct distribution through their direct distribution centres or use direct contracts with farmers (*ibid.*). Therefore this is a reflection of a centralized procurement scheme that is mostly adopted by retailers in the world (*ibid.*; Kirsten, 2009). The four retailers' procurement strategy is also based on the 'Preferred Suppliers' which places emphasis on quality fresh produce, consistency of supply, adherence to prices set by the retailers, and safety standards as part of the criteria (Weatherspoon and Reardon, 2003; Kirsten, 2009; Bienabe and Vermeulen, 2007). These preferred suppliers remain on the list if they are able to upgrade their production with quality standards being emphasized and this is linked to Selwyn's (2012) argument. The payment to preferred suppliers can take up to 40 days and there is no written contract signed; the preferred suppliers stay on list as long as they continue to meet the aforementioned standards set by the retailers and if they fail they are delisted as suppliers (*ibid.*). The preferred suppliers pack the produce in their pack houses and deliver the produce using their refrigerated trucks to the retail distribution centres (Weatherspoon and Reardon, 2003). The, 'South African retailers require adherence to internationally recognized food quality and safety systems such as EurepGAP at farm level and HACCP at packhouse / processing level, from their fresh produce suppliers. Most produce delivered by the farmers to the distribution centers are packaged and ready for supermarket shelves' (Bienabe and Vermeulen, 2007:4). Thus, the four dominant retailers have strategically chosen large-scale farmers in South Africa who export to the UK or the US for they follow international food quality production standards (Weatherspoon and Reardon, 2003). Research shows that such standards have meant that small-scale farmers fail to consistently supply the retailers and only a

few small-scale farmers in the Southern African region supply the four South African retailers and most small-scale farmers who supply the retailers are in the rural areas and are considered as suppliers of the ‘emerging markets’ (Weatherspoon and Reardon, 2003; Bienabe and Vermeulen, 2007; Chikazunga and Paradza, 2012). ‘All Woolworths’ stores receive their fresh produce through the central procurement system. The Spar group’s central distribution system for fresh produce is mainly for their Freshline brand (a limited range of up-market, expensive, value-added, superior quality fresh produce)’ (Bienabe and Vermeulen, 2007:3–4). Shoprite/Checkers uses Freshmark which procures 90% of fruit and vegetables directly from the farmers through its distribution centres and ensures that its suppliers adhere to the aforementioned food international production standards and for safety attributes like pesticides and hygiene, Freshmark uses a third party laboratory called Swift Micro Laboratories (Weatherspoon and Reardon, 2003). Pick n Pay uses its distribution centres to procure fresh produce from the farmers and these centres are located in Johannesburg, Durban, Port Elizabeth and these are allocated in areas in which Pick n Pay has stores, thus minimizing costs for the retailer (*ibid.*). Like the other retailers, Pick n Pay ensures that its producers adhere to the international food production standards and also uses a third party laboratory called PRIMUS based in California (*ibid.*). Thus, one can see similarities between the retail revolution in the North and the rise of the four local retailers in regards to the adherence of quality standards and in terms of their buyer power arising from the fact that ‘retail firms obtain from suppliers more favourable terms than those available to other buyers, or to be expected under normal competitive conditions’ (Kirsten, 2009:8). One can also see parallels between the South African case with that of Selwyn’s (2012) argument that farmers in this case are in constant pressure to meet the demands of the retailers.

How does the relationship between the farmers and the retailers operate? The preferred suppliers (i.e. farmers) who are personally selected by the retailers, send their produce to the distribution centres of the retailers, and the retailer because of its buying power (as bargaining hunter) sets the price of the produce procured from the farmer (Weatherspoon and Reardon, 2003; interviews with farmers). Therefore the farmers in this case are ‘price takers’, i.e. they do not set the price, but take the price set by the retailers (Interview, Thandi*, 20/11/2012). Illustration 2 shows this relationship.

Illustration 2: Buyer-driven structure-price set by the four dominant retailers



Source: Fieldwork, interview with farmers

Kirsten (2009) shows that this system can sometimes be coercive as retailers search for producers who will sell to them cheaply. Indeed they may sometimes threaten to delist the farmers who do not want to take the price or threaten to delist farmers who supply to other retailers. Retailers engage in such a tactical way of procurement to ensure that they have greater selling power, which will ensure that they sell good quality produce (which is procured at a price they have set) at a higher price. Stroebel (2010:3) argues that '[t]he supermarket industry has been criticized for their inability to negotiate fair prices for farmers, however, no recognition is being taken that they do not have negotiation power when it comes to unsatisfied customers'.

3.2 THE STRUCTURE OF COMMERCIAL AGRICULTURE IN GAUTENG

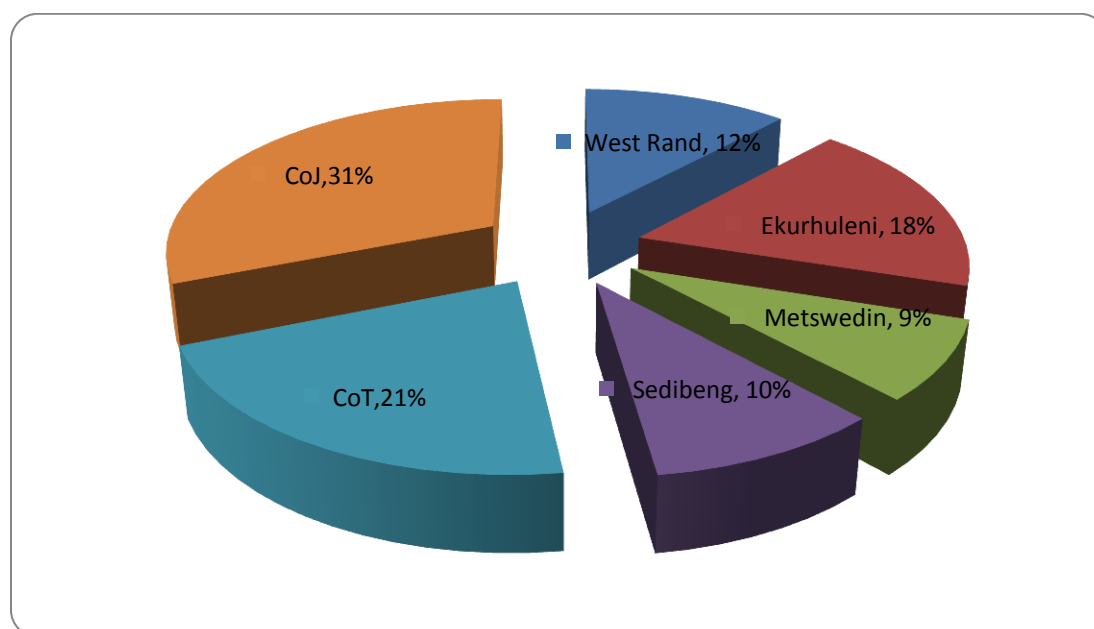
3.2.1 Size of Agricultural Land in Gauteng

Gauteng is the smallest province in South Africa covering an area of approximately 1,876 million ha which is 1.4% of the country's total land mass (GADS, 2006:8). The total farming land in Gauteng is 828,623 ha, which is 44.2% of the total land area of the province. There is a further 438,623 ha (23.4%) of potentially arable land suitable for planting and ploughing and 390,000 ha suitable for grazing (GADS, 2006:9). 'Approximately 28.7% of all arable land has been identified as potentially requiring specific protection for agricultural use, as it is made up of 15.1% high potential and 13.6% moderate-high potential land' (GADS, 2006:9). Clearly there is spare agricultural capacity that can be utilized for the benefit of the province. A large area of the land in Gauteng belongs to what is known as the maize triangle (covering a land surface area of 105,000 ha) in the Sedibeng District (areas like, Emfuleni Local Municipality, Lesedi Local Municipality, and Midvaal Local District), Kungwini District Municipality, and West Rand District Municipality (Department of Economic Development & Department of Agriculture and Development, No Date: 9).

3.2.1.1 The number of farms and municipal activity in Gauteng

In 1993 the total number of commercial agricultural farms in Gauteng was 2,500 and this number decreased to 1,773 in 2007 (Stats SA, 2007a). This decrease is an indication of how farms, which were not productive, were bought by those large-scale farmers who are productive and some of the farms were converted into game lodges (Naidoo, 2011). Agricultural activity mostly occurs in the metropolitan areas of the City of Johannesburg (CoJ) with 31%, the City of Tshwane with 21%, and Ekurhuleni with 18% (Gauteng Department of Finance, 2010; see Figure 2), with West Rand (12%), Sedibeng (10%) and Metsweding (8%). However, there are a large number of feedlots situated in the CoJ, which skews the distribution of agricultural activities across the province (Gauteng Department of Finance, 2010). 'These feedlots include Karan Beef, Best Cut, and Chalmar Beef' (*ibid.*:12).

Figure 1: Municipal agricultural activity in Gauteng



Source: Gauteng Department of Finance, 2010, adopted from Stats SA, 2010

3.2.1.2 Gross farming income in Gauteng based on the census of commercial agriculture, 2007

Tables 2 to 4 deal with three types of commercial agriculture in Gauteng: field crops, horticulture, and livestock. As Table 2 illustrates, maize field crops are the highest contributor to field crop agriculture, followed by grain sorghum. See Table 3 for a full picture of which products contribute to gross farming in horticulture (Stats SA, 2007). The top two products in horticulture are cultivated flowers and mushrooms (Stats SA, 2007b). Table 4 captures livestock agriculture in Gauteng with dairy cattle dominant with its linked products being milk and cream production. The second is beef linked to the production of cattle hides (Stats SA, 2007b).

Table 2: Gross farming income in field crops

Agriculture type	Product	Gross income '000
Field crops	Maize for grain	243 330
	Grain sorghum	3 531
	Wheat	9 384
	Other winter cereals	373
	Sunflower seeds	11 383

	Soya beans	3 123
	Dry beans	9 149
	Lucerne	1 368
	Maize for silage	7 134
	Teff	4 104
	Other fodder crops	18 598
	Other field crop products	639
	Total income of agricultural type	312 824

Source: Stats SA, 2007b

Table 3: Gross farming income in horticulture

Agriculture type	Product	Gross income '000
Horticulture	Potatoes	36 657
	Sweet potatoes	697
	Green mealies and sweet corn	2 395
	Beetroot	16 537
	Tomatoes	4 655
	Onions	252
	Pumpkins	5 412
	Carrots	83 630
	Cabbage	16 593
	Mushrooms	185 911
	Green beans	7 716
	Other vegetables	72 603
	Other subtropical fruits	1 040
	Apples	619
	Peaches	13 078
	Table Grapes	51
	Other deciduous fruit and viticulture	2 300
	Macadamia	131
	Pecan	1 500
	Other nuts	33
	Cultivated flowers	249 985
	Pot plants	52 730
	Herbs	2 660
	Seeds and seedlings	59 946
	Other	128 023
	Total income of agricultural type	962 282

Source: Stats SA, 2007b

Table 4: Gross farming income in livestock

Agriculture type	Total income of agricultural type	Product	Gross income '000	Linked products	Gross income of linked products	Total income of product
Animals	Animals 4 212 542	Cattle : Dairy	27 890	Milk and cream	135 182	2 187
		Cattle : Beef	1 884		64 182	876
			003		76 619	
	Animal		1 911	Cattle	275 983	

	Products 922 311		<u>893</u>	hides beef		
		Pigs	259 293			259 293
		Chickens :	1 614	Chicken	27 600	2 646
		Broilers	886	fertilized	28 346	983
		Chickens : Laying	<u>387 606</u> <u>2 002</u> <u>492</u>	eggs normal eggs	<u>588 545</u> <u>644 491</u>	

Stats SA, 2007b

3.2.2 Agricultural Trade in Gauteng

Table 5 illustrates the provincial share of imports and exports of the four agricultural types in 1995 and 2008 (Gauteng Department of Finance, 2010:12). The only agricultural type where Gauteng has a favourable trade balance (18.4%) is in vegetable products (horticulture) where exports have increased from 50.5% in 1995 to 58.2% in 2008. The decline in the import of vegetables can be linked, 'to the improvement in the production of vegetables within the economy' (*ibid.*).

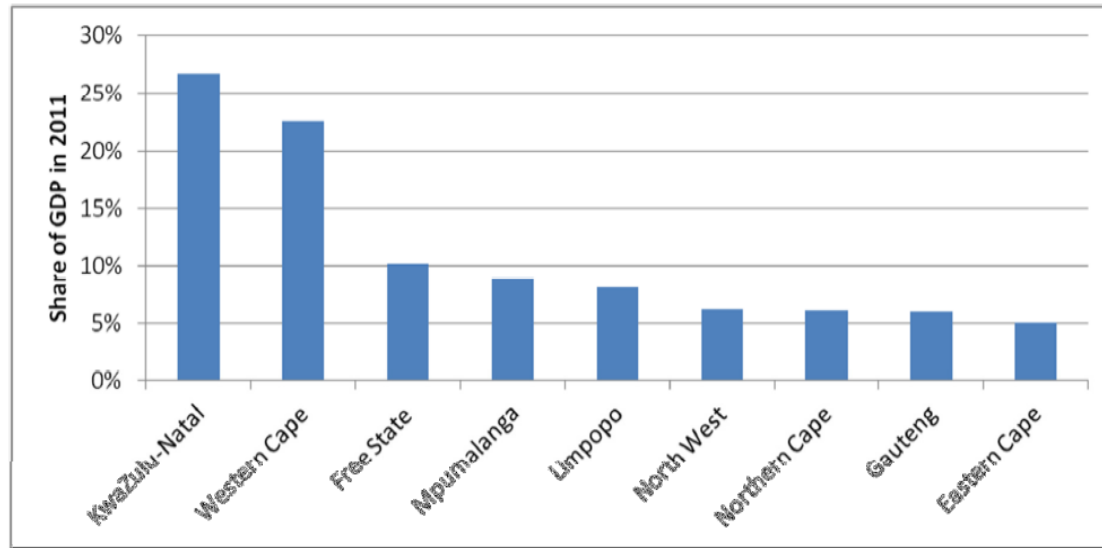
Table 5: Imports and exports in Gauteng's agricultural share (1995 & 2008)

Year		Vegetable products	Prepared foodstuffs & tobacco	Live animals & products	Animal or vegetable fats & oils
1995	Imports	52.7%	26.8%	10.2%	10.3%
	Exports	50.5%	34.5%	12%	3%
	Trade Balance%	-2.2%	7.7%	1.8%	-7.3%
2008	Imports	39.8%	33.1%	15.3%	11.8%
	Exports	58.2%	30.2%	5.6%	6%
	Trade Balance%	18.4%	-2.9%	-9.7%	-5.8%

Source: Gauteng Department of Finance, 2010, adopted from Quantec Research, 2010

Figure 2 shows the provincial share of annual Gross Domestic Product for agriculture, forestry and fishing.

Figure 2: Provincial share of annual GDP for agriculture, forestry and fishing



Source: BFAP, 2012 adopted from StatsSA, 2011

3.3 EMPLOYMENT TRENDS IN COMMERCIAL FARMING

The number of farmworkers employed in commercial farms has declined from 1.1 million in 1993 to 796,806 in 2007 (see Table 6). The number of farmworkers in Gauteng employed in commercial agriculture in 1993 was 34,302 and in 2007 was 34,936, a 2% increase. In KwaZulu-Natal and the Free State the number of farmworkers in the commercial sector declined by 39% (SAIRR, 2011). The largest decline was in Mpumalanga with 45% (*ibid.*).

Employment relations in commercial agriculture have undergone significant changes under the impact of trade liberalisation and withdrawal of the subsidies provided by the apartheid government (Gauteng Department of Finance, 2010). By 2007, the percentage of workers employed on a continuous full-time or part-time basis (permanent workers) was 54.2%, while that of temporary workers employed for a specific period of time (seasonal workers) and casual workers (intermittent or ‘stand by’ workers) was 45.8% (see Table 6).

Table 6: Number of paid workers and total remuneration per province

Province	Full-time employees		Casual and seasonal employees		Total	
	Number	Remuneration R'000	Number	Remuneration R'000	Number	Remuneration R'000
Eastern Cape	34 253	510 404	30 565	106 497	64 818	616 901
Free State	53 944	737 796	45 150	98 996	99 094	836 792
Gauteng	22 979	534 083	11 957	93 461	34 936	627 544
KwaZulu-Natal	66 685	968 455	34 383	154 286	101 068	1 122 740
Limpopo	35 728	625 436	31 833	124 159	67 561	749 595
Mpumalanga	46 520	853 396	32 826	176 363	79 346	1 029 759
North West	53 741	574 596	32 008	75 250	85 749	649 846
Northern Cape	26 871	339 948	47 874	123 723	74 745	463 671
Western Cape	90 943	2 029 275	98 546	485 108	189 489	2 514 383
South Africa	431 664	7 173 389	365 142	1 437 843	796 806	8 611 231
Percentage %	54,2%	83,3%	45,8%	16,7%	100%	100%

Source: Adapted by NALEDI, 2011 from Stats SA, 2007b (preliminary): percentage calculations by NALEDI

According to Table 6 there were 34,936 farmworkers in Gauteng in 2007 of whom 22,979 are full-time (65.8%) with a total remuneration of R534,083 per annum and 11,957 (33.9%) were casual and seasonal workers with a total remuneration is R93,461 per annum. Gauteng has the largest proportion of full-time employees, although it has also the smallest agricultural output when compared to other provinces. Despite the changes in the labour force the agricultural sector is still ‘one of the most labour intensive sectors of the South African economy, and is one of the more labour intensive agricultural sectors globally. For example, Japan uses 4,500 tractors for every 100 km² of arable land, compared to 270 in the USA and only 43 in South Africa’ (BFAP, 2012:4).

3.4 RESEARCH METHODOLOGY

In answering my research question, my methodology drew on the South African agriculture literature and my earlier survey of the 600 farmworkers in Gauteng. I later used a Selwyn (2012) approach of participant observation in interviewing farmers. The aim was to understand how production is structured on the farms and grasp the farmer’s production calendar. In doing this I transcended the methodology I used when I was guided by the decent work indicators in my previous research (see Webster and Nkosi, 2013). I interviewed five farmers and the sampling in this case was purposive since I only wanted to interview commercial horticultural farmers in

Gauteng to fit with my research question. I obtained the contacts of the farmers from the Consignment Control Process Manager of the Johannesburg Fresh Produce Market thus I also used snowball sampling to track commercial horticultural farmers. In using this method I was hoping to understand to whom the farmers sell, their production pressures, how they control the labour process to meet their pressures, and the social relations that emerge on the farm. In this way, the aim was to present a different voice, that of a farmer. This voice was lacking in the decent work survey. The strength of observational research is that 'it provides insights into social processes as they unfold... The researcher observes events in natural settings, as they normally happen, rather than as they happen under artificially created conditions' (Greenstein, et al., 2003:73). I also visited the Johannesburg Fresh Produce Market and had a three-hour tour with the Consignment Control Process Manager. In visiting the NFPM, the aim was to understand what happens in the meeting place between consumers and producers and how prices are set.

Table 7: Gauteng farmers' profile (all year-round production calendar)

Name, race	Hectares of land	No. of years farming	Products produced	Buyers	% of goods to buyers	Total workforce
Male farmers						
Pete*, white	3 000 (+1 400 for horticulture) also has a cattle farm and an agro-processing factory	25	• Carrots • Beetroot • Cabbage • Lettuce • Green pepper	• Pick n Pay • Checkers • Woolworths (indirectly) • NFPM	40% - Retail 60% - NFPM	300 (summer) 100 (seasonal excl. winter)
Conrad*, white	850	17	• Carrots • Cabbage • Cauliflower • Onions • Beetroot • Lettuce • Broccoli	• Pick n Pay (former) • Wholesaler • NFPM • Fruit n Veg	20% - Pick n Pay 30% - Wholesalers 50% - NFPM	310 150 (seasonal)
Johan*, white	250 – vegetables (owns other 'big' farms – he did not want to mention them)	40	• Carrots • Cabbage • Cauliflower • Beetroot • Lettuce • Broccoli • Beans • Pumpkin	• NFPM (Jhb, Dbn, Pta, Bloem, Springs)	100% NFPM	150 (winter/seasonal) 150 (permanent)
Female farmers						
Joey*, white	4.5	8	• Micro green garnish • Lettuce • Beetroot • Green sorrel	• Restaurants • Hotels and Conference centres	60% - Restaurants 40% - Hotels	21 (permanent)
Thandi*, black	5 (also does processing on the farm)	7	• Green pepper • Exotic lettuce • Tomatoes • Baby marrow • Cauliflower • Broccoli • Spring onion • Herbs	• NFPM • Pick n Pay • Hotel and conference centres • Local police station	Varies with demand	15 (permanent) 5 (seasonal)

3.5 ETHICS

One of the most important dynamics of ethical issues is to treat all participants of the study with dignity and respect and in that way we as researchers ensure that there are preservation and protection of fundamental human rights (Babbie and Mouton, 2001). Thus, during the research my major concern was to protect and respect the participants during the course of the study. Before starting the farmer's semi-structured interviews-participant observation, I introduced myself as a University of the Witwatersrand (Wits) student and ensured that the participants understood the aim of the study and consented to their participation. I then explained that:

- their participation was not forced, but voluntary
- at any point that they felt like withdrawing from the interview, they were free to do so
- the interviews/participant observation (farmers) would last for three to four hours
- if they had any questions they were free to ask at any point
- I would use a voice recorder as part of my research equipment and asked for their consent to use it⁷
- the results of the research would be submitted to the School of Economic and Business Science, as part of the requirement for obtaining an M.com degree
- I would keep the interview data (raw data) for academic purposes
- if they required any additional information they could contact me or my supervisors (provided them with contacts)
- they would remain anonymous and we would give pseudonyms (hence next to pseudonyms in this paper there is an asterisk (*) to indicate anonymity).

⁷ The important tool I kept in the research field despite the recorder was my notebook. In it I wrote important themes that emerged, drew structures/observations and questions I wanted to pursue. I sometimes used to listen to the recordings and see if they matched what I observed in the field.

CHAPTER 4: FARMERS' PERSPECTIVES ON PRODUCTION, MARKETING AND WORKING CONDITIONS

4.1 RESEARCH FINDINGS

4.1.1 Production Calendar

In the farmers' interviews my aim was to understand how production is structured and the farmers' production calendar. I was tracing the movement of the produce from the farmer to the buyers and the relationship between the farmer and the buyers. This is the methodology that was employed by Selwyn (2012) who argued that because of how the SFV farmers have organized their production calendar to be all-year-round producers, upgrading to higher quality was a result of their consistently supplying to the UK retailers. Selwyn (2012) goes on to show that, because of this change, the farmers that supply to the UK retailers have employed a permanent workforce, which is trained and enjoys a number of employment benefits. His argument is that because of this upgrade there are also changes in the social relations and these changes in the social relations have helped in the development of the region.

I apply the same approach to try to understand the pressures the farmers face and how their production calendar is structured; who are the buyers of the produce? Two of the farmers supply to some of the four dominant retailers (Shoprite/Checkers, Pick n Pay, Spar, and Woolworths) and I also look at the pressures they face in supplying the retailers and whether they have upgraded their production over the years and how this affects the working conditions. However, I do not neglect the small-scale farmers and I try to understand their pattern of production and the pressures they face. Selwyn (2012) focuses on the global retailers and I focus on the local retailers. I also draw on the argument by Weatherspoon and Reardon (2003) that the four dominant retailers in South Africa cannot be reduced to only being local, as they have adopted food production standards similar to those of the Northern retailers and also dominate the southern African region and have also have invested in countries like India and the Middle East. All five farmers indicated that their production is all-year-round. Johan* (Interview, 22/11/2012) gives a detailed description of the production calendar in Gauteng:

With the modern hybrids and that in vegetables... we can, in our area here in Gauteng, we can go 12 months of the year with vegetable production. We change the varieties of the commodity as we go, so we do get a 12-month production all year round. We plant according to the weather so we get a 12-month production. We sometimes get a higher production in a place where it is very hot. We get very cold in the winter months but we can grow carrots, we can grow beetroots, we can grow cabbage, cauliflower, and broccoli – all 12 months of the year now. We have a bit of a sag in... July, August in the Gauteng area...talking in general, we can produce 12 months of the year now... we may cut out... things like lettuce, beans, and pumpkins; those you can't grow in the winter months but we compensate with another crop. We compensate with beetroot or broccoli or cauliflower. So what happens is that the production of beetroot, cauliflower, cabbage, carrots increases in the winter months, being May, June, July, August – it increases. Then in September we come back with our “softer crops” we call it, our lettuce, pumpkins, mealies, green mealies that type of thing. With the modern technology in the seed production, we can be 12 months in production now.

I then discussed with them the pressures they face with ensuring that the production calendar follows the demands of the buyers. In asking about the production calendar I wanted to understand to whom the farmers sell and the challenges they face. However, their pressures or challenges were different, with those supplying to the NFPM indicating that getting a good price on the market floor is what matters and those supplying the retailers speaking of food quality standards and issues of prices set by the retailers. Small-scale farmers were speaking of sizes of the cuts of the vegetable, size of the leaves, etc. I discovered that the production calendar of the Gauteng farmers was disturbed because of the climate change, especially cold weather in winter and hailstorms in summer. The following quotes capture this constraint.

Pete* (Interview, 10/10/2012):

We have got trucks running daily. I have got Pick n Pay that I am supplying... Shoprite/Checkers that is Freshmark. Then I have got the national fresh produce markets, Jo'burg, Pretoria that we supplying so that is a market... like I am supplying, all my lettuce goes to Woolworths, I supply Woolworths indirectly because I am packing for Pick n Pay and Shoprite... But in the last 20 years I planted, I was the biggest cauliflower broccoli planter in this whole West Rand. I planted cauliflower broccoli right through the winter and I had to stop due to this because it is killing the

plants completely, the frost is bursting open the roots the cold is growing, so I stopped two years ago with cauliflower and broccoli. This year I even stopped cabbage planting through the winter.

Johan* (22/11/2012):

... I've been in this area here for 55 years hey and we are definitely seeing huge climate changes, especially with our rain pattern... Our rainfall pattern has changed completely. Our cold... Our cold pattern has changed, our winter months... Our winter months to summer months have changed...for example here in Germiston with the hailstorm that hit us... that was R16 million turnover gone!

Following the above discussion on the production calendar being disrupted, the farmers who supplied to the retailers went on to mention the turbulence in their relationship and how it has changed over the years. As I have shown with Pete* (Interview, 10/10/2012) in the above quote, he supplies Woolworths indirectly because if Shoprite/Checkers (Freshmark) or Pick n Pay were to find out he would be delisted. This confirms the arguments made by Kirsten (2009) that as retailers search for competitive prices they sometimes use coercive measures to procure products. These involve threatening to delist farmers if they do not take the price set by the retailer or restricting farmers from supplying other retailers (see Illustration 2 in Chapter 3 to understand the price relationship). However, what emerges from this relationship is that as they (Conrad* and Pete* and most of the farmers in the West Rand region where Pete* is based) followed the international food quality standards like the Global Gap, HACCP, EURAP, these farmers through sending their produce to distribution centres of the retailers are aware that the emphasis has been on the good quality produce. This confirms the argument made by Selwyn (2012) that most of the large-scale farmers in SFV who supplied the UK retailers had to upgrade to follow the specifications of the retailers, for example the Gauteng farmers mentioned the size and quality of carrots as being important.

What I also found amongst the farmers is the importance of sharing information about how to produce quality products and sharing the same agricultural advisors. This sharing of information and helping each other was also articulated by Thandi* who is also the secretary of the Sedibeng Agricultural Cluster, which aims to promote the growth of small-scale producers. However,

Thandi* (Interview, 20/11/12) indicated that unlike large-scale farmers only a few of the farmers in her organization have been able to move to high-value crops, but they are getting there since they are mentored by Johan*. Thandi* (Interview, 20/11/12) supplies Pick n Pay and mentioned international food standards, saying that:

the guy from Pick n Pay has told me that I will have to follow their food quality standards and this is going to be a hard task given that I am just a small scale producer, but I will have to... the challenge is that with supplying Pick n they emphasize quality that is why you had me shouting about the size of that baby marrow.

The quotes below capture the changes in prices and the adherence by farmers to the standards set by the retailers. Some of the farmers, as I will show below, have stopped supplying the retailers sending their produce to the NFPM. Retailers, as the quotes below indicate, have threatened that they will procure the produce from the NFPMs if the farmers do not accept the prices they set. Joey* (Interview, 19/04/12) indicated that because of the difficulties in the NFPMs (the market floor price system) and supplying the retailers, she has found a 'niche in the micro green... the only pressure is ensuring that the handpicked leaves are in good standard and supplied on time to the restaurants'.

Pete* (Interview, 10/10/12):

Here [West Rand], and Brits and other areas... So we build up the farms, we build up to their standards, adhere all to their specifications and all that stuff, global gap orders, pack yards orders and all that stuff that has got to be replaced with them and the traceability as well, we had to get all that to place and we have been now adhering to global gap of which we faced problems with the pesticides in the last two years... from 10 years ago we had all that stuff in place so we have built ourselves up, and now all of a sudden they have employed a new guy at Pick n Pay... he does not care what the farmers get, he says he can buy the produce from the market. He does not worry about traceability and all that stuff so that is sinister... if someone gets sick in Pick n Pay what is going to happen? Now he has buckled up everything... all the farmers are fed up because they follow same truck quality control stipulated by Pick n Pay and they get a shit price and yet he wants the cream of the crop... because of that I closed my lettuce account with them... I am getting R9 at the market at the moment, R90 per box, and at the moment they [retailers he

supplies] do not want to pay R6. If the market price is R9 I must get R10.50 for me to accumulate all these costs and they do not want to pay R6 that is why I closed the account... previously the farming situation was like you had your 40% as going to Pick n Pay and Freshmark... but when you got that account it was wonderful for your farm because when your truck leaves you got an invoice written and you build up your farm, you know at the end of the week you are going to get a check of so much thousands of that amount so that is how it worked. The market was always fluctuating up and down... we battled to make a living or make a farm running with supplying the market only... Pick n Pay came to me and said don't you want to start supplying us? That is when it started and it has been wonderful until 6 months ago, all of a sudden this guy wants to change everything?

Conrad* (Interview, 13/11/2012):

When this farm started supplying Pick n Pay we made sure that will supply them with 20% of our produce. It was good, the price was good unlike in the national market today you get this price tomorrow your produce has been lowered. The guys from Pick n Pay later on say, sorry we have to lower our prices and yet we have followed what they taught us about packaging, food safety and all these costly things. My father and I then decided that it is best we stop this and return to the national fresh produce that is why our produce go to the markets and the family wholesaler. These guys are becoming hard and I hear from other farmers that they are being told that they will be delisted...

Johan* (22/11/2012):

All my products, in 40 years, have only gone to national markets... I've always worked on the principle that your product gets sold by supply and demand. So, on the national market, if there's an oversupply then you get a shit price but if there's undersupply, you get a hell of a price. For you as a farmer to determine how much to charge Pick n Pay...that is difficult hey.

4.1.2 Employment Creation versus Decent Work

The NGP poses a question of whether is it possible to link economic development and decent work. This is an important link, as it does not only focus on bringing back production as an

aspect in reducing poverty, but argues that poverty reduction can occur if we create decent jobs. This strategy will have to tell us ‘how macro mechanisms actually influence how working people, including the poor, live and work today’ (Wuyts, 2011:16). However, there is still a debate around job creation with the neoclassical economist arguing that job creation should be an important goal in any macroeconomic policy, but can only be addressed by the free market. To this school, as I have shown, decent work promotion by the government tempers the ability of the free market to produce optimal outcomes for everyone in society. The neoclassical framework promotes labour market flexibility with employers having the power to hire and fire labour as they please (with emphasis being on the respect of individual rights) and with a belief on a Say’s law that supply creates its own demand (Wuyts, 2011; Amsden, 2010). Thus, those belonging to a Keynesian and post-Keynesian school of thought have argued that workers under such a system have become managers of two sets of risk ‘under adverse conditions of extreme competition: the daily insecurity that result from an uncertain income, on the one hand, and the ever-present chance of job loss, on the other [with employers given the power to hire and fire labour]’ (Wuyts, 2011:12). These Keynesian economists have pushed the argument that job creation with state intervening in the market has multiplier effects. In the South African debate this is characterized as I have shown, as the high road versus the low road (Webster, 2011; 2012). The former emphasizes employment benefits and the latter emphasizes creating a precarious job through labour market flexibility (*ibid.*). As I have also shown, the struggle of the agricultural worker cannot only be characterized by using the above argument for this struggle, is also linked to issues of land and social reproduction. When it came to the discussion of labour, farmers grouped labour with their costs. The cost of labour came up after discussing their relationship with the buyers. The quote by Pete* (Interview, 10/10/12) sets the context:

The costs keep escalating because the truck is costing over a million rand now...with the carrots you got R15, 20 years ago today you still getting R15, and the cabbage and the lettuce as well is killing us, that is what is killing us in our farms. *So it has forced us to bring more production, more youth, to have more youth per take, to use more machines and all that stuff to minimize your wages. Where can you cut in the farm? You cannot cut on your fertilizer, your pesticides and your herbicides that sort of stuff but you can cut down on your wages by mechanizing the system [Emphasis mine].*

From the above quote one can see that the farmer perceives labour as a cost and if labour is a cost, the farmers have argued that they will mechanize production. What is interesting is that in the interviews with the farmers they all argued that they are interested in employment creation and ensuring that they have a skilled workforce, but if the workforce complains about wages then they will go the mechanical route. What was also interesting is that this contestation was linked to fears of the horticultural workers unrest in the Western Cape. Johan* (Interview, 22/11/12) argued that:

In the vegetable or in the horticultural industry *we can create work as long as we stay on a sustainable salary* because what's going to happen if they push our salaries too high? We go very mechanical hey and it is a fear factor we are on at the moment. We have got it right now. I have just got an SMS about it... The horticulture, agriculture employs a huge percentage of the labour in South Africa. A huge percentage! But with this unrest we have got at the moment, in the Cape and that, it is starting to come to us already [Gauteng] and in the vegetable industry, the farmers can go very mechanical and we are going to have unemployment then hey. In my area we prefer employment creation and I also personally believe in this...

There is a paradox here, the farmers are arguing that they are committed to employment creation, but as long as it is not costly and does not involve benefits that will interfere with their profits. This goes back to the decent work debate I have highlighted, but also links to Selwyn's (2012) argument that because of how class struggle is waged in this neoliberal macroeconomic framework, labour is seen as a cost not an equal actor in development. This contestation is reflected by the quotes below.

Pete* (Interview, 10/10/12):

I bought last year...a carrots harvester. It cuts of the leaves on the ground and picks it up like a potato harvester...what I did with that machine I reduced my work force by 50 people and I doubled up the production in my pack yards. We used to fight the whole day with 50 people to get 40 tons of carrots into the pack yards... I doubled the production with the machines doing half a day of the work. This machine does not fall pregnant, will not complain about working, and wages!

Conrad* (Interview, 13/11/12):

I believe that the government should do something for the workers, but if it interferes with how we run the farm then it is a problem... Employment creation is good we can do that, but it must not put false ideas in the minds of my workers... For example in this farm 18 months back, I use to employ 100 people to plant and now I bought this machine and I only use 2 people. 2 people!

Mechanization is seen as a way to avoid hiring workers who will demand decent work conditions and at the same time to avoid conflict between the farmers and the workers. The farmers are articulating a view similar to that of the neoclassical economist that if the government or the workers tamper with how they have structured their labour relations (with farmers paying 'sustainable wages') then they will go the mechanical route, as they are doing. Thus, the argument put forward by farmers as the quotes indicate is that if they improve the conditions of their workers à la decent work recommendations they will not be able to cover their operation cost, albeit they are interested in a path of employment creation which is not costly (the low road). What about the small farmers? How do they control their labour? Do they articulate the same views as the large-scale commercial farmers?

Joey* (Interview, 19/04/2012) argued:

South Africans do not like working on the farms... I do not know maybe it is a status thing. In the 21 people I employ, 19 are Malawian... This job is labour intensive and repetitive, it seems like Malawians like this. They are so gregarious and they stick to each other... they are hard workers! Even most of my neighbours employ Malawians.

This view of South Africans not wanting to work on the farms was articulated by every farmer I interviewed, with Thandi* (Interview, 20/11/12) adding:

I would prefer to have more South Africans working for me than foreigners but I found that South Africans really struggle with this industry. You understand? Yes. They struggle. I have got some but they are not the majority, really... The majority on this farm are Malawians.

The employment of foreign migrants serves as institutional arrangement to reduce the bargaining power of workers and most of the Malawians, Tshwanas, Swatis, and Zimbabweans are unregistered and are employed on a continuous basis with no work benefits. Hence, bringing in more hardworking foreign migrants who are not registered is seen as favourable to both large-scale and small-scale farmers. South Africans are not employed on the farms because they tend to be more assertive about their labour rights and to evade labour rights employers go for unregistered migrants who are seen as less of a cost. Pete* (Interview, 10/10/12) articulates the same view:

The minimum wage is killing us it is too much worse. We know that because 15 years ago I got R15 for a bag of cabbage and now I am still getting R15... I have mostly hired Zimbabwean ladies, my whole pack yards is Zimbabwean... The Swaziland workers are mostly working outside... you do not get local people who want to work in the farm anymore. If you go next door to the other big farm... the same is happening there you get a few Tswana people still working on the pack yards... No, unions and stuff...

Thus, the unregistered foreign migrants help the farmer reduce his operation cost and maintain a profit. The unregistered foreign migrants are also hired for the reason that they will not join unions (less associational power) and even in cases where farmers were saying that they are interested in employment creation they made it explicit that unions are a problem. Johan* (Interview, 22/11/12) made this explicit:

I do not want to work with unions... I find that they interrogate the staff. They uhm, what is the word for it? We found that when the unions were with us hey, they put weird ideas in the staffs heads and that type of thing hey and give them, set standards for them that they could never give them. The unions could never get those standards. I started my conversation off by saying keep everything on a level [by this level, he is referring to what he termed a 'sustainable wage' which is not a high wage and unions temper with this sustainable wage].

This is a clear class tension that interferes with development on the farms. If employers want to upgrade their production, they would rather create employment for the unregistered foreign migrants who have a less bargaining power. However, they would prefer South Africans if they

were less assertive about labour rights and would not demand an improvement in working conditions. To farmers the low road is what they favour and this is a reflection of a long historical pattern of agricultural labour, but the question is how sustainable is the low road? Joey* Interview, 19/04/12):

When the police come you will see the Malawians running around hiding themselves... some even left the farm to go work in other places.

Such workers therefore are working under the fear of being deported. Clearly this is in sharp contrast with Selwyn's (2012) argument of labour being an active agent of development. The labourers, to the farmers, are a cost and should always remain on a low wage, must not be unionized, and if these conditions are met then employers agree to employment creation, but if they are contradicted employers will mechanize and hire unregistered foreign migrants who are difficult to organize. My question is how do we solve this conundrum?⁸

4.1.3 'I am Following the Law Within Reason': Changes in Paternalism in Gauteng

As I have shown, the government has tried to promote employer and employee-like relations in agriculture, but the continuation of paternalism remains a hindrance to the development of those relations. Paternalism is part of how the labour markets in agriculture are governed and arguments about the ownership of property ('the gate') seek to preserve such relations and ensure that the employer has more bargaining power. How did the farmers in Gauteng perceive the changes in the labour market, especially with the application of labour laws?

Johan* (Interview, 22/11/12):

So we are paying per hour and we are sticking to the law. You hear I am bringing this up all the time; we're sticking to the law. We find that if we go off the law, we get into trouble all the time hey.

⁸ The Brazilian case-through the study by Selwyn (2012) is an example of how this conundrum was solved. I will return to this conundrum in the Conclusion.

Joey* (Interview, 19/04/12):

I think labour laws are good, but some are unreasonable...like making sure that we stick to the minimum wage... *I am following the law within reason...* I care about my workers, I was thinking of buying them warm clothes and giving them healthy food like a good breakfast in the morning [*emphasis mine*].

This idea of following the law within reason is an interesting concept and I use it to show that paternalism in some of the farms continues with employers providing housing for workers. In my fieldwork, I discovered that most of the people who stay in the houses or rooms provided by the farmers are foreign migrants.

Pete's* argument reiterates this idea of following the law within reason; his argument is that because he is providing housing, the workers have to appreciate it and must not complain about things like wages. However, Pete* (Interview, 10/10/12) went on to argue that:

They worse off than it was in previous years, they far more worse off... because in the olden days you can ask my old guys, you see now *I have got boys, old man* that has been with my dad, 30 years and now we have made 20 years. I have got one guy that is 80 year old now... he is still working for me, you must ask him what he says. In the olden days his children went to school for free, the hospitals was in a decent condition...When you went to the hospital you got the right ... service and all that stuff... Now you paying for school fees like a man, you dying in the hospitals... That was before these new laws and stuff came in because now they are hiring their houses, in the olden days they got everything for free, they got a house, they got maize, mealie meal all that stuff we gave it to them but there is new laws and stuff, now they pay for everything [*emphasis mine*].

The above quote confirms Du Toit and Ally (2003); Beohm and Schirmer (2010); Naidoo (2011) that given the introduction of labour laws, farmers have reduced the benefits associated with paternalism and at the same time the paternalist relations continue, hence Pete* refers to the old man as a boy. As I have shown that White (2011); Beohm and Schirmer (2010) argued that paternalism is not always bad for workers because they get benefits like medical aid, free

education for their children, and food. However, paternalism is an important mode of labour control on the farms, as farmers can avoid unionization on their farms by threatening workers that if they do not appreciate what they are given they will be ‘shown the gate’.⁹ This thwarts workers’ structural power and workers who join the union are victimized. Thus, the situation in South Africa is different to that of Brazil, as unions in South Africa do not have the *Unicidade Sindical*, which is a system of union monopoly whereby workers of a single category within a certain territory or municipality are represented. Farmers also control the social reproduction of workers with the constant threat that they will chase the workers from the houses they have provided. Joey* (Interview, 19/04/12):

They stay here because of my goodwill, but if they have problems... I tell them they will leave my property!

Johan* (Interview, 22/11/2012) argued that:

On this farm I am closing down... We had all the forms done by Labour Law and everything, everything done by Labour Law and this particular guy came after 5 months and claiming the property, against me. You know, it is our property. You know like this farm that I have just sold, I have had it for 80 years and we are developing and he is put a bit of a jammer on it. It’s not the reason for us not housing. The main reason for us not housing is that they are entitled in a village to have a little home, an RDP house or whatever... Let them build up their own little home, with their families and everything. We are definitely getting a higher production rate.

⁹ This is not to say that workers do not possess the power to thwart production. As Selwyn (2012) argues, workers have an understanding of the production calendar and how they can thwart production and distribution as one worker argues ‘we would protest on Mondays because this day is important to them, it is the day when trucks go to Pick n Pay and the boss does not want anything going wrong this day... We chose this day because we know that he will talk to us because he fears that his distribution will be disturbed...’ (see Webster and Nkosi, 2013). However, in this case the employer has more power, ‘he fired those who were behind organising those protests’ (*ibid.*). The employer is able to do so because he has created institutional methods that reduce labour’s bargaining power. This is not as simple as saying we should promote associational power, even in cases where workers were organized under a trade union, workers were still fired. ‘We stage a successful strike as union. We even organized the immigrants. The employer agreed to talk to us, and while were talking to him... we heard from some of the workers that as punishment for striking, he made them pick up heavy rocks. We later confronted the employer and he denied it. He then fired all of the workers who were organized by us, the union. Now we took the case to the CCMA’ (Conversation with FAWU Organizer 2*, 08/05/2012).

The above quote captures the arguments made by Du Toit and Ally (2003); Wegerif et al. (2005); Naidoo (2011); that because of the introduction of tenure laws (like the Extension of Security of Tenure/ESTA) that try to protect farmworkers and dwellers, farmers have resorted to not providing housing because of the fear that they will lose their property to their workers, as it is the case with Johan*, albeit he obfuscated this fact by arguing that they are getting higher production if the workers stay in nearby communities. I am going back to these arguments to show that the social relations in Gauteng are similar to the other eight provinces where research on farmworkers has been dominant. Thus, the social relations that emerge in production and social reproduction are important. This was also part of Selwyn's (2012) thesis trying to understand the social relations that emerged in SFV. However, in Gauteng the paternalist relations with the law followed within reason hinders the bargaining power of the workers and also controls their social reproduction with workers receiving threats of eviction. Thus, agricultural development in South Africa is linked to the question of land and social reproduction.¹⁰ Any alternative notion of development has to understand this contestation and that is why reaching a settlement à la Selwyn (2012) becomes much more difficult.

¹⁰ This will also mean we must shift away from the neopopulist and neoclassical arguments to push for state investments in infrastructure, fertilizer and research development, which would allow for an increase in agricultural productivity. There is also a need to facilitate the conditions for the state to tax the surplus generated from the agricultural sector in order to accumulate funds that are necessary to ensure industrial development, food security, and decent job creation (changing the social relations on farms achieved through workers' organizing themselves in a union that represents their interests; this may also follow organizational strategies like those proposed by the Eastern Cape Agricultural Research Project (ECARP) or Sikhula Sonke). ECARP is a non-governmental organization (NGO) based in Grahamstown, which organizes workers in livestock and citrus farms in the areas around Grahamstown and the Sunday's River Valley (Naidoo, 2011). The NGO was started in 1993, its techniques include: lobbying, advocacy and networking to ensure that policies and legislation reflect the needs, concerns and development of farmworkers and dwellers (Naidoo, 2011; Visser, 2012). By June 2008, 52 farm committees were formed in eight areas of Cacadu and Amatole districts in the Eastern Cape and ECARP supported these farm committees (Naidoo, 2011). The committees were driven by farmworkers and dwellers interested in improving working conditions and also issues of social reproduction, like land tenure, women's rights, etc. (Naidoo, 2011). According to ECARP, 98% of farm committees have changed some aspects of their working and living conditions through bargaining with farmers. With 90.2% compliance in pay slips provision, 97.8% of workers receive at least the minimum wage, 92.6% of workers receive protective clothing, 97.6% pay over UIF contributions, and 90.3% of workers receive legislated overtime payment (Naidoo, 2011; Visser, 2012).

CHAPTER 5: CONCLUSION – CAN THIS DILEMMA BE SOLVED?

The purpose of this research was to look at the possibilities of decent work in the horticultural sector in Gauteng. This was inspired by the fact that the NGP was the first policy post-1994 that articulated the promotion of decent work in agriculture. The first chapter looked at the decent work debate in South Africa, the high road (decent work) and the low road (labour-market flexibility). I also asked how this decent work strategy is going to work, given the changes in the state involvement in agriculture, for example the relinquishing of marketing boards, reduction of aid to farmers, trade liberalization, and the shedding of jobs in agriculture. I showed how these changes have affected the farmers and that agriculture in South Africa has always relied on the low road resulting in workers' interests always being on the margin. This was also confirmed by our study in Gauteng (see Webster and Nkosi, 2013).

The findings show that given the turbulences farmers face with the retailers, the NFPMs, the prices of the inputs, they usually see labour as a cost and if working conditions are improved they argued that they would mechanize production or hire unregistered foreign migrants who have less bargaining power. This indicates that farmers, as a class, have more power than workers. However, the aforementioned methods of labour control in the horticultural farms have their underpinning in the continuation of paternalistic relations with farmers saying that they will 'follow labour laws within reason' since some of them are providing housing for their workers. Therefore when it came to the question of economic development my argument was that:

the economic structure of developing countries must change if there is to be growth and broad-based development, and that the required transformation of the production, employment and trade structure cannot be left to market forces alone, but has to be supported by conscious choices of structurally-appropriate macroeconomic, industrial, agricultural and trade policies. (Storm, 2011:670)

The question posed by my findings is how do we change this structure? To answer this question, I called for an alternative development path that is not grounded in a neoclassical approach of state deregulation in the economy. I used the work by Selywn (2007) who looked at the

development of class relations in the North East Brazil (São Francisco) horticulture sector. The important question that Selwyn (2007) asks is how do farmers in this region respond to export retail demands? He says we should look at how the labour and production process is organized in large-scale farms. This method of focusing on how production and labour is organized is important, as it provides not only the requirements of the buyers in terms of the product quality, but also those of the employers and the benefits of the employees in the process of organizing production (their structural and associational power). The importance of Selwyn's approach is that it does not see labour as a cost to development, but as an equal actor in development. Hence, his case showed that because of the class relations that developed in SFV, development in this region was doing better as the farmers were able to upgrade their production and workers, through their structural and associational power, were able to protect their interests.

So, can this challenge be addressed? Given the findings of this research, can we shift from a low road to a high road? What about the threats of mechanization? What about the upgrading of production in farms? The BFAP, which was done after the abrupt farmworkers' strikes in the Western Cape, argued:

Knowing that South Africa has un-cultivated arable soils suitable for expansion and intensification as well as additional sources of water under efficient water management systems, mechanization should not necessarily be seen as a threat against manual labour; it should rather be thought of as the opportunity to increase the output delivered per worker and stimulate the agro-economic sector... On-farm mechanization will in most cases result in the shedding of seasonal labour. It was calculated that approximately R3.7 billion is annually spent on seasonal agricultural labour wages. If 50% of these workers are taken from the system, the economy would lose R1.8 billion annually. *But if agriculture were to intensify and expand under a favourable economic and political environment*, it could result in increased efficiency and productivity due to mechanization. The seasonal labourers could be placed in the permanent labour position, increasing the remuneration bill, which will have vast positive spill off effects in rural communities... *There would be more emphasis on the workers' value to the farm, rather than just the idea of wages*. The reverse of this is also true, what is the value of the farmer to the community or workers, providing housing, transport, clothing and other benefits [*emphasis mine*]. (BFAP, 2012:39)

The BFAP (2012) report captures this alternative development path for it articulates how agriculture has to be managed in South Africa and calls for increasing production through capital-intensive as well as labour-intensive strategies. This ties in with the Selwyn (2012) approach, but the BFAP (2012) does not speak of how organized farmworkers through a trade union can shape this development. It is the work of Selwyn (2012) that allows for this possibility. Thus, the BFAP which analyses the Western Cape strike does not ground the strike in a class conflict, but argues that a shift in agriculture can occur only if there is a favourable economic and political environment. However, the report is not clear about this economic and political environment. The problem with policy formulation in South Africa in regards to agriculture, is that neither the labour or agricultural production policies are really based on a coherent vision on what agriculture should do; what it should produce; or the role it should play both economically and socially... My conclusion, therefore, is that for policy to be effective there is a need to shift to an alternative development path that calls for state intervention in the agricultural sector and has a clear vision of how the sector should grow. This strategy will speak directly to how workers are going to be empowered in terms of decent work indicators. However, the empowering of workers, as I have shown using Selwyn (2012), will occur through their own associational power. The recent contestation in the Western Cape shows the evolution of workers' power and how workers, despite being unorganized by a trade union, have come to articulate a position of a high road. Therefore, the task also lies with the trade union movement in South Africa to effectively organize and ensure that it articulates a path that favours and empowers workers and ensures that issues like the living tenure of farmworkers are addressed. The story of the Western Cape horticultural strike is one of a class that seeks to gain associational power to effect changes in development and should not be seen in isolation to the struggle of the horticultural farmworkers in Gauteng. The strike in the Western Cape has also led to the minister of labour to change the Sectoral wage determination indicating that workers will have to earn R105¹¹ a day starting from March 2013. However, the new Sectoral determination is influenced by the findings of the BFAP (2012) report which indicated that if the minimum wage

¹¹ Previously workers earned R69 for a nine-hour work day (see Department of Labour, 2012 for the Sectoral determination). The Western Cape workers were striking for R150 a day. The situation with the wage bill being changed is also tapping into the dilemma I have introduced. Essop (2013) indicates that farmers in Limpopo and Mpumalanga have retrenched close to 2,000 workers in favour of mechanization. Farmers are able to do so because farmworkers in the sector do not have a collective voice (i.e. a trade union) that represents their interests. The minister of labour also indicated that given the change in this wage bill farmers who cannot afford to adhere to it will have to show their profit margins (Essop, 2013)

is increased to R150 a day most of the farmers will be unable to run their operation costs, but R105 will allow farmers to do so (Mkandane, 2013). The BFAP (2012) goes on to argue that a rise in the minimum wage will mean that farmers have to change their structure of production and employ a committed permanent workforce that will contribute to agricultural growth. Given this change in the Sectoral determination, the space is open for this dilemma to be solved... It lies in the alternative economic development path that is linked with decent work. This means we are shifting from a narrow focus on economic policy, to questions of power, of how power shapes development. With that being said, the findings of this report show that, the realization of decent work in this sector may be a farfetched goal. Thus, the context of class relations in this sector, and the rise of powerful corporate retailers, makes the realization of decent work improbable.

REFERENCES

- AGRISETA. 2010. "Sector Analysis", prepared for submission to the Department of Higher Education and Training (June).
- Amsden, A. 2010. "Say's Law, Poverty Persistence, and Employment Neglect", *Journal of Human Development and Capabilities*, 11(1).
- Babbie, E. & Mouton, J. 2001. "The ethics and politics of social research," in E., Babbie, & J. Mouton, *The Practice of Social Research* (South African edition). Cape Town: Oxford University Press.
- Bair, J. 2005. "Global Capitalism and Commodity Chains: Looking Back, Going Forward", *Competition & Change* 9(2).
- Barchiesi, F. 2009. "That Melancholic Object of Desire: Work and Official Discourse before and after Polokwane", *The Salon*, Volume One.
- Barchiesi, F. 2011. *Precarious Liberation: Workers, the State and Contested Citizenship in Post-Apartheid South Africa*. New York: State University of New York Press.
- Barchiesi, F. 2012. "Liberation of, through, or from Work? Postcolonial Africa and the Problem with 'Job Creation' in the Global Crisis", *Interface* 4(2).
- Barker, F. 2007. *The South African Labour Market: Theory and Practice*, Fifth Edition. Van Schaik Publishers: Pretoria, South Africa.
- BFAP. 2012. "Farm Sectoral Determination: An Analysis of Agricultural Wages in South Africa", *BFAP Report* (December).
- Bienabe, E. & Vermeulen, H. 2007. "New trends in supermarkets procurement system in South Africa: the case of local procurement schemes from small-scale farmers by rural-based retail chain stores", *European Association of Agricultural Economist*, 103rd Seminar, April 23-25, Barcelona, Spain.
- Boehm, A. & Schirmer, S. 2010. "Development by Decree: the Impact of Minimum Wage Legislation on a Farming Area in North West Province", in B. Freund & W. Harald (eds.), *Development Dilemmas in Post-apartheid South Africa*. Scottsville: University of KwaZulu-Natal Press.
- Chikazunga, D., Deall, S., Louw, A. & van Deventer, J. 2008. "The Role of Fresh Produce Markets in South Africa", *Regoverning Markets*, Policy Brief 4 (September).
- Chikazunga, D. & Paradza, G. 2012. "Can Smallholder Farmers Find a Home in South Africa's Food-system? Lessons from Limpopo Province", *Institute for Poverty, Land and Agrarian Studies (PLASS)*, <http://www.plaas.org.za/blog/can-smallholder-farmers-find-home-south-africa%E2%80%99s-food-system-lessons-limpopo-province>, accessed 10 November 2012.
- Chun, J. 2009. *Organising at the Margins: The Symbolic Politics of Labour in South Korea and the United States*. Ithaca: Cornell University Press.
- Clarke, M., Godfrey, S. & Theron, J. 2002. *Workers' Protection: An Update on the Situation in South Africa*. A study undertaken by the ILO in preparation for the discussion at the ILC in 2006.

Cousins, B. 2006. "Agrarian Reform and the 'Two Economies' Transforming South Africa's Country Side", in L. Ntsebeza & R. Hall, *The Land Question in South Africa: The Challenge of Transformation and Redistribution*. HSRC Press: South Africa.

Department of Economic Development & Department of Agriculture and Development. No Date. "GEGDS & The Maize Triangle Launch", *Department of Economic Development & Department of Agriculture and Development*.

Department of Labour, 2012. *Basic Conditions of Employment (BCEA)*. Republic of South Africa.

Dolan, C. & Humphrey, J. 2000. "Governance and Trade in Fresh Vegetables: The Impact of UK Supermarkets on the African Horticulture Industry", *Journal of Development Studies* 37(2).

Du Toit, A. & Ally, F. 2003. "The Externalisation and Casualization of Farm Labour in Western Cape Horticulture", *Centre for Rural Legal Studies Research Report* 16.

Estevão, M. & Filho, I.C. 2012. *Institutions, Informality, and Wage Flexibility: Evidence from Brazil*. IMF Working Paper WP/12/84.

Essop, R. 2013. "Farmers Start Retrenching Workers", *Eye Witness News*, <http://ewn.co.za/InFocusItems/Farm-Protests>, accessed 07 February 2012.

Euromonitor International. 2010. "National Fresh Produce Markets (NFPM) Important, but Losing Relevance", Research for PMA (September).

GADS. 2006. "Gauteng Agricultural Development Strategy", *Department of Agriculture, Conservation and Environment*.

Gauteng Department of Finance. 2010. "Review and Outlook of Agriculture Industry in South Africa and Gauteng". *Quarterly Bulletin*.

Godfrey, S. 2012. "Trade liberalisation, centralised bargaining and decent work: studies of the clothing manufacturing in South Africa and Lesotho". A paper presented at the *Labour and Enterprise Policy Research Group*, workshop. Cape Town: University of Cape Town (19 October).

Gosh, J. 2010. "What Does Wage-led Growth Mean in Developing Countries with Large Informal Employment?", *Global Labour Column* 34.

Greenstein., Roberts, B. & Sitas, A. 2003. "Qualitative Research Methodology", in R., Greenstein (ed.), *Research Methods Manual*. Unpublished Manual.

Human Rights Watch. 2011. *Ripe with Abuse: Human Rights Conditions in South Africa's Fruit and Wine Industries*.

ILO. 1999. "Report of the Director General: Decent Work" to the 87th Session. Geneva: ILO.

Kirsten, J. 2009. "The Impact of Market Power and Dominance of Supermarkets on Agricultural Producers in South Africa: A Case Study of the South African Dairy Industry." A Report Commissioned by the *National Agricultural Marketing Council (NAMC)*.

Legassick, M. 1974. "South Africa: Capital Accumulation and Violence", *Economy and Society* 3.

Lerche, J. 2012. "Labour Regulations and Labour Standards in India: Decent Work?" *Global Labour Journal* 3(1).

Ministry of Economic Development. 2010. "The New Growth Path the Framework", *Republic of South Africa*. Pretoria: Government Printers.

Mkentane, L. 2013. "Farmers warn R105 wage ruling will see jobs lost", *The New Age* (07 February).

Morris, M.L. 1976. "The Development of Capitalism in South African Agriculture: Class Struggle in the Countryside", *Economy and Society* 5.

Naidoo, L. 2011. "Social Mobilisation of Farm Workers and Dwellers in the Eastern Cape", in K. Helliker & T. Murisa (eds.), *Land Struggles and civil society in Southern Africa*. Trenton, New Jersey: Africa World Press.

Naidoo, S. 2011. "Big five fight for food market share", in *Mail & Guardian Online* (04 November), <http://mg.co.za/article/2011-11-04-big-five-fight-for-food-market-share/>, accessed 15 November 2012.

NALEDI. 2011. "Identifying Obstacles to Union Organizing in Farms: Towards A Decent Work Strategy in the Farming Sector, Final Research Report", *NALEDI*.

Ndungu, K. 2012. "Unions on Farms: Why Sikhula Sonke is Succeeding where Others have Failed", *SA Labour Bulletin* 36(1).

Phakathi, B. 2012. "No End to De Doorns Strike after Talks Break Down", *Business Day Live*, <http://www.bdlive.co.za/national/labour/2012/11/09/no-end-to-de-doorns-strike-after-talks-break-down?service=print>, accessed 09 November 2012.

Pons-Vignon, N. & Anseeuw, W. 2009. "Great Expectations: Working Conditions in South Africa since the End of Apartheid", *Journal of Southern African Studies* 35(4).

Roberts, S. 2011. *Competition Policy, Food and Agricultural Markets, and the State in South Africa*. Johannesburg: University of Johannesburg.

SAIRR. 2011. 'Number of farm workers plummets', press release (26 January).

Scully, B. 2012. "Land, Livelihoods, and the Decline of Work: South African Lessons for Current Debates", *American Sociological Association* XVIII (1).

Selwyn, B. 2007. "Labour Process and Workers' Bargaining Power in Export Grape Production, North East Brazil", *Journal of Agrarian Change* 7(4).

Selwyn, B. 2011. "Beyond Firm-centrism: Re-integrating Labour and Capitalism into Global Commodity Chain Analysis", *Journal of Economic Geography*.

Selwyn, B. 2012. *Workers, State and Development in Brazil: Powers of Labour, Chains of Value*. Manchester and New York: Manchester University Press.

Sender, J. 2012. "Fictions and elephants in the Rondawel: a response to a brief chapter in South Africa's National Development Plan". Unpublished paper.

- Statistics South Africa (Stats SA). 2007a. "Census of Commercial Agriculture", *Statistical Release* P1101.
- Statistics South Africa (Stats SA). 2007b. "Census of Commercial Agriculture: Financial and Production Statistics", *Report Number* 11-02-01.
- Stroebe, L. 2010. "Food Retailing and Agricultural Development in South Africa", *SA* 22.
- Storm, S. 2011. "Economics for the 'General Case'", *Development and Change* 42(2).
- Silver, B. 2003. *Forces of Labour: Workers Movements and Globalization Since 1870*. Cambridge: Cambridge University Press.
- Tallontire, A., Dolan, C., Smith, S., & Barrientos, S. 2005. "Reaching the Marginalised? Gender Value Chains and Ethical Trade in African Horticulture", *Development in Practice* 15(3 &4).
- Visser, M. 2012. "Prospects of decent work in agriculture". A paper presented at the *Labour and Enterprise Policy Research Group*, workshop. Cape Town: University of Cape Town (19 October).
- Webster, E. 2011. "'The Wages are Low but they are Better than Nothing': The Dilemma of Decent Work and Job Creation in South Africa", in J., Daniel, P. Naidoo, D. Pillay. & R. Southall. *New South African Review* 2. Johannesburg: WITS University Press.
- Webster, E. 2012. *Decent Work and Development: The South African Challenge*. South Africa: University of the Witwatersrand Johannesburg, South Africa (unpublished).
- Webster, E. & Nkosi M. 2013. "'You Entered Through that Gate and you will Leave Through that Gate' The Decent Work Deficit Amongst Farm Workers", in C. Scherrer (ed.), *The Food Crisis and the Labour Movement*. Kassel, Germany: Kassel University Press.
- Weatherspoon, D.D. & Reardon, T. 2003. "The Rise of Supermarkets in Africa: Implications for Agrifood Systems and the Rural Poor", *Development Policy Review* 21(3).
- Wegerif, M., Russell, B. & Grundling, I. 2005. "Still Searching for Security. The reality of Farm Dweller Evictions in South Africa", *Social Surveys and Nkuzi Development*.
- White, F. 2011. "Sikhula Sonke Challenging Inequality", *SA Labour Bulletin* 35(1-5).
- Wolpe, H. 1972. "Capitalism and Cheap Labour-Power in South Africa: From Segregation to Apartheid", *Economy and Society* 1:4.
- Wright, E. O. 2000. "Working-class power, capitalist-class interests, and class compromise," *American Journal of Sociology*.
- Wuyts, M. 2011. "The working poor: a macro perspective". An address delivered at the Institute of Social Studies, The Hague, and The Netherlands.

INTERVIEWS WITH FARMERS + PARTICIPANT OBSERVATION

Joey* South African (female), Dainfern (Johannesburg) (19/04/12)

Pete* South African (male) West Rand (10/10/2012)

Conrad* South African and Portuguese (dual citizenship) (male) Germiston, East Rand
(13/11/12)

Thandi* South African (female), Sedibeng Region (20/11/12)

Johan* South African (male), Germiston (22/11/12)

Consignment Control Process Manager, Johannesburg (04/05/2012).