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

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 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 depoliticized outcomes.

Key words

Empowerment, South Africa, neo-liberalism, wine industry, power, transformation

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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 decentring 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]

Empowerment strategies have arguably been nowhere more central to government policy than in South Africa, both historically and in the present[2], 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 is 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.[3] 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.[4] 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.

Empowerment, neo-liberal governance and economic reductionism

Notions of empowerment in post-apartheid South Africa have been closely related to ideas about democratization, 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 in all spheres of life. Groups held back by "structures of collective constraint" (*ibid.* 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. Democratization 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) 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 democratization 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.

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)[5], 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 in Murray 2000, p. 183). A class solution is thus sought to racialised inequities 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 peoples (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 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". 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 (*ibid*. 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 (*ibid.* 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 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, in 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" (*ibid.*), 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).

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 (*ibid*.).

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 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 organizations) (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 collude 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 2000). This has become a critical issue because the dominant discourse around black empowerment outlined above works in ways that depoliticize race, and where, as we have seen, the meaning of 'blackness' (especially in BEE policies) is often understood in

essentialist and afro-centric ways that may marginalize 'coloured' workers.[6] It is

important then to understand how racial and class identities work in discourses of power

in the Western Cape and analyses of the South African wine industry, traditionally reliant

on predominantly 'coloured' labour, need to be grounded in the very specific and local

conditions that characterize the Western Cape.

'Empowerment' and the South African wine industry

The South African wine industry is confined to the Western Cape and Lower Orange

River, where agriculture is currently performing well in terms of its contributions to GDP

and export revenue. In 2003, the wine industry alone contributed R16.3 billion or 1.5% of

total GDP (this excludes wine tourism that contributed a further R4.2 billion) (WOSA

2005).[7] The vast majority (R11.4 billion) remained in Cape Town and the Western Cape.

While wine farmers are under considerable competitive pressures in international

markets, the industry is enjoying a renewed prosperity. It is perhaps for this reason that

the empowerment debate has been focussed more on this industry than in any other area

of agriculture. Under apartheid the wine industry was exclusively white-owned and

infamous for the appalling treatment endured by its black workforce, described as the

"worst working conditions experienced in South Africa" (Brown, *et al*. 2003, p. 23).

Paternalism defined the relationship between farmer and workers, with the latter

receiving 'social dividends' (housing, electricity, water) in addition to wages. However,

wage levels were extremely low and housing was only usually available to permanent

employees (du Toit 1993). Workers were barred from collective organisation and

punished for efforts to unionise or engage in collective bargaining. The most infamous

aspect of on-farm labour relations was the 'dop' system, whereby workers were paid a component 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).[8] As a result of a different history of dispossession to other areas of agriculture, the emphasis in the wine industry is less on land 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 policy 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.

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 present;[9] 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 is 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 empowerment through procurement and outsourcing and the effective participation in industry and business enterprise decision-making (SAWB 2003). In addition, the South African Wine Industry Trust (SAWIT) manages two companies: BUSCO (oriented towards the provision of business support) and DEVCO (providing education and training to new entrants to the industry and existing workers and their communities).

These industry-wide initiatives are clearly oriented towards BEE strategies and empowerment is thus currently defined in quite narrow terms as economic participation. Models of empowerment focusing upon black business ownership are beginning to emerge. For example, the Lindiwe wine cellar is owned by Reinvest Ltd, which pays a proportion of profit dividends to BAWSI (Lindiwe Wines 2004) and successful black

businessmen, such as leading ANC figure Tokyo Sexwale, are purchasing wine farms in their own right (du Bois 2004; Fisher 2003). Sexwale, who made his fortune in banking and diamonds, is a controversial figure for critics of BEE and epitomises some of the problems inherent in this as an empowerment strategy. Along with Patrice Motsepe (a gold tycoon), Saki Macozoma and Cyril Ramaphosa he is at the head of the black business elite. Macozoma and Ramaphosa were recently chosen by Standard Bank as partners in a deal supposed to boost BEE that netted each around 200m rand (£20m) (*The Economist*, 14/10/04). They represent big ticks in the BEE box but, as one respondent comments, "they may just be replacing one set of dominating rulers with another" (Anon. community projects consultant, 25/03/04).

These criticisms apart, it is perhaps too early to assess the fullness of the impacts of other industry-wide initiatives. At the time of writing, WIETA has completed a year of social auditing and forty-two members have passed through an initial inspection process. The results show both success stories where producers are complying, particularly in providing a living wage and avoiding child labour, but also areas where labour standards are consistently low (http://www.wieta.org.za/news.html, accessed 01/06/05). However, its supporters are optimistic about its potential to make a significant contribution to improved on-farm labour standards and to play a role in facilitating empowerment within the industry. There is no pretence that this is a straightforward process. Discussions around the multiple meanings and interpretations of empowerment feature heavily in debates.

The fact that such debates are occurring and feeding into WIETA policy is a symbol of its initial success. They are in part fed by the various experiences of grassroots

initiatives (discussed subsequently), which provide evidence of the challenges in

facilitating empowerment and the structural factors impinging upon change in South

Africa's land-based industries (Knight *et al* 2003). At present WIETA's ambitions are

limited to ensuring full compliance with national laws, which are seen by supporters of

labour as highly progressive and advanced in international terms. If WIETA is able to

achieve full legal compliance it is likely that South African farm workers will benefit

from better working conditions than the majority of their counterparts in other wine

growing regions. However, it is our contention, reflecting the concerns of some of our

respondents, that whilst these schemes do bring benefits to those involved they often have

limited socio-economic ambitions; the sum of these benefits does not equate to a truly

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.

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 9.5ha of the estate to a 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 9ha 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, 75kms 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 100ha of land to the community for the purposes of farming; SAFCOL offered a further 100ha 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 (*ibid.*). 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 representative 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" (*ibid*) 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" (*ibid.*). Critics, especially industry insiders from historically disadvantaged backgrounds, argue 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 can be seen as pragmatic and progressive. Some respondents do not see material ownership of businesses or land as a central component of the process: "not everyone can be an entrepreneur" (*ibid.*). Instead the focus should be upon developing a sense of ownership over the business process. Some of the more successful initiatives do involve highly structured training programmes, which ensure that workers gain competence in business and technical skills, are tailored according to local needs and designed such that workers can gradually take increasing levels of responsibility and control. Whilst there is a measure of pragmatism among these more moderate voices within the wine industry, there is a general consensus that the next step must be for producers to go further than WIETA codes of practice to effect meaningful empowerment.

Our research suggests that at the local level the various worker equity schemes have produced mixed results and some have undoubtedly been prone to forms of elite capture. Yet, a number of communities have been afforded opportunities that would not otherwise have been available to them and have gained notable social dividends; some individuals have been enabled to advance their careers in ways that would not otherwise have been possible. However, the gains across the industry have been very small. Projects such as Thandi and New Beginnings still operate very much at the margins of the industry as a whole,[12] most of which remains unreformed; 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.

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 20004; 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 (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 1997, 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 depoliticization 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 minimized (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 pre-determined and depoliticized outcomes. In the case of the wine industry, despite several years of 'empowerment' initiatives, 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 2002), this currently appears unlikely in South Africa.

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 in legislation and policy, enacting policies to bring about 'power over' and 'power to' specifically through BEE. What appears to be missing, however, are policies and practices that foster 'power from within' through capacity-building, education and enabling participation within communities. Debates around BEE are essentially about the nature of power and the extent and influence of economic participation. The profound constraints on these empowerment strategies reveal much about the contested nature of power relations and the distribution of power in South Africa, which is arguably largely untouched but for the emergence of a small, black middle class.

The wine industry exemplifies how corporate South Africa has responded with a selective interpretation of social and economic transformation, as demanded by BEE prior to 2004, and consequently there are still high levels of social inequality and a legacy of inadequate stakeholder engagement (Heese 2003). It is unclear how radical empowerment will be effected following the 2004 Act. Despite fierce criticism, some suggest that it has the potential to foster a less patrimonial, less racially and ethnically divisive BEE strategy and to create a 'growth coalition' capable of sustainable development and empowerment of the black majority (Iheduru 2004). However, it is

unclear how the Act will alter cultures of governance that have so far failed to deliver social and economic justice and empowerment or the required public institutional transformation. It is unclear how it will help tackle civil society disengagement and the disempowerment of women, the poor and rural households that has occurred since 1994 (Khosa 2002). It is unclear how it will overcome the less tangible elements of socio-cultural organisation that constrain the lives of marginalised people, especially impoverished men, women and young people, denying them a sense of effective agency that is central to empowerment (Sharp *et al.* 2003). One positive outcome, however, is that the state appears not beholden to any particular interest and has recognised recently that the legitimating role assigned to emergent black middle classes threatened to turn BEE strategy into nepotistic accumulation, which also threatened to re-racialise the country, widening black inequality gaps and precluding broad-based empowerment. As Iheduru (2004, p. 25) argues, while the state remains "quasi-pluralistic", where no social group holds power, the potential exists for other powerful groups (including organised labour and women activists) to push for an enactment of empowerment policies stripped of the patrimonial and paternalistic accumulation strategies that have thus far characterised them.

The depth and urgency of debates about black empowerment in South Africa is arguably unique and positive achievements should not be forgotten amidst considerable criticism. Its legislative framework is seen by supporters of labour as highly progressive and advanced in international terms. However, transformation is slow and empowerment is clearly constrained by neo-liberal macro-economics, interpreted in different ways by different stakeholders and often cynically manipulated by those already invested with

power. 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 is 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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Notes

[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.

[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 (Giliomee 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 6 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.

[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.

[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$3.172bn. 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).

[8] Land makes up less than 10% of the assets of the industry and the production of grapes produces less value added than virtually every other part of the supply chain (Tregurtha 2004).

[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 Africa 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).

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

Formal Unionised		Formal Non-unionised		Informal	
Male	**Female**	**Male**	**Female**	**Male**	**Female**
R900 (£82) ($143)	R652 (£60) ($104)	R500 (£45) ($80)	R448 (£41) ($71)	R375 (£34) ($60)	R326 (£30) ($52)

Source: Global Policy Network (2004).

[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 511ha 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).

[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.