

Ethical codes – a step in the right direction. A summary of a study of the fruit industry in South Africa 2005. By Linnea Finnstedt, Theresia Hägglund, Lisa Larsson och Cecilia Rolf from the distance education course on Fair Trade at the Red Cross Community College Sweden

1. Summary

In January 2005, the SwedWatch report on the fruit industry in South Africa "Människor och miljö i fruktindustrin" was released. This report led to, amongst other things, that we, four fair trade students at the Swedish Red Cross Community College, made contact with Saba Frukt och Grönt, which is one of Sweden's three leading fruit importers. We agreed with Saba that we would use our field study to visit a handful of South African citrus fruit farms to find out how South African farm workers experience their work situation and also try to describe how farm owners and workers (seasonal and permanent) as well as third party informants (a union representative, a consultant on ethical codes, a representative from an environmental organisation, and representatives of a rural development agency in South Africa) perceive ethical codes and how, in their opinion, such a code should be developed, handled and controlled in a manner that benefits workers as well as farm owners.

Our method was to carry out interviews with the above-mentioned informants on the topics of working conditions, working environment, organisational rights, discrimination and codes of conduct. Through this we hoped to be able to give Saba a South African perspective on these issues.

As our farm visits were arranged through Saba's local contacts, our selection of farms was not random. As we were told that we would never be able to visit farms where workers' rights are not respected, we would like to stress that we visited well-managed farms and that the problems we learned of are likely to be worse on other farms.

We promised all farm workers and farm owners confidentiality. Our report therefore does not include any exact statistics or names. Instead we have tried to describe our findings in general terms and to give examples without being too specific.

1.1. Working conditions

Generally we found that working hours comply with South Africa's labour legislation. Wages also follow South African legislation but were experienced as being too low, especially by seasonal workers who suffer from uncertainty of work depending on weather, crop, season etc. A major problem was that workers are poorly informed about their rights and working conditions. For example they did not know whether their employer pays into the unemployment fund or not, did not know what benefits are included in their wages or what is actually deducted from their wages e.g. transport to and from work. Furthermore, they often did not know whether they could take sick leave or maternity leave. At some of the farms the workers' contracts were written in a language that the workers did not understand.

1.2. Working environment

Owners follow the law about protection against pesticides and acute illness and accidents, but many workers suffer from worn out backs and shoulders, especially seasonal workers, as it is mostly they who pick the fruit. Other problems that were mentioned were for example inhaling of dust, fear of snakes and worries about possible hazardous effects of pesticides.

1.3. Organisational rights and workers' possibilities of influencing their work situation

Here we became aware of serious problems in the communication between owners and workers. Some owners showed a paternalistic attitude toward their workers and the workers themselves often told us that they were rarely listened to. Few workers are members of unions, partly due to the unions' failure to organise this economically weak and geographically widespread group, but also due to workers' fears of possible reprisals from the farm owners.

1.4. Discrimination

Discrimination based on gender is not seen as a problem, but most of those with permanent jobs are men. Permanent staff and seasonal workers have completely different terms of employment, wages, benefits and training opportunities and possibilities to influence their work situation, but this is also fairly understandable due to the varying demand for staff in different seasons and the variation in the size of the harvest from year to year. Racial discrimination was not explicit, but the old hierarchy between black and white remains.

1.5. FLO-certified farms

FLO stands for Fair Trade Labeling Organisation. In South Africa, FLO's minimum standard requirements for wages, working conditions, working environment, and organisational rights are not any higher than the demands of the national labour legislation, and therefore South African FLO-certified farms and conventional farms have to follow the same basic rules. In South Africa, the main differences are that FLO-certified farms are checked in an annual audit, that FLO-certified farms receive a special premium, which has to be invested in social, economic or environmental projects for improvement, decided upon democratically by representatives of farm workers and the farm management, and that at least 25% of FLO-certified farms are worker-owned.

1.6. Codes of conduct

All farm owners expressed a certain degree of fear that codes of conduct may be a way of the North protecting their own markets against competitors from the South. Two farm owners emphasised that importers must be aware that complying with ethical codes implies additional costs for farm owners in an already economically pressed situation and that importers therefore have to be prepared to pay this cost.

Many of the farm owners also appealed for funding for capacity-building training and other facilities for the well-being and development of their workers.

All interviewees agreed that it was important for Saba to include compliance with national legislation and the ILO-conventions in a future code. Everyone was also in agreement about the need for objective auditing by people without vested interests.

The consultant on ethical codes emphasised the advantages of co-operating with local NGO's and local auditing companies that know the national legislation and the local conditions when auditing codes of conduct. She also talked about the need for audits to take place on the farms during the high season when seasonal workers are employed.

One farm owner stressed the importance of farm owners being involved in the forming and implementing of the codes so that they, the farm owners, could be a good link between

importers and workers, but he also said that the workers themselves have to know their rights and that they need more rights training to acquire this knowledge.

The union representative pointed out the importance of workers' basic needs being fulfilled, such as food security, education, health care, protective clothing etc.

1.7. What workers would like to improve

Higher wages is an issue that was brought up by workers on all farms, except for on one of the FLO-certified farms. Another thing that workers on all farms except for one wanted to improve was the workers' possibilities of influencing their work situation. They asked, for instance, for thorough explanations and translations of contracts and a neutral party that could inform them about their rights. On the farm where the workers were satisfied with their possibilities of influencing their work situation they also said that they were satisfied with their working conditions, but that they would like to raise their standard of living, such as improving their housing and getting better access to health care.

1.8. Our recommendations to Saba

Our recommendation to Saba is to base their code on the ILO-conventions and national labour legislation. In some countries national labour legislation is more progressive than the ILO-conventions, whereas the case is the reverse in other countries. Therefore we would like to stress that the code must be based on whichever set of rules is the most progressive in the country where the code is to be implemented.

Based on our interviews, we found that extra important issues that should be covered by a code of conduct are organisational rights, the working environment, food security and extra consideration for vulnerable groups such as women and seasonal workers. Organisational rights should be prioritised, as this is something that the majority of the workers that we interviewed stressed.

The other thing that most of the workers we interviewed emphasised was that they wanted to improve their wages. Their minimum demand was a living wage that covers basic material needs, the cost of putting children through school, and that also leaves something for savings that could contribute to breaking the patterns of poverty. Seasonal workers' situation is particularly insecure as they only receive wages during certain months of the year.

The South African non-profit association Wieta has developed a code of conduct that is designed to suit the South African wine industry, but as it is adjusted to South African legislation and conditions much of it can also be applied to the South African citrus industry.

It is important that Saba consults farm workers, farm owners and agents in the process of developing and implementing of a code. We also recommend that Saba applies a process orientated approach in the implementation of a code and auditing. This means giving farm owners a reasonable time-frame to make changes to meet the requirements of a code and using encouragement rather than punishment to motivate compliance.

A good way for Saba to work with following up and auditing their code would be for them to co-operate with local organisations, e.g. trade unions, NGO's or local auditing firms that are specialised in working with this type of issue. Co-operation with neutral parties also gives codes a greater credibility in the eyes' of customers.

In order to inform all workers successfully about a future code of conduct we advocate both written and verbal information in the workers' mother tongue. One good way of doing this may be to get an NGO to train workers in the content and importance of a code.

Apart from genuine intentions with their code of conduct, Saba can take corporate responsibility by increasing the import of FLO-certified fruit. By doing this some of Saba's suppliers will automatically follow a functioning "code of conduct" and be audited by an unbiased organisation. Supplying Fair Trade fruit would be an additional way for Saba to profile themselves as an ethically aware company.

As our study is very limited, both in time and in number of informants, we would like to emphasise the importance of Saba consulting workers, farm owners, agents and third party informants (like trade unions, NGO's and local auditing firms) in the process of developing and implementing a code of conduct.