(Re)politicizing empowerment: Lessons from the South African wine industry

Cheryl McEwan *, David Bek

Geography Department, Durham University, Science Site, South Road, Durham DH1 3LE, United Kingdom

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Abstract

Despite being a poorly defined and vague concept, empowerment is currently of political and theoretical significance and nowhere more so than in South Africa, where it is seen as central to post-apartheid transformation. This paper explores the ways in which empowerment has been understood, defined and deployed by post-apartheid governments in the context of a gradual shift from nation-building to neo-liberal governance. It examines the impact of legislation and government policy through a critical examination of empowerment initiatives in the wine industry. Drawing on research conducted in the Western Cape in 2004, the paper analyses how empowerment is interpreted and appropriated both within legislation and specifically within the wine industry. It explores what the wine industry reveals about the disempowering work of neo-liberalism, even as it is couched in the discourses of empowerment. Findings suggest that equating empowerment with economic empowerment threatens to reinforce structures of domination, rather than transforming them, while leaving power relations largely untouched. The case study reveals that until more radical understandings of power and empowerment are acknowledged and incorporated into government policies the failure to address broader issues of social and economic transformation will persist and policies aimed at the empowerment of marginalised individuals and communities will continue to have apparently pre-determined and depoliticised outcomes.

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1. Introduction

Empowerment is currently at the heart of political and theoretical debate. People from across the political spectrum claim to support ‘empowerment’ as part of the decentralising of decision-making power (Perkins et al., 1996; Rowlands, 1997); it has become “a popular, largely unquestioned ‘goal’” (Parpart, 2002, p. 338). And yet, as it has been deployed in political and development discourses, it is a concept that is vague and poorly defined, causing confusion over expectations and over the evaluation of progress and outcomes of ‘empowerment’ strategies or policies. Some argue that the concept enjoys universal appeal precisely because of its vagueness (Lyons et al., 2001; Sharp et al., 2003); it is defined only loosely or by implication, in contrast with a state of ‘disempowerment’ tacitly assumed to have a generally accepted definition (Marshall, 1998). Critics also suggest that, where empowerment was once a subversive, emancipatory activist tool, it now forms one of the building blocks of neo-liberal governance. As Miraftab (2004, p. 239) argues, development agencies and governments have both depoliticised the concept, by appropriating it in such a way that negates its implications for dominance, and deployed it in profoundly political ways to rationalise neo-liberal governance.1

1 Miraftab uses a case study of community-based waste collection strategies in Cape Town to cast light on the ideological apparatus of neo-liberal governance.
Empowerment strategies have arguably been nowhere more central to government policy than in South Africa, both historically and in the present, and nowhere are they currently more hotly debated and contested. Empowerment is seen as central to post-apartheid nation-building and to the broader transformation from a racialised system of discrimination to one of greater political, social and economic equity. Quite what empowerment means, how it is to be fostered and how much it is achieved are, however, both complex and contested. We wish to argue that the ways in which empowerment has been understood, defined and deployed by post-apartheid governments, and specifically the ways in which it has seemingly been reduced to economic empowerment, are in danger of reinforcing structures of domination, rather than transforming them, while leaving power relations largely untouched.

The paper first explores conceptual arguments about power and empowerment as they have unfolded in South African debates, legislation and policies. It focuses on the gradual shift from nation-building to neo-liberal governance and how this is reflected in economic reductionism evident in concepts of empowerment. We argue that such a reductionism both depoliticises empowerment and potentially has disempowering effects. In order to develop this argument, we explore the impact of legislation and government policy through a critical examination of empowerment initiatives in the wine industry. Agribusiness was known to be particularly exploitative of black labour under apartheid and, because of its connections to issues of land restitution and workers rights, is of immediate significance in socio-economic transformation and issues of empowerment. Moreover, a number of schemes have been implemented to transform the wine industry, with several South African wines now being marketed explicitly at home and internationally as 'empowerment' wines (Bek et al., 2006). South African case studies of the wine industry and other agricultural sectors in the Western Cape have played an important role in contributing to broader debates around fair and ethical trade. In this paper we take a different approach in examining what the wine industry reveals of current debates about empowerment and its appropriation by governments. We are interested in what empowerment means in this context, what the wine industry reveals about the disempowering work of neo-liberalism, even as it is couched in the discourses of empowerment, but also what lessons might be learned about potential ways forward in re-politicising empowerment.

Our assessments are based on research conducted in the Western Cape in March-April 2004. A wide range of informants involved in the wine industry were interviewed, including producers, managers, government officials, consultants, representatives of labour unions, employment and marketing associations and empowerment-focused wine industry bodies. We explore the contested meanings and impacts of empowerment strategies, focusing on both industry-wide and grassroots initiatives. South African policies are subject to intense debates and criticism, particularly for their apparent failure to deliver broad-based emancipatory empowerment. To this end we explore some of the complexities and contradictions of trying to effect broad-based empowerment within the context of unprotected free market globalisation and the implications for conceptualising empowerment within this context.

2. Empowerment, neo-liberal governance and economic reductionism

Notions of empowerment in post-apartheid South Africa have been closely related to ideas about democratisation, conceived of through processes of state restructuring and increasing participation in all spheres of life (Hill, 2003). Through restructuring of the state, institutions and legislation there has been a focus on increased equity in the distribution of power as it relates to the articulation and satisfaction of needs, stressing local involvement and devolution of power (McEwan, 2003). Empowerment is perceived as a facilitator for the attainment of rights and as central to the creation of participatory democracy, with emphasis on the role of self-organizing. Efforts towards socio-political transformation have thus been based on sophisticated understandings of how power operates; as Fraser (1989, p. 26) argues, “If power is instantiated in mundane social practices and relations, then efforts to dismantle and transform the regime must address those practices and relations”. Following the initial period of refashioning state machinery, focus has shifted towards these social practices and relations, recognising that changes in ideology need to accompany the restructuring of decision-making hierarchies and that both need to occur

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2 Colonial and apartheid policies produced a system of racial capital that empowered whites and relegated blacks to the margins of the economy; prior to apartheid, heavy government subsidies and capital protected Afrikaner farmers (Gillimee, 1979); after 1948, the National Party embarked on economic policies to close the gap between Afrikaners and English-speaking white South Africans through the effective disempowerment of black labourers. Many of the Afrikaner-owned “corporate behemoths” that still exist in South Africa emerged out of this particular empowerment strategy (Iheduru, 2004, p. 4).

3 We use the term black as inclusive of all people of colour whilst being mindful of the sensitivities associated with such terminology. The complexities and politics of re-figuring the racial self in the project of empowerment, particularly within the Western Cape with its majority Afrikaans-speaking ‘coloured’ population, are dealt with subsequently.

4 A total of 25 formal interviews and six informal interviews were conducted. A system of referral was used following initial contact in the field with WIETA board members. As WIETA operates as an alliance between private sector, NGOs and labour unions a reasonably representative perspective could be gained cutting across the industry’s key organisations. Due to the politically and commercially sensitive nature of much of the information contained in this paper the identity of all sources is protected.
in all spheres of life. Groups held back by “structures of collective constraint” (Fraser, 1989, p. 135) based on gender, ethnicity, race, class, age or sexual orientation have an especially strong stake in redistributing social power (see Folbre, 1994; Hill, 2003). Thus, participation in local democracy and decision-making is seen as central to the empowerment of previously oppressed groups in South Africa.

This emphasis on participation as a means of empowering historically disadvantaged groups is seen as a defining feature of the ‘new’ South Africa, linked originally to strong grassroots structures that evolved during apartheid and to South Africa’s particular approach to development embodied in the Reconstruction and Development Programme, which evolved from them. This involves decentralising control and decision-making to civil society and grassroots levels (Niksic, 2004), creating self-awareness and the transformation of society, leading to negotiated power-sharing within a unified nation. On the one hand, this is a drive towards the “self-organisation of the poor” (Friedmann, 1996, p. 162) in a co-operative manner as a means of gaining control over the means to a livelihood. On the other hand, this is also about transforming deeply embedded social and structural inequities and fostering individual and collective empowerment that is essential to social transformation.

Empowerment, as it is conceived of in South Africa, also requires broader involvement in economic and social processes, the nature of which determines practices and activities affecting the well-being and freedoms of people in society. Democratisation is aimed in part at extending more social power to those historically and currently disadvantaged in processes of social and economic choice; it has attempted to create a new knowledge and new values that bring about the meaningful empowerment of groups relegated to subordinate positions. As discussed subsequently, achievements to date are debated intensely (see also Bond, 2000; Hart, 2002; McEwan, 2003, 2005) and often meet resistance from those who were previously privileged by existing power relations and whose privileges in relation to power are threatened by transformation. The hope remains, however, that as democratisation changes embedded institutions the base of society also changes; new understandings of social reality emerge, self-definitions are altered and institutional practices are modified (Hill, 2003; Hill Collins, 2000; Hartsock, 1998). As Hill (2003) argues, change begins when individuals who share a perception that change is necessary or desirable initiate new practices; change is complete when the new practice becomes the norm or the rule.

2.1. Black economic empowerment

Moral, legislative and economic imperatives have helped initiate and sustain processes of change in South Africa. In recent years, however, there has been an increasingly concentrated focus on empowerment as ‘black economic empowerment’ (hereafter BEE), defined as black people gaining access to corporate ownership and management roles that give them equal access to scarce resources (Murray, 2000). At the ending of apartheid, black workers expressed hope that the new government would empower them in the same way that the National Party empowered Afrikaners from 1948. Since 1994, ANC governments have committed to fostering BEE through enabling the emergence of a black middle (specifically entrepreneurial) class. Parastatals were given millions of dollars to support black empowerment and quotas were introduced into the public sector in an effort to combat inequities structured around gender, race and (dis)ability; there was a shared belief that programmes of BEE would “support black business to enter the mainstream” (Mabogoane, 1995, p. 1) and that this would mean a transfer of black workers into management positions. This policy, with its perceived long-term benefits for social stability and nation-building, was reiterated recently by President Mbeki:

As we approach the end of the first decade of our new democracy the need for an economic transformation that brings about effective and significant black economic empowerment becomes more pressing. We believe that it is in the interests of all citizens that we succeed in this endeavour (Mbeki, 2003).

A black middle class is seen strategically as the vanguard for the integration of black people into mainstream economy and black empowerment as central to fighting poverty (Iheduru, 2004) and reducing the potential for civil strife. The long-stated and controversial aim of government policy is “patriotic capitalism to ensure that there emerges a black bourgeoisie” (Mbeki, 1999; Murray, 2000, p. 183). A class solution is thus sought to racialised inequalities even as it fosters the creation of a capitalist economy; unsurprisingly, very few issues animate South Africans as do the politics of BEE.

Prior to 2004, BEE strategies were scattered in various pieces of legislation, including the Promotion of Equality and Prevention of Unfair Discrimination Act (2001), Extension of Security of Tenure Act (1997), Restitution of Land Rights Act (2003), and Employment Equity Act (1998). The National Empowerment Fund Act (1998) sets aside 2% of proceeds from privatisation of state assets in a trust to finance the purchase of equity stakes in these businesses by previously disadvantaged people (Iheduru, 2004). Several apartheid-era laws pertaining to credit, usury and income tax have been reviewed and amended to remove impediments to effective black participation in mainstream economy. Bidders for government contracts have to demonstrate a commitment to BEE. The energy

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5 ‘Black’ refers to all people of colour but ANC statements indicate a clear preference for black African peoples; BEE seeks to empower all people of colour in general and “African people in particular” (ANC, 2002). Given its demographics, this has implications for racial politics in the Western Cape.
and mining sectors are heavily subsidised by the government, giving the latter powers to demand that white capital in these sectors embrace BEE or face liberalisation. This threat also allowed the government to pass the Minerals and Petroleum Development Act (2002), which returns private mineral rights to the state for the benefit of all South Africans. Other regulated areas of the economy (particularly advertising, public relations and auto-manufacturing) have also adopted voluntary empowerment strategies; for example, advertising has promised 26% black ownership and 40% black employment to guarantee government contracts (Klein, 2003). However, many critics claim that despite legislation BEE strategies have been only partially implemented, if they have been implemented at all.

Profound scepticism remains concerning the impact of empowerment measures and BEE, in particular, has been subject to furious criticism. Murray (2000), for example, argues that the changes brought about have been minor and self-interested and amount to little more than a “corporate blackwash” (see also Turok, 2000). She argues that BEE measures have been adopted by individual companies to combat an all-white management image, to improve a company’s black distribution network, to gain control of black workers’ pension funds, to place responsibility for enforcing large-scale redundancies or crack-downs on worker militancy on black managers and to improve social stability generally. Moreover,

These black companies typically have small black stakes, with a titular male black head operating within a majority white board whose members dominate decision-making (Murray, 2000, p. 184).

Meanwhile, white family capital continues to dominate big business and black poverty remains unchallenged by the few BEE companies and worker equity schemes that have emerged. Critics also point out that there is little reason to suspect BEE will accelerate given widespread corporate anxiety over declining global economic profits and the ANC government’s commitment to neo-liberal macro-economic policies, which are likely to stymie the emergence of a sizeable black middle class (Ramsamy, 1996; Bond, 1997; Murray, 2000; Hart, 2002).

Our research and that of others suggests that many black people are ambivalent about BEE and suspicious of self-interest amongst the small black elite that has emerged since 1994. Macro-economic reforms have reduced the purchasing power of blacks and, in shrinking the state, have reduced the number and size of contracts needed to bolster BEE businesses leaving only corporations to support empowerment. As Murray (2000, p. 203) argues:

Black empowerment is a token corporate blackwash for there is nothing patriotic about capital – it knows no community, state or national loyalty – only the incoherent march towards globalisation.

The limited interpretation of BEE is symptomatic of non-inclusive consultation and a narrow focus on the transfer of ownership of South African corporate entities (Heese, 2003). The reasons for this are reliance on government programmes (to create jobs, develop skills and education, and alleviate poverty) and the effect of black corporate lobby groups, resulting in criticisms of BEE as an ‘enrichment’ process, benefiting only a few well-positioned individuals (Southall, 2004). Critics argue that BEE has failed to address transformation for a broad base of South Africans, may have deepened rather than alleviated inequality, and the fostering of a black corporate elite has had opportunity costs for other stakeholders, especially the unemployed and rural poor. Statistics suggest that polarisation of wealth has increased under ANC governments, with the richest 10% of black households gaining on average 17% between 1991 and 1996 and the poorest 40% losing 21% (Barrell et al., 2000; Murray, 2000, p. 186). Recent estimates show that the proportion of people living in poverty has not changed much since the mid 1990s; in 2001 it was estimated that 61% of Africans and 38% of coloureds were poor, compared to 5% of Indians and 1% of whites (Keller, 2005). Continuing empowerment of a sector of the population depends heavily on a commitment to empowering a large number of individuals and to spreading information, training and opportunity. However, critics suggest that ANC policies have allowed power to be hoarded by elites, do not meet broad-based empowerment objectives and have led to stagnation within already disempowered communities and groups (Lyons et al., 2001).

Aware of these criticisms, the government passed the Broad-based Black Empowerment Act in January 2004 aimed at

[T]he economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies. (http://www.info.gov.za/gazette/acts/2003/a53-03.pdf, accessed 31.01.05)

Strategies include facilitating and increasing the number of black people (communities, workers, cooperatives and other collectives) that manage, own and control enterprises and productive assets; human resource and skills development; achieving equitable representation in all occupational categories and levels in the workforce; preferential procurement; and investment in enterprises that are owned or managed by black people (http://www.info.gov.za/gazette/bills/2003/b27b-03.pdf, accessed 31.01.05). The Act also provides for the establishment of the BEE Advisory Council to advise government, review progress, advise on draft codes of good practice, and facilitate partnerships between state institutions and the private sector to advance BEE.

The approach to BEE is expanded to encompass ownership, management, human resource development, procurement and “women’s empowerment” (http://www.info.gov.za/gazette/bills/2003/b27b-03.pdf, accessed 31.01.05),
using a scorecard approach to set targets that can then be measured in each of these areas. According to the DTI, certain sectors and industries will be required to comply with the terms of the Act by developing sector charters, whereas other sectors will voluntarily develop their own charters (Hendricks, 2004) to outline issues and targets for effective transformation. The most fundamental principle is that BEE must be broad-based and ensure that larger numbers of people benefit rather than enriching an elite few. However, the Act has been criticised from all sides, by angry black business about to lose some of its patronage, by white business allegedly tired of paying ‘blood money’ and by a disillusioned and vocal left in the governing alliance. Powerful black business leaders criticize it as a backward step since it places emphasis on a black-white compact and a principle of mutual reliance. In response, the government has attacked ‘elitist’ black capitalists, whom it accuses of ‘scaring away’ foreign investment and not doing enough to spread the benefits of BEE to the black majority (Iheduru, 2004).

2.2. Empowerment and power

How power is defined and understood is critical to assessing the success of BEE because differing definitions of power underpin different understandings of empowerment. The meaning of empowerment, in South Africa and elsewhere, is thus both fluid and contested. Feminists have argued that to be empowered “is to be invested with power” (Peake, 1999, p. 70). Power can be defined as ‘power over’ where marginalised groups gain power at the expense of the already-empowered, facilitating their participation in economic and political structures of society and occupation of positions of power in terms of decision-making (Sharp et al., 2003). This notion of power is clearly evident in both BEE legislation and, as discussed subsequently, in strategies to implement this in the wine industry. Although a reformist approach, this accepts current social structures, the ways in which decisions are made and the processes through which resources are allocated rather than seeking radical transformation. However, it considers that previously marginalised people should be given positions in hierarchies of power to ensure equality (Sharp et al., 2003).

Also apparent in South African debates and policies is empowerment defined as ‘power to’, or the ability to act in a particular way, which sees increasing advantages of the marginalised as not to the increased disadvantage of the already-empowered but as beneficial to communities as a whole (Allen, 2003, pp. 5–6). Capacity-building and self-organisation by individuals and communities are seen as central to improving access to, control over and distribution of resources through the realisation of rights. Currently popular with development agencies and at the heart of BEE policies, this notion of empowerment is premised on an increase in influence and control through knowledge and skills acquisition, where control may be exercised in a number of spheres (individuals, households, communities) and by a range of social groupings (Somerville, 1998; World Bank Group, 1999). Economic and social constraints are seen as acting as prime barriers to the realisation of rights. Empowerment is thus a “consequence of participating in collective action and gaining greater control over the means to one’s livelihood” (Friedmann, 1996, p. 164), requiring both human capacity (for example, the ability to read and write) and social capital (the ability of people to work together for a common purpose in groups and organisations) (Bebbington et al., 2004).

One problem with these understandings of empowerment is that they detract attention away from inequalities of power (Fine et al., 2001). What is required, therefore, to bring about more radical empowerment is a deeper understanding of power and how it operates. For black South Africans, disempowered for generations by a racist regime, “power from within” (Rowlands, 1997, p. 111) is particularly significant. Power works through discourses that construct notions of self-hood such that some people do not have the ability to even think about how the world might be different and even collide with the structures that oppress them (Foucault, 1980). Empowerment, therefore, must begin with ‘power from within’, enabling people to contemplate alternative ways of existing and generating a belief in their own abilities to have some role in enacting change. As Sharp et al. (2003, p. 283; see also Townsend et al., 1999) argue:

Empowerment becomes the generation of a sense of effective agency... From this understanding of power— the process of gaining empowerment, of considering oneself a capable agent, is as much an aim of the process and the material end result... of any particular project.

The debates about BEE and the nature of empowerment in South Africa are set to rumble on; however, in endeavouring to tackle the critical questions of what empowerment means and how to empower an impoverished and previously oppressed majority, these debates are both informative and have broader conceptual relevance. An important question is whether equating empowerment to BEE, as appears to have happened in South African policy arenas, actually depoliticises it, fails to deliver the structural and ideological changes required for radical transformation, and fails to facilitate the attainment of ‘power from within’ for the previously oppressed majority.

In what follows, we explore these questions through a case study of the wine industry where the crucial role played by racist ideologies and discourses means that the re-figuration and re-conceptualisation of the racial self is crucial to the project of empowerment. This takes place in the very specific and complex local context of the Western Cape, where there are very specific historical and political meanings attached to what it means to be ‘black’, ‘white’ and ‘coloured’ on and off a wine farm (see Erasmus,
of their wages in the form of low-grade wine (Brown et al., 2003), resulting in serious social problems in worker communities, including alcoholism, domestic violence and foetal alcohol syndrome.

While some efforts were made in the 1980s to improve social conditions on farms (Ewert and Hamman, 1999; Groenewald, 1993), the legacy of apartheid-era working conditions still affects labour within the wine industry. Pay rates remain extremely low and working hours frequently exceed those laid down as acceptable by legislation (Brown et al., 2003; Ewert and du Toit, 2004; Women on Farms Project, 2003). Physical abuse of workers and child labour is still evident on some farms, especially during seasonal peaks of labour demand. Health and safety is often poor, particularly in relation to exposure to agrochemicals, and the dop system is still practiced on some estates (Brown et al., 2003). In order to reduce labour costs, many employers are now seeking an increased proportion of contracted off-farm labour, much of which is migrant and female labour (Barrientos and Kritzinger, 2004; Kritzinger et al., 2004). These non-permanent workers are excluded from many basic entitlements and report much higher levels of exploitation and abuse. Moreover, many farmers are abandoning many of the ‘social dividends’ of the paternalist system; a third of farmers, for example, no longer consider the provision of housing to be part of their contract with employees (Ewert and du Toit, 2004; see also Orton et al., 2001).

The President of the Black Association of the Wine and Spirits Industry (BAWSI) identifies the key issues relating to empowerment as “transformation of ownership… control of the industry [and]… transforming our skills base” (Pieterse, in National Library of South Africa, 2004). As discussed, the government has sought to redress the balance between employers and employees through employment acts that, in theory at least, provide workers with high levels of protection (Ethical Trading Initiative, 2004; Kruger and Hamman, 2004). Whilst employment legislation seeks to address class-based imbalances, BEE legislation has sought to tackle the racially delineated inequalities inherited from the previous regime. However, enormous obstacles to transformation persist. To a large extent, a white elite continues to run the industry’s major businesses and institutions (Ewert and du Toit, 2004) and BEE and other empowerment processes are often interpreted rather conservatively. Land ownership continues to remain almost exclusively in the hands of the minority white population (Kruger, 2004; Kruger and Hamman, 2004; Vink, 2004). Land reform is difficult to implement in the wine industry because it is highly capitalised (Williams, 2005, p. 479). As a result of a different history of dispossession to other areas of agriculture, the emphasis in the wine industry is less on land

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6 Given that Broad-Based BEE legislation was introduced only in 2004, it is too early to tell whether this is the case in reality but we have not found evidence of this within the wine industry. There is a perception amongst a majority of Coloureds and Indians in the Western Cape that BEE has a negative influence on race relations and poverty alleviation (Kornegay, 2005). However, government ministers are keen to stress that ‘Black’ in BEE is an inclusive term. According to Mxolisi Buthelesi, Director of Trade and Industry and responsible for BEE, “the beneficiaries of BEE interventions should… be [all] South African citizens who are: Blacks (African, Coloured and Indians).…” It would be unlawful under the Equality clause to discriminate against Coloured people in any BEE initiative and counterproductive given that Coloureds and Indians compose 55% of the Western Cape population.

7 R16.3 equated in 2003 to an estimated US$3.172 billion. South Africa is the 10th biggest exporter of wines in the world, with export sales growth increasing by 24.4% per annum between 1992 and 2003 and rising to 30% in 2004 (Tregurtha, 2004).

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transfer than on ownership and managerial control (though land reform is still the key policy against which empowerment is measured (Tregurtha, 2004, p. 11), and recent government policy has shifted from a pure market driven (approach) to a much more interventionist stance, which puts the government in a position to confiscate land). Consequently the policy focus of transformation has been oriented towards BEE, yet less than 1% of the wine industry is under black ownership (Nxumalo, 2003). Employment patterns remain highly racialised with few opportunities for black people within the more highly remunerated positions. At the time of writing, more than a decade after the first democratic election, only one black person has reached the level of chief executive within any wine-producing organisation.

There are clearly limitations in terms of what legislation pertaining to empowerment can deliver. Evidence suggests, for example, that many wine industry executives approach empowerment and associated legislation and initiatives as a set of challenges to be cynically manipulated. As one Department of Labour official observed, “The lawyers are usually at work identifying loopholes before the ink is dry on new legislation” (Anon., 01/04/04). Enforcement is difficult because the Department of Labour is desperately under-resourced and inspectors meet resistance when organising farm visits. Thus, the pace of socio-economic change within the industry has been rather slow. While the industry has been highly effective in talking the language of transformation and in setting up high profile empowerment initiatives progressive outcomes remain limited. Despite this largely negative picture there is some evidence in both industry-wide and grassroots initiatives that some progressive change is taking place. In what follows, we outline examples of these initiatives and assess their role and effectiveness as ‘empowerment’ projects.

3.1. Industry-wide initiatives: ‘empowerment’ as ethical labour practices

According to one wine company executive there are around 60 empowerment projects in the South African wine industry at present9; many people in the industry have accepted the necessity of “doing something” in order to garner government support (export promotions executive, 09/03/04). One example is the agreement by KWV in July 2004 to sell 25.1% of shares to a BEE consortium.10 However, it appears that where empowerment policies have been adopted they have usually been interpreted within the narrow confines of ethical labour practices. While most of the structures of the industry remain unchanged, basic conditions of labour have been improved on some farms by the Wine Industry Ethical Trade Association (WIETA), a not-for-profit, voluntary organisation established in 2002 to promote the ideals of ethical trade in the industry (Bek et al., 2006).

WIETA has been described as “[setting the] parameters for implementing and auditing ethical labour practices and working conditions in the Winelands” (Distell, 2002). It is managed through an executive committee comprising individuals representing different interest groups within the industry, including the export promotions agency Wines of South Africa (WOSA), organised labour, NGOs and the Department of Labour. As of April 2004, approximately 50 producers, suppliers, individual farms and estates and other interested parties had become members. WIETA has established a code of good practice based on international ethical trade base codes and South African legislation (WIETA, 2003) and is ensuring that labour legislation is upheld and implemented on farms. Although guaranteeing rights to a safe working environment, freedom of association, reasonable working hours, the right to a living wage, prohibition of unfair discrimination and workers’ rights to housing and tenure security as imperative, it does not necessarily equate with worker empowerment. The WIETA code is considered merely a starting point for further empowerment strategies, where empowerment is understood as improvement in social conditions on farms and ensuring that historically disadvantaged groups are “socially and organisationally capacitated and integrated to make a constructive contribution to the wine industry” (SAWB 2003, p. 22).

Other wine industry bodies are more explicitly ‘empowerment-focused’. For example, SAWB – a not-for-profit entity created by representatives of the wine producers, cellars, labour and wholesale merchants (SAWB 2004) – is facilitating transformation through implementing a scorecard system that rates individual companies according to their achievements in the realms of empowerment, defined as encompassing:

Access to land and other economic assets; management control; socio-political participation and a command over relevant information, i.e., sufficient knowledge to be able to exploit opportunities in the industry (SAWB, 2003, p. 19).

Similarly, BAWSI has been vocal in campaigning for black people to be given opportunities to attain business and technical skills required to participate more widely within the industry. Its membership is drawn from trade unions, civil society and black-owned small businesses. Together, SAWB and BAWSI have taken responsibility for ensuring that there is clarity about meanings of empowerment and facilitating target-setting. These targets refer to asset ownership, the numbers of managers from previously disadvantaged groups, the distribution of skills in the industry, indirect

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9 BEE is defined in a variety of ways, but ownership and decision-making power are crucial; ‘black-owned’ businesses are those with a minimum of 50% of shares owned by blacks, ‘empowerment-related’ are projects with 25% black ownership.

10 KWV (Koöperatiewe Wynbouersvereniging van Suid Afrika Beperk/Co-operative Wine Growers Association of South Africa Ltd.) has been at the centre of the wine industry since 1918 and this deal with Phetego is seen as a milestone and precedent in BEE within agriculture (see Williams, 2005 for a detailed examination of the KWV deal).
emancipatory form of empowerment since they cannot effectively facilitate the ’power from within’ required to empower large numbers of impoverished individuals. In particular, it is unclear how these will be able to deliver the broad-based empowerment referred to in government rhetoric or whether they will perpetuate the enrichment of a small group of already-powerful black businessmen.

3.2. Grassroots initiatives: ‘empowerment’ as worker equity

The majority of South Africa’s land-based industries are struggling to adhere to legislative and moral imperatives of progressive change while adapting to a rapidly globalising economy and radical shifts in the structure of the division of labour, which have often resulted in the driving down of wages and worsening labour conditions. However, a small number of wine estates have become associated with projects that seek explicitly to empower workers (WOSA, 2004a). These projects have emerged through the initiative of individual estate owners and worker/community organisations (Wesgro, 2003). Although business models tend to vary from case-to-case, many projects have been categorised as ‘worker equity schemes’ (Karaan, 2004) through which workers have gained legal rights to the means of production, often by redirecting their housing grant entitlement towards the purchase of land (National Library of South Africa, 2004). Typically the workers’ group engages in the production of wines under its own label. Examples include the Fair Valley Workers’ Association (established to reinvest money into improving education and housing), ‘Winds of Change’, ‘Freedom Road’ and ‘Thandi’ (the first wine in the world to receive Fairtrade accreditation) (Thandi.com, 2004b; WOSA, 2004b). These initiatives have attracted considerable attention both from within the industry and from wider media and several have achieved notable export success.

Amongst the most well-known of the ‘empowerment wines’ is ‘New Beginnings’, the first wine made by people of colour from grapes grown on their own land (Mohale, 2003). The initiator was Alan Nelson, a Cape Town legal advocate who bought the Nelson’s Creek estate (bankrupt under its two previous owners) in the early 1990s (Hiney, 2002). As a reward for helping to produce an award-winning wine in 1997 (Anon., 2001; Nelson’s Creek Wine Estate, 2000), Nelson donated 9.5 ha of the estate to the workers’ cooperative on condition that it was used for agriculture (Mohale, 2003). Furthermore, by choosing wine production the co-operative could either have access to Nelson’s equipment and hi-tech cellar or he would purchase
their grapes. It was also agreed that the workers would cultivate their land in their spare time, as they remained employees of Nelson’s Creek (Anon., 2001). The National Department of Land Affairs recognised the initiative as a land reform project and also provided the co-operative assistance which, using income from their initial sales, bought a further 9 ha of land. Profits are used to enable all local children to attend school, paying fees, transport and uniform costs (Botha, 2002). Each co-operative member now has a life insurance policy and retirement fund and each family has received a cash dividend of R6500 (currently around £590/$1036).11 In the longer term, the co-operative is aiming to expand production, create a cellar, construct housing and enhance local education facilities.

Similarly, the Thandi project in Lebanon, 75 kms east of Cape Town, aims to empower previously disadvantaged farming communities (Thandi.com, 2004a). Lebanon was founded during the 1960s by the Forestry Commission (SAFCOL) to house its workforce (Dring, 2001). In 1991, SAFCOL restructured its operations and Lebanon’s inhabitants were made redundant. In response, the owner of a neighbouring wine estate, Paul Cluver, donated 100 ha of land to the community for the purposes of farming: SAFCOL offered a further 100 ha for rent at a nominal rate. A Farming Trust, a Worker’s Trust and a Community Trust were initiated to manage the project (Kruger and Hamman, 2004). Profits generated from the farm have been re-invested for educational and other community-related purposes. Members of the Cluver family have acted as mentors to the community since the inception of the project and the Cluver estate makes its cellar facilities available to Thandi’s winemaking staff (Thandi.com, 2004b). The Capespan Foundation has developed the project through a business plan to provide enhanced training and skill development opportunities to the community; it aims to limit its involvement and work towards an exit-strategy whereby community members become sufficiently capacitated to take on management responsibilities. The Foundation also ensures that the Fairtrade premium is reinvested in projects of benefit to the local community.

The Thandi land reform model has attracted interest from Russian and US policy makers and consultants (Morris, 2004). A co-operative approach using an equity share system is perceived by some land reform experts as a logical and progressive approach in countries like South Africa, where previously disadvantaged people lack skills and access to capital. Thus, redistribution of land alone is unlikely to provide an economically sound approach for effecting meaningful transformation. The contribution of established farmers is particularly important as they can offer management and technical expertise as well as access to equipment and other expensive resources during the period of transition. Otherwise the market price of land, high start up costs associated with land-based industries and a lack of technical experience on the part of new entrants militates against success. However, worker equity land transfers represent just one form of transformation scheme in the Western Cape wine industry (Karaan, 2004). Winds of Change wines, made in association with the Sonop estate, donates approximately £1 for each bottle sold to be re-invested in community projects such as housing and education (Low, 2001). The Freedom Road project on the Backsberg Estate uses profits from the sale of wines for upgrading the standard of worker housing (WOSA, 2004b). A workers’ vintage port is produced on the Helderkruin estate to fund ‘social upliftment’ projects (WOSA, 2004b). Such schemes are related more to improving living conditions relating to health and community development (and thus to apartheid-era ‘social upliftment’ reforms within the industry) than to empowerment per se but, as Su Birch (CEO of WOSA) observes, “given our history, it [transformation] is simply a thing we have to do” in Distell (2002).

Despite the apparent market success of ‘empowerment wines’ (see Bek et al., 2006), critics are numerous and often scathing in their assessment of what precisely these have delivered. Radical voices within the industry believe that the empowerment credentials of many of the grassroots equity share schemes are greatly overstated. Indeed, one CEO of a winery told us: “Don’t bother with empowerment wines, they are a farce... To build hopes around projects like those is absurd” (Anon., 11/03/04). For some observers the projects represent nothing more than a subtle readjustment of the neo-paternalist order, as the co-operatives remain dependent on the farmer in a number of crucial ways, including access to equipment, cellaring facilities, marketing support and access to sales networks; empowerment is thus impossible because of the embeddedness of these forms of dependency. One industry figure refers to a “soup kitchen mentality” amongst farmers, suggesting that they are more interested in “self-serving charitable projects” than initiatives that could challenge the structural inequalities of the industry (BAWSI representatives 23/03/04; see also Wardman, 2004). An absence of meaningful training and genuine mentoring precludes any significant advancement by new shareholders. A pernicious form of “pseudo-empowerment” (Wardman, 2004) occurs whereby individuals are under the illusion that as owners of the means of production they have some form of power and control, whilst in reality they remain dependent upon the white farmer due to an absence of technical and business knowledge transfer: “cut the umbilical cord provided by the white owner and his staff and the project will wither away” (Wardman, 2004). Critics, especially industry insiders from historically disadvantaged backgrounds, argue

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11 This was at a time when median monthly wage rates amongst working class black households employed in agriculture were as follows:

<table>
<thead>
<tr>
<th>Formal unionised</th>
<th>Informal</th>
</tr>
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<tbody>
<tr>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>R900</td>
<td>R652</td>
</tr>
<tr>
<td>(£82)</td>
<td>(£60)</td>
</tr>
<tr>
<td>(£143)</td>
<td>(£104)</td>
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that despite much talk about mentoring and training opportunities relatively little of this actually occurs. The occasional individual may experience upward social mobility and may even become a symbol of the success of a project but this is atypical of the experience of the majority.

Several respondents allege that white farmers initiate empowerment projects for business rather than altruistic reasons, particularly the considerable favourable publicity they attract for farmers, their estates and their products (WIETA representative 25/03/04; representative of African Farmer’s Union 15/03/04); the ‘halo effect’ has been a way for these estates to differentiate themselves within a crowded market. Some argue, for example, that Cluver and Capespan have benefited most from the positive publicity surrounding Thandi (the brand name has been used for a range of produce unrelated to the project). One respondent claimed that a farmer increased sales from his estate by 100% following the inception of a well-publicised worker empowerment project (industry analyst 12/03/04). Farmers also benefit from an increase in worker motivation and skill levels. In the majority of cases the members of the cooperative continue to work on the farmer’s estate as well as their own vineyard. Increased productivity may result from an increased sense of self-worth and gratitude to employers. In addition, accusations have been made that worker equity schemes are initiated to provide cash injections, via government housing and land reform grants, for farmers who might otherwise have faced bankruptcy.

Others in the industry adopt a more nuanced stance. They accept that some farmers become involved for self-serving reasons, and in such cases beneficial outcomes are restricted, but they consider that projects should be evaluated according to whether the workers have gained “independence and self esteem” and represent “a reduced burden on the state” (NGO trainer, 31/03/04). Key indicators of social progress include raising incomes, the ability to save for a pension and gaining a permanent home. Such outcomes may not match the empowerment ideals held by more radical observers but in the context of overcoming the legacies of apartheid exploitive these niches, but whether the industry will cope with significant re-adjustments in terms of the racialised language that represents ongoing internal struggles in South Africa.

Projects such as Thandi and New Beginnings still operate very much at the margins of the industry as a whole, most of which remains unformed; some critics fear that the novelty of ‘empowerment wines’ will diminish and more sustainable approaches to empowerment and transformation need to be identified and implemented. In addition, the extent of local contestations over the value of worker equity projects should not be underestimated. One bone of contention is the necessity for projects and products to be branded ‘empowerment’ or ‘transformation’ in order to attract government monies and the eyes of retailers and consumers; the seemingly casual utilisation of the very language that represents ongoing internal struggles in South Africa is problematic to many of our respondents.

4. Disempowering neo-liberalism and depoliticising empowerment?

The wine industry demonstrates the difficulty of translating policy and discourses of empowerment into meaningful outcomes in South Africa. In particular, it raises two important questions: first, whether empowerment is possible within a neo-liberal economic context and, second, how empowerment might be depoliticised through appropriation in a context of neo-liberal governance. To take the first question, one of the dilemmas for both the wine industry and the South African government is that empowerment strategies are framed by neo-liberal macro-economic contexts. Trying to effect broad-based empowerment within the context of unprotected free market globalisation is difficult (some would say impossible). International market pressures are being felt by land-based industries producing increasing levels of casualisation at the same time that the government is striving to improve working conditions through labour laws (Barrientos and Kritzinger, 2004; du Toit, 2004; Ewert and du Toit, 2004). One could argue that only initiatives that disrupt market forces by finding niches within markets, such as fair and ethical trade schemes, are likely to make an impact, albeit at a much localised scale. The South African wine industry is currently doing well at international levels by exploiting these niches, but whether the industry will cope with significant re-adjustments in terms of the racialised empowerment projects for business rather than altruistic reasons, particularly the considerable favourable publicity they attract for farmers, their estates and their products (WIETA representative 25/03/04; representative of African Farmer’s Union 15/03/04); the ‘halo effect’ has been a way for these estates to differentiate themselves within a crowded market. Some argue, for example, that Cluver and Capespan have benefited most from the positive publicity surrounding Thandi (the brand name has been used for a range of produce unrelated to the project). One respondent claimed that a farmer increased sales from his estate by 100% following the inception of a well-publicised worker empowerment project (industry analyst 12/03/04). Farmers also benefit from an increase in worker motivation and skill levels. In the majority of cases the members of the cooperative continue to work on the farmer’s estate as well as their own vineyard. Increased productivity may result from an increased sense of self-worth and gratitude to employers. In addition, accusations have been made that worker equity schemes are initiated to provide cash injections, via government housing and land reform grants, for farmers who might otherwise have faced bankruptcy.

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12 Although there is no published data that we are aware of estimating what percentage of wine production is constituted by ‘empowerment wines’, an educated guess would put this is in single figures. By 2003 within primary production only 425 people had benefited from the land reform process and 511 ha of wine grapes had come under the control of previously disadvantaged South Africans. More have undoubtedly benefited from other empowerment projects, but evidence suggests the overall rate of transformation remains low (Tregurtha, 2004).
(and increasingly gendered) division of labour and other patterns of employment remains to be seen. Empowerment in this context is unlikely to be successful without significant support in education, training and mentoring such that the newly ‘empowered’ can operate at high levels of efficiency very rapidly.

The private sector has been very slow to fulfil this role; in addition, the government’s adoption of ‘roll-back neo-liberalism’ (see Peck and Tickell, 2002), arguably conceding too quickly to the ‘natural’ power of global markets (Hart, 2002, p. 7) and dismissing the role of the state, creates significant constraints. Such criticism has been levelled at policies in general and is particularly salient in the case of the wine industry, which receives very little state support to fund education and R&D, in contrast to other wine-making regions. 13 In addition, the unique political situation in South Africa means that the ANC is unlikely to want to be seen explicitly to support an industry whose leading figures were central to operations under apartheid. There are fundamental questions, therefore, about the institutional infrastructure required to support empowerment initiatives and whether the government’s adherence to neo-liberal macro-economics and governance is compatible with the effective construction of that infrastructure.

Ironically, as we have seen, the state has intervened in drafting labour laws but the government is aiming to relax these to spur faster economic growth and, it purports, speed up redistribution. In his 2005 State of the Nation speech, President Mbeki stated that growth will come from less restrictive labour laws, simpler taxes, less bureaucracy and more competition. Redistribution will rely on industry charters and BEE legislation. However, these two strategies conflict: the first aims to reduce the cost of doing business, the second risks increasing it again (The Economist, 17/02/05). Empowerment strategies are also bound up with a particular notion of citizenship, itself shaped to some extent by neo-liberalism, wherein previously disenfranchised people are ‘trained’ to see themselves as stakeholders with choice and voice in the ‘free’ markets of their rapidly globalizing economies. However, this training elides the conditions in which many of the ‘trained’ people...still find themselves: with no change in the capitalist processes and institutions that constrain their experiences, actions, and choices (Ong, 1987, p. 158).

Thus, discourses of empowerment reveal the paradoxical ways in which neo-liberal governance uses the processes of “symbolic inclusion” while relying on processes of material exclusion (Miraftab, 2004, p. 239).

This brings us to the second question concerning how the concept of empowerment is being both depoliticised and deployed in profoundly political ways by the South African government. The shift from the original aims of the RDP and the adoption of neo-liberal modes of governance by ANC governments has also meant the depoliticisation of empowerment, from a radical concept aimed at the transformation not only of individuals but of structures of domination through participatory methodologies (Cleaver, 2002) to one in which participation and empowerment are divorced from structures of oppression. As evidence from the wine industry demonstrates, empowerment is simply a process by which changes in labour organisation and working conditions build an individual’s sense of self-worth and esteem. This would appear to be in accordance with debates about ‘power from within’, but in practice self-worth and esteem are reduced to individual economic gain and access to resources that fail to transform the status quo (Miraftab, 2004, p. 242). BEE and worker equity schemes discursively attempt to enable and foster ‘power from within’ but, as our evidence suggests, they are flawed. Respondents and analysts point to the problematic paternalism that still underpins such initiatives and a fundamental lack of broad-based capacity-building. Moreover, their outcomes appear to be relatively insignificant in the face of a macro-economic context that continues to exacerbate inequality and disempower workers.

A critical understanding of empowerment is vital to transformation in South Africa since this problematises both mechanisms of decision-making and less tangible elements of socio-cultural organisation that constrain the lives of marginalised people, hindering decision-making and ensuring that they are socialised to accept the status quo because they cannot even contemplate alternatives. The problem with current policies is that economic reductionism threatens to depoliticise the concept. Empowerment requires both systemic and structural changes but, because it has become a “big idea” appropriated by the government, there is a danger that locally-derived strategies will be crowded out (Nagar and Raju, 2003, p. 2). The South African government is attempting to change the ways in which resources are organised in communities, localities and the state but household power relations, for example, continue to disempower women and young people. It is here that locally-derived empowerment strategies will be critical in effecting change. However, as Foucault (1980) demonstrates, power must also be conceived of as networked rather than localised; by focusing only on the individual and the local as sites of empowerment, the significance of other sites of power (the state, global capitalism, patriarchy, racism) is minimised (Cooke and Kothari, 2002; Miraftab, 2004).

Until these more radical understandings of power and empowerment are acknowledged and incorporated into government policies the failure to address broader issues of social and economic transformation will persist and policies aimed at the empowerment of marginalised individuals and communities will continue to have apparently predetermined and depoliticised outcomes. In the case of the wine industry, despite several years of ‘empowerment’ ini-

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13 The French wine industry, for example, enjoys significant state support and the phenomenal ascent of Australian wines within the global market during the 1990s was fuelled by heavy state investment.
tiatives, change has been minimal and structures that continue to exploit particular groups of impoverished male and female labourers (especially casual and contract workers, who include new in-migrants and former permanent South African workers) are largely still in place across the industry. Empowerment has been reduced to improvements in labour conditions which, although progressive, negate it as an open and productive concept to be utilised as a “tool in the dynamics of resistance and social change” (Graham, 2004, p. 47). Some critics suggest that more limited notions of empowerment still have potential to open up new spaces for political action and radical transformation (see, for example, DeFilippis, 2004; Schuurman, 2004; Williams, 2004). However, given the depoliticised notion of empowerment adopted by the ANC government, its faith in the empowering potential of an emergent black bourgeoisie to facilitate broad-based empowerment, and its commitment to disempowering neo-liberal macro-economics (Hart, 2004), this currently appears unlikely in South Africa.

5. Conclusions

The complexities and contestations over meanings and strategies of empowerment are clearly of enormous significance in post-apartheid South Africa. This paper has highlighted the political, moral and economic imperatives underpinning drives towards empowering a previously oppressed majority. Since 1994, empowerment has been perceived as fundamental to nation-building and to socio-economic transformation aimed at overcoming racialised poverty and polarisation. The ANC government, however, has more recently utilised a narrower understanding of empowerment adopted by the ANC government, its faith in the empowering potential of an emergent black bourgeoisie to facilitate broad-based empowerment, and its commitment to disempowering neo-liberal macro-economics (Hart, 2004), this currently appears unlikely in South Africa. Empowerment initiatives may not be delivering radical outcomes as yet, but they are part of a process of setting a tone throughout South African society and perhaps beyond, reinforcing the imperative of transformation and identifying some of the challenges that are situated within local, national and global power structures. It is imperative, however, that policies are adopted to bring about meaningful empowerment, where empowerment means giving greater political and economic autonomy to black people, reducing inequality and challenging their subordinate position in many spheres of life (Kritzinger and Vorster, 1998). It is also imperative that power be re-identified less in terms of domination over others and more in terms of the capacity of previously oppressed peoples to increase their own self-reliance, the right to determine choices in life and to gain control over crucial resources.

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