

The ETI code of labour practice: Do workers really benefit?

South Africa

“Two farms now have policies
[against harsh treatment of
workers] - one where abuse
of women workers was a
problem in the past.”

“The pressure of prices influences
the relationship with labour; for
example, wages can't be increased.”

South African fruit supplier

part
2_c

Findings and recommendations
from a case study in
South Africa (fruit)

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About the Report on the ETI Impact Assessment 2006

The Ethical Trading Initiative (ETI) is an alliance of companies, trade union and non-government organisations committed to improving working conditions in global supply chains. ETI company members require their suppliers to comply with the ETI Base Code, a code of labour practice based on international labour standards. After five years of operation, ETI wanted to assess:

- how its member companies were implementing the ETI Base Code;
- the impact of members' activities on workers in the supply chain;
- how the impact of member's work could be improved.

In 2003 ETI commissioned the Institute of Development Studies at the University of Sussex to conduct this assessment. The study was undertaken between 2003 and 2006 and this document is one of ten reports which, together, give the summary, complete findings, case studies and methodology of the study. The ten reports, published under the series title Report on the ETI Impact Assessment 2006, include the following:

The ETI code of labour practice: do workers really benefit?

Summary

Summary of an independent assessment for the Ethical Trading Initiative

This six-page document summarises the key findings and recommendations. It is available in print as well as online and is translated into Chinese, Spanish, French and Vietnamese.

Part 1

Main findings and recommendations from an independent assessment for the Ethical Trading Initiative

This is the report of the main findings with recommendations and good practice examples.

The detailed fieldwork comprised case studies in six countries and the findings are given in six documents that make up Part 2 of the report. These will interest readers who want more detailed information on labour issues and code impacts in these countries.

Part 2A

Findings and recommendations from a case study in India (garments)

Part 2B

Findings and recommendations from a case study in Vietnam (garments and footwear)

Part 2C

Findings and recommendations from a case study in South Africa (fruit)

Part 2D

Findings and recommendations from a case study in Costa Rica (bananas)

Part 2E

Findings and recommendations from a case study in the UK (horticulture)

Part 2F

Findings and recommendations from a scoping study in China

Part 3

How and where ETI member companies are implementing codes

This makes up Part 3 of the report series and describes the first phase study of ETI members' activities.

Part 4

Research methodology

This is for readers who want more detail on the research approach.

Each of the reports can be freely downloaded from www.ethicaltrade.org/d/impactreport and www.ids.ac.uk/

This series of reports has been prepared by the Institute of Development Studies (IDS) and the views expressed do not necessarily represent the views of ETI or of its member organisations. IDS is responsible for the accuracy of information contained in the document and our recommendations have not necessarily been endorsed by ETI.

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Foreword

Over the last decade, an increasing number of companies have recognised that they have a responsibility for the rights and conditions of workers who produce the goods that they sell - even if those workers are employed by a factory or farm on the other side of the globe. Companies have typically responded by adopting voluntary codes of practice which stipulate minimum labour standards that they expect their suppliers to comply with. Many have invested considerable resources in monitoring compliance with their codes, and working with suppliers to improve conditions over time.

The Ethical Trading Initiative (ETI) is an alliance of companies, trade union and non-government organisations (NGOs) committed to improving working conditions in global supply chains. When they join ETI, companies commit to implementing the ETI Base Code - a code of practice based on international labour standards - in all or part of their supply chain. But how exactly have member companies put this commitment into practice? Has their work on implementing the Code actually made any difference to workers in their supply chains? How can the impact on workers be improved? In 2003 ETI commissioned us to undertake a study to answer these and other related questions. This document provides an account of the key findings and recommendations from a case study of the South African fruit export industry, one of six case studies chosen to give an insight into key issues in different countries and sectors.

Who is this document for?

This document is relevant to all those involved in monitoring and improving labour conditions in the horticulture export sector in South Africa, including retailers, agents, suppliers, auditors, non-governmental organisations (NGOs) and trade unions. It provides an overview of the impacts of codes of labour practice on South African fruit farms, and of the key labour issues that remain to be addressed; an analysis of the key factors found to affect impact; and recommendations for improving impact in the South African fruit industry.

About the ETI Impact Assessment and IDS

The ETI Impact Assessment was initiated in 2003 - five years after ETI was established - to answer the questions outlined above. Based on assessing the

ethical trade programmes of nearly 30 sourcing companies (retailers, brands and suppliers), and including in-depth case studies in five countries and three sectors, this has been the most comprehensive assessment of the impact of codes of labour practice to date.

The Institute of Development Studies (IDS) at Sussex is well-respected for its research and consultancy on international development. The research team has extensive experience and expertise in ethical trade, employment in export production and labour standards. For the case studies IDS worked in partnership with local researchers who spoke the relevant languages and had experience of labour issues in the industry in question.

The research findings are based on qualitative and quantitative information collected from all key stakeholder groups, including brands, retailers, agents and suppliers, factory and farm managers, trade union organisations at international and national levels, NGOs, and all types of workers (women as well as men, migrant and contract workers as well as permanent workers, and trade union worksite representatives).

About the ETI Impact Assessment reports

The findings and recommendations from the ETI Impact Assessment are written up in ten separate documents, all of which can be freely downloaded from www.ethicaltrade.org/d/impactreport and www.ids.ac.uk. The ten documents, each targeted at different audiences, are listed on the inside front cover of this report.

By offering these different ways of accessing the findings of our study we hope we are throwing a helpful searchlight on current ethical trade practice that will enable everyone involved to enhance their understanding and develop their practice in this challenging but worthwhile field.

Acknowledgements

We would like to offer our sincere thanks to Professor Andrietta Kritzinger and Hester Rossouw, our research partners in South Africa, who conducted most of the research interviews in South Africa and compiled an initial report of the findings. We would also like to extend our thanks to the ETI member companies who agreed to participate in this case study, and to all those who took part in the interviews, in particular managers and workers at the case study supply sites.

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1 Introduction

1.1 Rationale for this case study

South African horticulture was selected as a country case study for the ETI Impact Assessment for the following reasons:

- South Africa provides a significant source of fresh fruit to UK supermarkets from December-March each year;
- South Africa ranked eleventh in terms of number of assessments (112 in total) carried out by ETI member companies in 2002¹;
- We wanted to include an African country to keep a regional balance in the case studies²;
- Baseline data from previous research studies were available.

1.2 Who was involved in the study

Our research partners for the South African case study were Professor Andrietta Kritzinger and Hester Rossouw of the Department of Sociology, University of Stellenbosch.

1.3 Types of value chains studied

In order to examine whether and to what extent the ETI Base Code had impacted on South African export fruit suppliers and workers, we studied a total of six supplier value chains.

These value chains varied in the degree to which they were integrated, and covered three types:

- Highly integrated supply chain, with same company acting as importer and exporter;
- Partially integrated supply chain, with a different importer and exporter working in very close association and with established linkages to growers;
- Fragmented supply chain, involving looser

connections between a number of importers, exporters and growers.

1.4 Research methods

The case study followed the 'value chain to impact mapping' approach (see detailed methodology in Part 4 of this report).

Interviews were carried out in the UK with:

- four supermarkets, giving us detailed information about the companies who supply them with fruit from South Africa
- five importers sourcing fruit from South Africa for these super markets.

Interviews were then carried out in South Africa with:

- 15 key informants from within the industry (trade professionals, a social compliance consultant, trade unions, NGOs, government officials and other related actors);
- seven South African exporters representing the three different types of selected chains;
- growers/managers at six supplier sites (two from each of the three different types of selected chains). These sites included one farm, three farm-packhouses and two dedicated packhouses (i.e. sites where only packing, no production, took place).

The sites selected supplied between one and four UK supermarkets each, all ETI members, with a total of four UK supermarkets supplied between them.

1.5 Worker sample

At the grower sites, interviews were held with 16 focus groups involving 93 workers. The focus groups represented the different categories of workers employed at the respective sites. Table 1.1 gives the breakdown of workers interviewed.

¹ As reported by ETI member companies in their 2002 annual reports to the ETI Board

² Kenya, the other main African food sourcing country, ranked one above South Africa in terms of number of assessments, but was excluded because of ongoing ETI engagement in the country at the time of the study (through the ETI Smallholder Project and support of the Horticultural Ethical Business Initiative), which may have influenced the findings of an impact assessment.

A total of 10 farm worker households at different sites were visited to try and gauge the influence of codes at the household level. Informal interviews were held with a member of each of these households.

Table 1.1
South Africa sample worker profile
(number of workers)

| | Men | Women | Total |
|-----------|-----|-------|-------|
| Permanent | 33 | 5 | 38 |
| Temporary | 12 | 37 | 49 |
| Contract | 6 | 0 | 6 |
| Total | 51 | 42 | 93 |

1.6 Limitations

This was a case study, and the sample was not statistically representative of all suppliers to ETI companies, or of the South African fruit sector as a whole. However, the worker selection reflected the gender distribution across the ratio of permanent and temporary workers within the South African fruit sector.

2 Background on the South African fruit industry

2.1 Size of sector and recent trends

Historically South Africa has had a significant market for its fruit in Europe with the UK being an important recipient. In the period 1998 to 2003 Europe took an annual average of 67% of South Africa's total fruit exports with 34% going to the UK. According to the Deciduous Fruit Producers Trust (2000) fruit exports accounted for 30 % of all South Africa's agricultural export trade and the total value of deciduous exports alone stood at US \$700 million.

Fruit sold to UK super markets is largely on a consignment basis and prices are not agreed until very close to the point of final delivery. Prices paid by super markets are subject to fluctuations in the open market. Therefore, risks of changing production conditions, fluctuating markets and exchange rate movements are borne mainly by growers.

Supermarkets have strict conditions of supply relating to food safety, traceability and hygiene, with many requesting compliance with standards such as the Euro-Retailers Produce Working Group Good Agricultural Practice standards (EUREP GAP), British Retail Consortium (BRC) standards, and Hazard Analysis Critical Control Points (HACCP) guidelines.

South African agriculture has undergone important changes following political transformation in 1994 and integration into global markets. Some of the most significant changes include:

- deregulation of the fruit sector, dismantling the single channel export system, in 1997
- extension of labour legislation to agricultural workers
- changing patterns of employment.

2.2 Other background information

Prior to 1993 the extension of labour legislation to the agricultural sector was limited, and farm workers were excluded from most rights and benefits enjoyed by workers in other sectors of the economy.

South Africa has also ratified all core International Labour Organisation (ILO) Conventions, in addition to

many others, since 1994. Since 1993 the government has introduced a raft of national legislation including:

- employment insurance
- basic conditions of employment
- labour relations and the right to strike action
- security of tenure and employment equity
- occupational health and safety, compensation for occupational injuries and disease
- skills development.

South African legislation has more stringent requirements than the ETI Base Code. Given the Base Code stipulates that the higher provision should apply, legislation takes predominance in the case of South Africa. However, labour inspections are limited and resources are lacking so that implementation of South African legislation remains an issue.

The farm labour force has traditionally been 'coloured' and structured along race and gender lines. Women have been concentrated in seasonal and temporary jobs while men have dominated permanent employment. Women used to be employed as a condition of employment of a male relative or partner. This practice is no longer permissible under law. Women not only earned less than men, but were also excluded from benefits enjoyed by male permanent workers. However, women did have access to some benefits, particularly housing, through their male partner or a male family member. Traditional paternalistic employment relations also provided a measure of security for workers who lived on the farm.

3 Key impacts found

3.1 Summary of worksite impacts by Base Code principle

Table 3.1 summarises the impacts reported by management and workers in each of the nine areas of the ETI Base Code³. 'Major' indicates that widespread and significant change has occurred across several or all case study worksites (e.g. reductions in working hours at over half the sites). 'Minor' indicates that changes were only reported at only a few sites or had minimal impacts on workers (e.g. introduction of age documentation at one or two sites). An asterisk next to either Major or Minor implies that the change was viewed as negative for at least some of the people interviewed. Zero means that no change was reported, but this does not necessarily imply that there were no non-compliances with the Base Code

Table 3.1
Summary of impacts at the six supply sites

| KEY | |
|-------|--|
| Mmt | Management |
| Wkrs | Workers |
| Major | Major and/or multiple impacts across several worksites |
| Minor | Minor impacts and/or impacts at isolated worksites only |
| * | Impact perceived as negative by at least some interviewees |
| 0 | No impact reported |

| Base Code principle | Mmt | Wkrs |
|------------------------|--------|--------|
| Freedom of employment | 0 | 0 |
| Freedom of association | 0 | 0 |
| Health and safety | Minor | Minor |
| Child labour | Minor* | Minor* |
| Living wage | Minor | 0 |
| Working hours | 0 | 0 |
| Discrimination | Minor | 0 |
| Regular employment | 0 | 0 |
| Harsh treatment | Minor | 0 |

(see section 3.4 for Key issues remaining).

It should be emphasised that impacts are not necessarily exclusively a result of implementation of the ETI Base Code. It was sometimes impossible to separate changes brought about by company codes of labour practice from other influences, but all impacts reported here were considered to be at least in part related to code implementation.

3.2 Impact by Base Code principle

3.2.1 Employment is freely chosen

All growers said they did not employ women as a condition of their husband's employment, and codes had no impact on this. Workers on two farms said they were free to work elsewhere, but on two others workers said partners of permanent staff were obliged to work on the farm. This issue was not applicable to dedicated packhouses. Supermarket codes had had no influence on this issue.

3.2.2 Freedom of association and the right to collective bargaining are respected

The two dedicated packhouses had long-established unions, with 90% and 70% membership. Both had Collective Bargaining Agreements, and negotiated issues arising in the packhouses. One farm had had a trade union prior to 1998. Management said unions did not deliver to workers, workers said management were not happy with the union. One farm briefly had a union with 58% permanent members, but it fizzled out. The other farms had had no active union. Neither management nor workers reported that codes had had an impact on freedom of association.

3.2.3 Working conditions are safe and hygienic

This was the area where most change had taken place in general. Most growers cited Eurepgap as the main reason for improvements in health and safety (personal protective equipment, toilets, etc.). Workers

³ A full explanation of how Table 3.1 was derived is given in Part 1, Key findings, section 2.1

were not as positive about these changes as management. The dedicated packhouses already had a good health and safety environment, which was confirmed by their workers. The ETI Base Code had led to minor health and safety improvements on two farms, one of which was confirmed by workers. There were thus some limited improvements attributed to the ETI Base Code.

3.2.4 Child labour shall not be used

Two growers cited legislation as having the main impact on ending the use of child labour in school holidays. One grower said that codes had had an impact on the use of child labour in school holidays for light duties. On one farm management and workers thought children should be able to work in the school holidays, so they saw these changes as having a negative impact. Child labour was never an issue on one farm or in either dedicated packhouse. The ETI Base code reinforced legislation and had had limited impact on child labour.

3.2.5 Living wages are paid

On all farms growers said codes had had no effect on wages paid. They all complied with legislation on minimum wages under sectoral determination. At the two dedicated packhouses, the unions negotiated wages which were well above the minimum wage. However, one farm was encouraged by a social compliance consultant hired by an exporter to extend the minimum wage and unemployment insurance (UIF) to seasonal workers in advance of a visit from labour inspectors. Thus while on the whole codes had not had an impact on wages, they did contribute to some wage improvements for seasonal workers on one farm.

3.2.6 Working hours are not excessive

All growers said overtime was within the law and voluntary, and codes had had no effect on overtime hours worked. The two dedicated packhouses were both compliant with legislation (which allows 10 hours overtime per week), but in one packhouse women

were allowed to opt out of this (many were single mothers). The ETI Base Code appears to have had no impact on overtime.

3.2.7 No discrimination is practised

One farm had an informal equal opportunities policy, two said legislation had made them more aware of equal opportunities (one of which had had support from an exporter social compliance consultant). The two dedicated packhouses had formal equal opportunities policies in line with legislation. The ETI Base Code had only indirectly contributed to awareness on one farm.

3.2.8 Regular employment is provided

The ETI Base Code had no impact on regular employment according to information provided by suppliers and workers.

3.2.9 No harsh or inhumane treatment

Two farms now had a policy on this (one where abuse of women workers had been a problem in the past). One of the farms was helped by an exporter social compliance consultant. On two farms where permanent workers said that abuse was not tolerated, temporary off-farm, migrant and contract workers were unaware of the policy. One dedicated packhouse had no written policy (part of their philosophy) and workers were satisfied with this. The other dedicated packhouse had a formal written policy, part of the company code of ethics introduced in 2004. The ETI Base Code had some indirect impact on one farm.

3.3 Other worksite impacts

Legislation in South Africa supports higher standards than the Base Code, and growers were aware that to export to the UK they needed to comply with legislation. One grower indicated that the existence of codes influenced their management style/approach, but did not determine it. Another grower was motivated by their export agent who sent a social

compliance consultant to visit the grower and helped them to comply with legislation. This was confirmed by the social compliance consultant, who indicated that compliance with legislation was required both by government and super market codes. Supermarket codes thus reinforced the need to comply with legislation.

3.4 Key issues remaining

3.4.1 Employment is freely chosen

All growers say they did not employ women as a condition of their husband's employment, and codes had no impact on this. However, on one farm women said they were obliged to work, and on a second farm men said their partners were obliged to work on farm.

3.4.2 Freedom of association and right to collective bargaining

In most cases management said they did not encourage or discourage workers from joining a trade union, but workers' responses were mixed. One farm had a workers' committee with which permanent workers were happy but not seasonal workers.

3.4.3 Health and safety

On one farm workers did not agree that health and safety was adequate (e.g. toilets, housing).

3.4.4 Living wage is paid

On one farm migrant workers were unhappy about deductions from their wages. On two farms workers complained of a cycle of debt, raising questions as to whether the legal minimum wage provided a living wage.

3.4.5 Working hours

On two farms workers disputed that overtime was voluntary, and on three farms said they were not given adequate notice of overtime.

3.4.6 No discrimination is practised

On one farm/packhouse the lack of permanent women workers in the orchard was raised. On three farms the issue of discrimination was raised by black African workers, who said preferential treatment was given to coloured workers. Contract workers were unaware of equal opportunities policies.

Where African and coloured workers were employed, African workers (often employed as contract workers) claimed that they are discriminated against in terms of wages, training, promotion, employment status, access to facilities like childcare and accommodation on the farm. In one dedicated packhouse the issue of favouritism and the power of supervisors was raised.

3.4.7 Regular employment is provided

Growers provided no guarantee to seasonal or temporary workers that they would be rehired. Migrant workers on one farm were poorly informed and given no guarantees of future employment, and on another farm they did get rehired. Non-permanent workers on one farm were less aware of and received fewer benefits than permanent workers. Off-farm workers on one farm said they did not receive contracts. In one packhouse seasonal women workers said they did not have written contracts.

3.4.8 No harsh or inhumane treatment is allowed

Workers on one farm said that supervisors were crude and operated favouritism, on another that management was abrasive, and communication difficult. Contract workers on one farm said they suffered verbal abuse from the contractor.

3.5 Impacts by type of worker

3.5.1 Impacts by employment status

The impact of even the more technical codes was not the same for all categories of workers. Workers' awareness of and access to benefits, committees and

procedures, especially as far as health and safety were concerned, related to the category of workers, race and gender.

- Packhouse workers generally had good conditions, with some exceptions among seasonal workers in one packhouse. Some complained about supervisors and lack of promotion. Workers could go to the union in case of issues arising.
- Permanent and on-farm temporary workers had generally reaped benefits from changes in legislation, therefore conditions were generally satisfactory, and legislation complied with.
- Migrant workers complained of discrimination, lack of protective equipment, poorer wages etc compared to coloured workers. They feared taking up issues in case they lost their jobs. On one farm they did not receive warnings before being dismissed.
- Neither contract workers nor temporary off-farm workers (mainly Black African) got training, received advanced warning of overtime, received benefits (UIF), had written contracts, or access to workers' committees.

In the case of contract workers, job mobility and lack of collective organisation coupled with negligence on the part of many third-party agents and contractors to formally register their workers, constrained their legal protection thereby denying workers access to certain benefits. One farm where contract workers lacked rights had passed a third party audit organised by a UK supermarket.

3.5.2 | Impacts by gender/ethnicity

Implicitly, women workers on some farms felt their employment was linked to their husband's (even with a contract). However, on two other farms women did feel free to take up employment elsewhere, although this was attributed to legislation not codes.

Black African workers, often migrant and temporary off-farm workers, complained about discrimination relative to coloured workers. In packhouses coloured

workers complained about not being promoted to management jobs (whites only). This reflects embedded discrimination, which neither codes nor legislation have changed.

3.6 Wider impacts

3.6.1 | Poverty/community impacts

Workers were generally unaware of and uninformed about codes. Consequently codes have had no perceived impact on worker households and communities in terms of alleviation of poverty and general well-being. Some workers, particularly those from packhouses and those permanently employed at farm level, were aware of the existence of more technical codes like Eurepgap and the impact that these codes were having on their health and safety environment. Some suppliers suggested that workers' awareness of health and safety issues in the workplace was filtering through to worker households.

3.6.2 | Other intended and unintended impacts

Suppliers were in agreement that, with the possible exception of health and safety, any changes in labour practices that had taken place in recent years should be attributed to legislation and sectoral determination as well as, to some extent, improved management and administration. The standards set by legislation are above those of the ETI Base Code, and hence legislation takes precedence according to ETI principles. There was an awareness of the need to comply with legislation in order to export to UK supermarkets.

In the case of dedicated packhouses codes were seen to have had no impact at all. According to suppliers, good employment conditions were well established in these workplaces even prior to legislation. The industrial character of these workplaces had facilitated the collective organisation of workers and trade unions were monitoring compliance with legislation.

4 Management approaches to code implementation

4.1 Overview of code implementation management approaches

Four key dimensions were identified for this study to assess management approaches to codes at buyer and supplier level. These were communication, capacity building, monitoring and integration into core business practice. Overall, activity in relation to all four dimensions was found to be limited throughout the value chain in South Africa.

4.2 Communication

Suppliers were at best very poorly informed about ETI as an organisation and the ETI Base code or were unaware of ETI.

Suppliers indicated that communication on codes with the supermarkets they supply was either poor or non-existent. One (possibly two) supermarkets had been proactive in providing information about their codes. Mainly supermarkets leave it up to their agents to do this. While some supermarket representatives paid visits to farms, communication was primarily about technical matters, for example fruit quality and safety.

Lower down the value chain we found that UK importers and South African exporters similarly failed to explain codes to suppliers and workers. To the extent that some communication did take place, this was primarily on the implementation of the more 'technical' codes, particularly Eurepgap, HACCP and BRC.

Suppliers were not transmitting information on codes to workers. They were on the whole unaware of codes (although they were more aware of technical codes). On occasion representatives informally communicated with workers at farm level but this normally related to technical codes such as Eurepgap.

4.3 Monitoring

Monitoring of labour codes by supermarkets was also very poor. One farm and one packhouse had had third party audits, the other packhouse a second party audit, and one farm a visit from an exporter's social

compliance agent. Where second and third party audits had taken place little information had been provided about the code, and there was no follow-up later on.

Supplier self-assessments of codes were often undertaken by the exporter rather than the grower, limiting grower awareness of codes. However, one agent did undertake an assessment with the supplier, alerting them of the need to comply with legislation.

4.4 Capacity building

Suppliers also indicated that they received no support from supermarkets to comply with codes. However, our research took place at the same time as one UK supermarket held a supplier conference in South Africa on its code of labour practice. This conference was well attended and generated a lot of interest in codes. This was reflected in the Research Team receiving requests for information from key informants and some participants at the conference.

We found that one exporter (for a farm and dedicated packhouse in our study), while not actively monitoring compliance with codes, was taking the initiative to inform suppliers of codes and was moving towards a formal auditing process. The exporter was also seen to be taking responsibility for establishing a relationship between the supplier and supermarkets. It was assisting suppliers to comply with codes by developing its own generic code covering all UK supermarket codes and providing guidelines and policies. This exporter was also unaware of ETI, and had spent time trying to work out the overlap between different UK supermarket codes, without realising they were all consistent with the ETI Base Code.

One other exporter/importer had also been providing support to suppliers on implementing codes and undertaking assessments for supermarkets they supplied. This exporter/importer had recently cut back on the level of this activity due to personnel changes and resource constraints.

4.5 Integration with core business

All participants in our study indicated that compliance had no influence in the supply relationship with the super markets. Most participants in the study indicated that price and quality pressures made it very difficult to comply with codes.

“The pressure on prices influences the relationship with labour, for example, wages can't be increased.”

Supplier

“Supermarkets are just going through the motions...”. [The effects of price, quality, packaging and product safety] ”make it more difficult to comply with codes.”

Supplier

5 Key factors affecting impact

5.1 Key factors related to the value chain

The value chain linkages between agents and super markets were quite complex. Most agents supplied a number of different ETI company members, and we were unable to attribute the activities of any agent or grower to a specific ETI member (with one possible exception). We were struck, however, by the way in which code implementation could be affected by the level of commitment of agents at different points of the value chain. In one chain it was clear that, irrelevant of the commitment of the ETI supermarket members supplied, an agent had little commitment to codes, and little communication or support was passed down to growers. In contrast, in another of the chains, feeding into a mix of ETI members, another agent had taken a pro-active position to support codes, and was investing resources in this and in supporting their growers.

To the extent that codes are affecting or changing labour practices, the more technical codes, for example, Eurepgap, BRC and HACCP were seen to have played a role. Here, agents were clearly pro-active, both in communicating with growers, and providing support to enable compliance. These codes have positively impacted on health and safety issues in the workplace.

Within packhouses, HACCP in particular was seen to have improved general hygiene - especially certain facilities and practices.

“Eurepgap brought much better awareness especially of health and safety training”

Supplier

“Since the implementation of Eurepgap, health and safety became more effective and active. Everyone has become more critically aware of quality, food and safety and health and safety matters.”

Supplier

5.2 Legislative context and other influences on change

In South Africa the employment conditions of workers and labour practices are covered and regulated by state legislation. While South African export producers are complying with employment legislation as far as their on-farm permanent and seasonal/temporary workers are concerned, contract and migrant workers are often marginalised and excluded from benefits and employment conditions stipulated by legislation. Government also lacks the capacity to successfully monitor compliance with existing legislation.

Given the existence of comprehensive and even radical labour legislation, South Africa qualifies as a low-risk country as far as setting labour standards are concerned. However, labour protection will only be comprehensive if it includes more vulnerable and insecure workers. Under these circumstances codes could help in reinforcing legislation and extending labour protection to marginalised workers.

The Wine and Agriculture Ethical Trade Association (WIETA) is a voluntary association of retailers, producers, trade unions, NGOs and government, and was formed in 2002 following an ETI pilot project in the South African wine industry. It has a code of practice based on the ETI Base Code, and conducts audits of wine suppliers against this code, as well as providing education and training on good employment practices to suppliers and workers. Some fruit growers also have vineyards, and the two sectors are co-located in the Western Cape. WIETA has recently been extended to include fruit growers, and could provide a vehicle for the implementation of labour codes within the fruit sector (see www.wieta.org.za for further information).

6 Recommendations

Suppliers and other players within the industry identified ways in which the impact of labour codes within South African export fruit could be improved. Most of these suggestions focused on one or more of the following management approaches followed by supermarkets, importers and exporters; communication and the creation of awareness of codes; the monitoring of compliance with codes; the support given to suppliers to assist them in complying with codes; and integration into core business. Their recommendations (and those from other local stakeholders) are presented below, followed by some additional recommendations from the research team.

6.1 Recommendations from suppliers and other local stakeholders

6.1.1 Communication and building awareness of codes

- Communication should be improved throughout the value chain, i.e. from supermarkets through importers and exporters to producers.
- ETI is only communicating with retailers and with nobody else. Some key informants and industry professionals requested better information flows from ETI.
- Supermarkets should improve their communication with workers at farm level and in dedicated packhouses. Workers usually feel far removed from supermarkets.
- Guidance and information documents should accompany codes when such codes are communicated to producers. A general newsletter should be sent out to producers containing information on labour codes and the implementation of codes.
- To be relevant in the South African context codes and related information must be translated into local languages.
- Visual tools should be developed for workers in order to assist them in understanding labour codes.
- There is no reason why NGOs and trade unions

should help create awareness of codes if there is no incentive to do so. There should be more incentives for NGOs and trade unions to become involved.

6.1.2 Monitoring

- Monitoring can be improved if there is a unified labour code. Different codes result in confusion on the part of producers especially. Labour codes should be added to, for example, Eurepgap and BRC.
- Auditing and self-assessment processes should be improved and there should be a follow-up on audits and self-assessments.
- Workers should be given the opportunity to do self-assessments.
- Trade unions, where they are present, should participate in the monitoring process.
- More third party audits should be considered.

6.1.3 Capacity building

- There should be awareness raising and training for exporters, producers and workers. This should be the task of supermarkets.
- Resources for capacity building are essential, for example resources for training workers. A culture of compliance already exists given legislation and codes such as Eurepgap.
- There should be an emphasis on the empowerment approach (empowerment of producers and workers).
- The Deciduous Fruit Producers Trust and government should play a greater role in capacity building.
- ETI should fund the training of suppliers and workers.

6.1.4 Integration into core business

- There should be a better price for producers who

are complying with labour codes.

- The principle of preferential supplier status for those who comply with ethical trade requirements should be accepted.
- Supermarkets' commitment to codes should be more consistently 'ethical'.
- Some incentives for compliance will have more success, i.e. use the carrot rather than the stick.

6.2 Recommendations from the Research Team

- A key issue is to ensure that the ETI Base Code is implemented for off-farm flexible labour - more particularly contract workers.
- Local stakeholders including fruit exporters, fruit industry bodies, local trade unions and NGOs as well as government, should engage more actively in implementing the ETI Base Code.
- Social audits should be seen as a learning process and a means of providing information on good practice.
- Local ownership of the implementation and monitoring of codes is of crucial importance.
- WIETA was discussed at the South Africa workshop as a good example of building a local approach in the wine industry that could provide a model for the fruit sector. WIETA is very successful in capacity building and was subsequently expanded to include the fruit sector. This provides the basis for developing an integrated local code across agriculture that includes wine, horticulture and floriculture.
- Communication between consumer bodies and workers should be encouraged. This is in order to inform consumers of the steps being taken to get to compliance and good practices.

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