

**VOICE, CONSCIOUSNESS AND SPACES: THE SUID BOKKEVELD
FARMERS AND THE ROOIBOS TEA GLOBAL VALUE CHAIN**

DEBORA ORLANDO – ORLDEB001

**A dissertation submitted in partial fulfillment of the requirements for the award of the Master's of
Philosophy degree in Justice and Transformation**

**Faculty of Humanities
University of Cape Town
2013**

COMPULSORY DECLARATION

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

Signature:

Signed by candidate

 Date: _____

ABSTRACT

The need for a “fair globalisation” as a topic for discussion is not new, not among scholars, activists, non-governmental organisations, governments or international institutions. Against the background of the recognised need for a “fair globalisation”, global value chains represent the starting point of this dissertation. Having analysed what global value chains are, how they tend to function and, most importantly for the purposes of this dissertation, the impact that they have been shown to have on poor workers, this dissertation will then focus on the case study of the Suid Bokkeveld rooibos tea farmers. Having set out their story in the context of the rooibos tea global value chain, it will consider how their position within the global value chain has improved over time. It will then argue that such improvement has been made possible, as well as by the farmers being able to capture part of the value of the rooibos tea global value chain (thanks to donations received from international organisations and donor agencies), by the farmers acquiring and exercising a "voice". Having explained that what is meant by "voice" is a combination of critical consciousness, representation and power, it will set out what, for its purposes, is meant by each of these three factors. This dissertation will then apply each of them to the case study of the farmers and argue how their presence in the case study combined into the farmers acquiring and exercising a "voice". It will also argue how, in turn, the exercise of that "voice" contributed, together with the capture by the farmers of part of the value of the rooibos tea global value chain, to the farmers being able to shift in their favour the balance of power within the global value chain. It will conclude by arguing that, although it is always difficult to draw general conclusions from a single case study, the story of the farmers in the view of the author shows that a "fair globalisation" is not only a legitimate, but also an achievable, development goal.

CONTENTS

LISTS	PAGE
List of abbreviations and definitions	6
CHAPTERS, SECTIONS AND SUB-SECTIONS	PAGE
Chapter one – Introduction	7
1. The social justice dimension of globalisation	7
2. The emergence of global value chains	7
3. Global value chains – an analysis	9
4. Global value chains – a case study	10
5. Voice, consciousness and spaces	10
6. Back to the social justice dimension of globalisation	13
7. Research methodology	13
Chapter two – Global value chains – an analysis	15
1. Introduction	15
2. Governance in global value chains	17
3. Factors for predicting governance in global value chains	19
4. Global value chains’ impact on workers	22
Chapter three – Global value chains – a case study The story of the Suid Bokkeveld rooibos tea farmers	25
1. Geographical and historical background	25
2. The Suid Bokkeveld Community and community exchange visits	27
3. The Heiveld Co-operative is born	31
4. Developing the Heiveld Co-operative	33
5. The Heiveld Co-operative’s success	35
6. Ripple effect of the Heiveld Co-operative’s success	36
7. The Suid Bokkeveld Community farmers in the rooibos tea global value chain	37

Chapter four – Voice, consciousness and spaces	39
1. The position of the Suid Bokkeveld Community farmers in the rooibos tea global value chains	39
2. “Voice”	40
2.1 Critical consciousness	40
2.2 Representation	41
2.3 Power	43
2.4 Spaces and levels	44
2.5 How critical consciousness, representation and power combine into “voice”	45
3. The Farmers’ “voice”	46
3.1 The Farmers’ critical consciousness	46
3.2 The Farmers’ representation	49
3.3 The Farmers’ power and space	49
3.4 The Farmers’ “voice”	51
Chapter five – Conclusions	52
1. From the global to the local	52
1.1. Globalisation and the world economy	52
1.2 Global value chains and workers in development countries	53
1.3 A local example – the Suid Bokkeveld rooibos tea farmers	54
2. What can a voice tell us?	56
2.1 Economic assistance	56
2.2 Practical assistance	56
2.3 “Voice”	53
3. Last words	58
BIBLIOGRAPHY	PAGE
Bibliography	59

TABLES

TABLES	PAGE
Table 1 – Factors for predicting governance in global value chains	20

University of Cape Town

LIST OF ABBREVIATIONS AND DEFINITIONS¹

Community Exchange and Training Programme: GM's Community Exchange and Training Programme.

EMG: the Environmental Monitoring Group.

Farmers: the Suid Bokkeveld Community farmers.

Forms of co-ordination: a variety of forms of coordination that has emerged among different actors within the same production process.

Gereffi *et al*: Gereffi, Humphrey and Sturgeon.

GFI: the global financial institutions, namely the World Bank, the International Monetary Fund and the World Trade Organization.

Gibbon *et al*: Gibbon, Bair, and Ponte.

GM: the Global Mechanism.

Heiveld Co-operative: Heiveld Co-operative Limited.

Indigo: Indigo development & change.

Lead firms: the firms that drive, manage and control the "wider" production process within a global value chain.

NGO: non-governmental organisation.

PAR: participatory action research.

SEWA: Self Employed Women's Association.

SEWU: Self Employed Women's Union.

Suid Bokkeveld Community: the community of small scale rooibos tea farmers, which comprises about one thousand people, that lives scattered across the Suid Bokkeveld.

UN Desertification Programme: the United Nations Convention to Combat Desertification.

UNEP: the United Nations Environment Programme.

¹ Each of these terms is also abbreviated or defined the first time it is used, in each chapter it is used.

CHAPTER ONE

INTRODUCTION

Can the poor working conditions of workers at the bottom of global value chains be improved? Indeed, can the improvement of the working conditions of those poor workers be achieved by way of changing the nature of a global value chain itself to one that is more open to the active and independent participation of the poor workers? How, in turn, might such change be achieved? These are the questions that this dissertation will endeavour to address.

These questions locate themselves within the wider debate for the need for a “fair globalisation”, a globalisation that not only enables businesses to streamline their processes – and thereby become more efficient, competitive and profitable – by operating on an international scale, but also affords fair and decent working conditions to the workers involved in those processes.

1. THE SOCIAL JUSTICE DIMENSION OF GLOBALISATION

The need for a “fair globalisation” as a topic for discussion is not new, not among scholars, activists, non-governmental organisations (NGOs), governments or international institutions. Indeed, whether the discussion is articulated in terms of the global poor, the difficulty of successfully integrating the nations of the “South” into the global trade regime and ensuring that they benefit from economic growth, or the neglect of social development and workers’ rights, there is evident widespread consensus that the social dimension of globalisation should now play a more central role in the globalisation discourse and the development agenda.²

2. THE EMERGENCE OF GLOBAL VALUE CHAINS

Against the background of the recognised need for a “fair globalisation”, global value chains represent the starting point of this dissertation.

Since the early 1970s the world economy has undergone significant changes, especially in the areas of industrial organisation and international trade.

² Rittich, K., *Global Labour Policy as Social Policy*, Canadian Labour & Employment Law Journal, 2008, Vol. 14, No. 2, p. 228.

These changes have been driven to a great extent by the “market reform agenda”³ promoted by the global financial institutions, namely the World Bank, the International Monetary Fund and the World Trade Organization (the GFIs).

Two aspects of this market reform agenda are particularly relevant for the purpose of these changes: the deregulation of product markets and the deregulation of labour markets.

The supranational free trade agreements facilitated by the World Trade Organization have caused their signatory states to deregulate their national product markets, principally by repealing laws that protected their national industries (e.g. laws providing for state subsidies in favour of national products and imposing import duties on foreign products).

In addition, the GFIs advocate a more flexible labour regime, in order to generate economic growth (and thereby, according to them, also improve social welfare). Standing describes four possible aspects of a flexible labour regime: production flexibility (being the sub-contracting or outsourcing by businesses of their non-core functions); wage flexibility (being the ability by businesses to vary the wage arrangements of workers and to do so in the absence of minimum wage regulations and collective bargaining); labour cost flexibility (being the ability by businesses to reduce social protection costs imposed by law (for example, compensation for injuries at work and unemployment insurance) and training costs); and numerical flexibility, being the ability by businesses to vary the number of workers employed at any time at short notice, for example by hiring workers through short term contracts or third party contractors.⁴

As a result of the changes undergone by it since the early 1970s, two of the most notable characteristics of the world economy currently are the globalisation of production and trade and the vertical dis-integration of multinational corporations. In other words, production and trade have undergone a functional coordination - if not fully fledged integration - of geographically internationally dispersed activities (i.e. they have become globalised); while multinational corporations have been shedding their direct ownership of functions such as production, but still reserving for themselves functions such as innovation, product design, branding and marketing (i.e. they have dis-integrated vertically).⁵

In turn, as a result of the combination of these two characteristics of the current world economy, a variety of forms of coordination have emerged among different actors within the same production process. These forms of coordination have been variously called - among other things - global commodity chains, global value chains or global production networks (the forms of coordination). In other words, the combination of the geographical dispersion of production activities across national borders, and therefore the need to

³ *Ibid.*, p. 227.

⁴ Von Broembsen, M., *People want to work, yet most have to labour: Towards decent work in South African supply chains*, Law, Democracy & Development, volume 16 (2012), pp. 5 and 6.

⁵ Gereffi, G., Humphrey, J. and Sturgeon, T., *The governance of global value chains*, Review of International Political Economy, 12 (1), 2005, pp. 78-79.

coordinate those production activities, and the shedding of direct ownership of many of those production activities by multinational corporations has led to the emergence of particular forms of coordination of those production activities. These forms of coordination are different from the traditional forms of coordination that would stem from the direct ownership of production activities.

For the purposes of this dissertation these forms of coordination will be referred to as global value chains.

3. GLOBAL VALUE CHAINS – AN ANALYSIS

Chapter two (Global value chains – an analysis) will analyse what global value chains are, how they tend to function and, most importantly for the purposes of this dissertation, the impact that they have been shown to have on poor workers.

More specifically, chapter two will, after briefly considering the history and variety of definitions of global value chains that exists in the relevant literature, adopt for the purposes of this dissertation Sturgeon's definition of global value chains as "*the vertical sequence of events leading to the delivery, consumption and maintenance of goods and services.*"⁶

After briefly explaining that the vertical sequence of events that constitutes a global value chain is invariably coordinated⁷ and that such coordination is usually referred to as "governance", it will then examine the different types of governance that may be found in a global value chain.

Finally, and crucially for the purposes of this dissertation, it will discuss the impact that global value chains have been shown to have on poor workers. In particular, chapter two will focus on how the integration of poor workers into global value chains has entailed an increasing shift towards flexible forms of employment for them and how such forms of employment are not only by definition less stable and secure than permanent, full-time employment, but also linked to other poor working conditions.⁸ It will also draw attention to the fact that, in turn, flexible employment has tended to reinforce any pre-existing conditions of poverty, vulnerability and marginalisation of workers.⁹

⁶ Sturgeon, T.J., *How do we define value chains and production networks?*, IDS Bulletin, 32.3, 2001, p. 10.

⁷ This assumption is probably implicit in Sturgeon's definition of global value chains, but it is stated expressly for the sake of clarity.

⁸ Barrientos, S., *Global Production Systems and Decent Work*, Working Paper No. 77, Policy Integration Department, International Labour Office, Geneva, May 2007, pp. 10-14.

⁹ Bolwig, S., Ponte, S., du Toit, A., Riisgaard, L., and Halberg, N., *Integrating Poverty and Environmental Concerns into Value Chain Analysis: a Conceptual Framework*, Development Policy Review, 2010, 28 (2), p. 178.

4. GLOBAL VALUE CHAINS – A CASE STUDY

The Suid Bokkeveld rooibos tea farmers represent a good example of how being integrated into (the bottom of) a global value chain (the rooibos tea global value chain) was for them linked to poor working conditions and did little to improve their pre-existing conditions of poverty, vulnerability and marginalisation. Chapter three (Global value chains – a case study: The story of the Suid Bokkeveld rooibos tea farmers) will tell their story.

More specifically, chapter three will describe how the farmers found themselves at the bottom of the rooibos tea global value chain¹⁰ and how the income they made from rooibos tea was not even sufficient to pay their immediate production costs, let alone invest in future production, thereby perpetuating and reinforcing their pre-existing conditions of work insecurity, and poverty and vulnerability.¹¹

However, it will also describe how, from 2000 onwards, with assistance from two NGOs, the Environmental Monitoring Group (EMG) and Indigo development & change (Indigo), and funding from various international organisations and donor agencies, the farmers formed the Heiveld Co-operative, registered as organic and fair trade rooibos tea producers, secured deals for the wholesale of their rooibos tea at premium prices and also started successfully packaging and marketing some of their own rooibos tea (both locally and internationally).¹²

In other words, chapter three will describe how, despite starting out from a very disadvantaged position at the bottom of the rooibos tea global value chain, it was possible for the farmers to improve their working conditions. Indeed, it will argue that the shift in the position of the farmers has been so significant as to in fact change the nature of the rooibos tea global value chain itself.

5. VOICE, CONSCIOUSNESS AND SPACES

In order to make the above argument, consideration will need to be given to what really lies behind the Suid Bokkeveld rooibos tea farmers' success story. Chapter four (Voice, consciousness and spaces) will do this.

On the face of it, the farmers' success was achieved: (i) with the assistance of two NGOs (EMG and Indigo); (ii) with the assistance of a number of grants from various international organisations and donor agencies; and (iii) through the creation of a co-operative.

¹⁰ Rooibos tea is produced only in the Western part of South Africa.

¹¹ Please see *supra*, n. 8.

¹² Please see the booklet *Everybody's Cup of Tea – Community Action and Rooibos Tea – A Case Study from the Suid Bokkeveld, South Africa*, by Oettle, N., undated, available in hard copy from EMG and the website <http://www.heiveld.co.za/index.html>

However, chapter four will argue that it is necessary to look below the surface of these interventions to understand what their true impact on the farmers was and it will argue that their true impact was to help the farmers acquire and exercise a “voice”.

More specifically, chapter four will begin by explaining what is meant by “voice” for the purposes of this dissertation. It will explain that what is meant is the combination of three factors: critical consciousness, representation and power. It will then turn to explain what is meant by each of these three factors.

Chapter four will explain that what is meant by critical consciousness is Freire's *conscientização*, being the emergence of a consciousness that perceives economic, social and political contradictions and is prepared and willing to take action against the oppressive elements of its own reality.¹³ Through *conscientização*, people acquire consciousness of the set of facts and circumstances in which they exist and only then can they acquire the ability to intervene in those facts and circumstances.¹⁴

Chapter four will then explain that what is meant by representation is collective representation and action through democratic, member based worker organisations. In particular, it will explain that there are two ways for workers to gain representation in the sense just described:

- self organisation, i.e. the workers themselves setting up organisations; and
- expansion of existing unions to include new categories of workers previously not represented by them.¹⁵

Chapter four will finally explain that what is meant by power is Gaventa's view of power as agency, as capacity to act to bring about positive change.¹⁶ It will also explain how Gaventa argues that power and power relations do not exist in a vacuum, but within spaces of engagement and at different levels within those spaces,¹⁷ and that the dynamics of power are therefore inter-related with the type of space in, and the level at, which power is exercised.¹⁸

Having explained what is meant by each of critical consciousness, representation and power, chapter four will then explain how, together, these three factors combine into “voice”. In other words, it will reflect on how, when critical consciousness is present, and is expressed through representation, power is able to be shifted. The combination of these three occurrences, it will argue, is the exercise of a “voice”.

Having explained what is meant by “voice”, chapter four will then turn to argue how the true impact of the assistance of the two NGOs (EMG and Indigo), the assistance of international organisations and donor

¹³ Freire, P., *Pedagogy of the Oppressed*, Penguin Books, 1996, p. 17.

¹⁴ *Ibid.*, p. 90.

¹⁵ Chen, M.A., Vanek, J., and Carr, M., *Mainstreaming Informal Employment and Gender in Poverty Reduction: A Handbook for Policy-makers and Other Stakeholders*, Commonwealth Secretariat, 2004, p. 158.

¹⁶ Gaventa, J., *Finding the Spaces for Change: A Power Analysis*, IDS Bulletin, 37.6, November 2006, p.24.

¹⁷ *Ibid.*, p. 25.

¹⁸ *Ibid.*, p. 30.

agencies, and the creation of the co-operative on the Suid Bokkeveld rooibos tea farmers was to help them acquire and exercise a “voice”.

More specifically, it will argue how the two NGOs helped the farmers to develop critical consciousness by using a participatory action research (PAR) approach at every step of the assistance they provided (and continue to provide) to them. In particular, by adopting an approach that views all parties involved as active participants, who share the responsibility for the design, implementation and outcome of the research as co-researchers and co-learners, the two NGOs facilitated the development in the farmers of a critical perception of their reality and a sense of confidence that the farmers could intervene in that reality to change it.¹⁹

Chapter four will then argue that, having developed critical consciousness, the farmers were able to express it collectively by forming into the co-operative. The critical mass that the co-operative gave them helped the farmers to become more visible within the rooibos tea global value chain. At the same time, thanks to the assistance they received from international organisations and donor agencies (which enabled them to acquire their own tea processing facility and thereby become producers of rooibos tea), the farmers were able to capture part of the value of the rooibos tea global value chain (being the part of the value that is represented by the production of the rooibos tea).²⁰ It was then that the farmers became able to shift power.

Chapter four will at this point argue that the farmers were able to shift sufficiently in their favour the balance of the power relations within the rooibos tea global value chain not only to shift their position from the bottom of the global value chain, but also to change the nature of the global value chain itself. It will argue that the farmers were able to change the rooibos tea global value chain from a global value chain in which they were very heavily dependent on the wholesale buyers to whom they sold their rooibos tea to a global value chain in which the degree of dependency of the farmers has been considerably reduced and the relationship between the farmers and their wholesale buyers is therefore considerably less unequal in its balance of power. Using Gaventa’s power analysis, it will argue that in other words the farmers, having regained their capacity to act, were able to change the nature of the space in which they operate.

Chapter four will therefore argue that the shift in the balance of power from one type of rooibos tea global value chain to another was achieved by the farmers through what, earlier on in the chapter, was called the exercise of a “voice”.

¹⁹ Oettle’, N., *Adaptation with a human face*, currently unpublished (please ask Oettle’, N., contact details at www.heiveld.co.za, for further information), section 4.1 (Why PAR?). Please note that the version of this paper that the author had sight of did not have page numbers.

²⁰ As opposed to, for example, the packaging or marketing of the rooibos tea.

6. BACK TO THE SOCIAL JUSTICE DIMENSION OF GLOBALISATION

Chapter five (Conclusions) will reflect on what conclusions may be drawn from the case study of the Suid Bokkeveld rooibos tea farmers.

More specifically, it will reflect on how the farmers belonged to the global poor and how, albeit integrated in the rooibos tea global value chain, they did not benefit from any economic growth in the rooibos tea industry nor enjoyed any decent workers' rights.

It will then reflect on how, however, by acquiring and exercising a “voice” in the sense briefly summarised above and by capturing a part of the value of the rooibos tea global value chain, the farmers were not only able to shift the balance of power within their power relations so as to improve their position in an increasingly globalised world, but, in so doing, they were also able to contribute to improving the position of others in it: for example, by using a percentage of the Heiveld Co-operative's profits to support local schools and disadvantaged members of the community; or by generating work in the community by giving to the local women the production of the characteristic cotton bags in which some of their rooibos tea is exported.

Chapter five will also reflect on which of the elements that are present in the case study of the farmers should, in the author's view, be present in every intervention that aims to improve the conditions of poor workers.

It will finally argue that, although it is always difficult to draw general conclusions from a single case study, the story of the farmers shows that the social dimension of globalisation demands that it is not acceptable to become resigned to an increasingly globalised world in which certain categories of workers (e.g. workers at the bottom of global value chains) are poor and marginalised, but that it is in fact possible – and it should therefore be strived for as a development goal – to help those workers acquire and exercise a “voice”. That is also, chapter five will argue, the way to achieve development that is ultimately fairer for all.

7. RESEARCH METHODOLOGY

This dissertation relied primarily on desk-top research (both in the form of books, scholarly articles, research papers, etc. and in the form of information available on websites).

In addition, in respect of chapters three and four, which tell the story of the rooibos tea farmers, it also relied on limited empirical data in the form of unstructured interviews (both by e-mail and by telephone) carried out with Noel Oettle'. Noel works at EMG and has been involved with the rooibos tea farmers ever since the Northern Cape Province Department of Agriculture sought a partnership with EMG in 1998 for the purpose

of assisting and supporting the farmers.²¹ His knowledge of the history, and the issues faced by, the farmers is unparalleled and the author is indebted to him for his contribution.

University of Cape Town

²¹ Please see chapter three, section “The Suid Bokkeveld Community and community exchange visits” below.

CHAPTER TWO

GLOBAL VALUE CHAINS – AN ANALYSIS

1. INTRODUCTION

Since the early 1970s the world economy has undergone significant changes, especially in the areas of industrial organisation and international trade. As a result of these changes, two of the most notable characteristics of the current world economy are the globalisation of production and trade and the vertical dis-integration of multinational corporations. In other words, production and trade have undergone a functional coordination - if not fully fledged integration - of geographically internationally dispersed activities (i.e. they have become globalised); while multinational corporations have been shedding their direct ownership of functions such as production, but still reserving for themselves functions such as innovation, product design, branding and marketing (i.e. they have dis-integrated vertically).²²

In turn, as a result of the combination of these two characteristics of the current world economy, a variety of forms of coordination has emerged among different actors within the same production process (the forms of coordination). In other words, the combination of the geographical dispersion of production activities across national borders, and therefore the need to coordinate those production activities, and the shedding of direct ownership of many of those production activities by multinational corporations has led to the emergence of particular forms of coordination of those production activities. These forms of coordination are different from the traditional forms of coordination that would stem from the direct ownership of production activities. They are also different from the traditional forms of coordination that would stem from affiliation to production activities through the ownership of subsidiary companies or through franchise arrangements.

These forms of coordination have been variously referred to – among other things – as global commodity chains, global value chains or global production networks. Why the difference in terminology? The reasons are mainly historical and of (both theoretical and empirical) focus.

For example, the expression “global commodity chains” emerged during the 1990s, when global commodity chain researchers understood global commodity chains as “*sets of inter-firm networks [that connected] manufacturers, suppliers and subcontractors in global industries to each other, and ultimately to international markets*”.²³ Global commodity chain researchers were mainly interested “*with the question of how participation in commodity chains [could] facilitate industrial upgrading for developing countries exporters*”.²⁴

²² Gereffi, G., Humphrey, J. and Sturgeon, T., *The governance of global value chains*, Review of International Political Economy, 12 (1), 2005, pp. 78-79.

²³ Bair, J., *Global Capitalism and Commodity Chains: Looking Back, Going Forward*, Competition & Change, Vol. 9, No. 2, June 2005, p.156.

²⁴ *Ibid.*

On the other hand, the expression “global value chains” emerged at the beginning of the 2000s, when global value chain researchers became interested not only in the role that inter-firm networks had in driving the co-evolution of industrial organisation and international trade, but also in the greater variety of forms of those inter-firm networks that the more recent field research had uncovered.²⁵

While the expression “global production networks”, which also emerged during the 2000s, refers to the attempt to go beyond the intrinsic linearity of global commodity chains and global value chains to incorporate other actors and relationships (for example, institutional and regulatory actors and relationships).²⁶

For the purposes of this dissertation the forms of coordination will be referred to as global value chains.

The reason for this is two-fold. On the one hand, global commodity chains have effectively been superseded by global value chains due to the global value chains framework's ability not only to identify all the variety of forms of inter-firm networks, but also to explain them by identifying their key determinant factors.²⁷ On the other hand, despite its ambitions, so far most of the studies carried out using the global production network framework have in practice been very similar to the studies carried out using the global value chains framework.²⁸ As a result, given the by now vast and well established body of research and literature on global value chains as well as the author's preference for this framework, the forms of coordination will be referred to for the purposes of this dissertation as global value chains.

So, what exactly are global value chains? A variety of (slightly different in form, but essentially equivalent in substance) definitions of global value chains exists in the literature, but when referring to global value chains in this dissertation the reference will be to Sturgeon's definition of them as “*the vertical sequence of events leading to the delivery, consumption and maintenance of goods and services*”.²⁹

In addition, it will be assumed that this vertical sequence of events is coordinated (the degree to, and the manner in, which it may be coordinated varying in practice depending on its specific circumstances).³⁰ This coordination, which in some instances may amount to proper control,³¹ is usually referred to as governance (in a global value chain).

More specifically, at any point in a global value chain the events leading to the delivery of goods and services are regulated by a set of parameters. These are usually:

²⁵ *Ibid.*, p. 163.

²⁶ Coe, N.M., Dicken, P. and Hess, M., *Global production networks: realizing the potential*, Journal of Economic Geography, 8 (2008), p. 272.

²⁷ Please see section “Factors for predicting governance in global value chains” below.

²⁸ Please see generally Levy, D. L., *Political contestation in global production networks*, Academy of Management Review (2008), volume 33, issue 4, p. 943.

²⁹ Sturgeon, T.J., *How do we define value chains and production networks?*, IDS Bulletin, 32.3, 2001, p. 10.

³⁰ This assumption is probably implicit in Sturgeon's definition of global value chains, but it is stated expressly for the sake of clarity.

³¹ For what is intended by control, please see the explanation of captive global value chains and global value chains governed by hierarchy in paragraphs (c) and (d) of the section “Governance in global value chains” below.

- (a) what is to be produced;
- (b) how it is to be produced (for example, what technology and quality checking systems should be used and what labour and environmental standards should be complied with);
- (c) when it is to be produced;
- (d) how much of it is to be produced; and
- (e) how much it should cost.

When, at any point in a global value chain, anybody (for example, a supplier) works according to specifications of any of the parameters listed above set by somebody else (for example, a buyer), then that somebody else is, at least to some extent, coordinating that global value chain, i.e. there is some form of governance in that global value chain.³²

Finally, the form of governance in a global value chain tends to be linked to the question of value in global value chains, i.e.: first, where and how is value created within a global value chain; and second, where and how is that value distributed along that global value chain.³³³⁴

This chapter will first review governance in global value chains and then consider the impact that current forms of governance have tended to have on workers towards the bottom, or at the very bottom, of global value chains, usually in developing countries.

2. GOVERNANCE IN GLOBAL VALUE CHAINS

In their seminal work on governance in global value chains, Gereffi, Humphrey and Sturgeon³⁵ (Gereffi *et al*) identify five types of governance:

(a) *market transactions*: a market transactions global value chain is a global value chain in which firms (or individuals) sell and buy goods and services to one another with little interaction beyond exchanging those goods and services for money. Product specifications are relatively simple and therefore the amount and complexity of information that needs to be exchanged by buyers with suppliers is relatively low and suppliers have the capability to make the products with little input from buyers. As a result, the central

³² Humphrey, J. and Schmitz, H., *Governance in Global Value Chains*, IDS Bulletin 32.3, 2001, p. 5.

³³ Gibbon, P., Bair, J., and Ponte, S. (Gibbon *et al*), *Governing global value chains: an introduction*, Economy and Society, Volume 37, Number 3, August 2008, p. 331.

³⁴ There is no exact meaning of “value” in the context of global value chains and indeed what constitutes value in a global value chain and how that should be measured is itself part of the global value chain discourse. Please see, in this respect, Gibbon *et al, ibid.*, pp. 331-332, where the authors refer to Kaplinsky’s attempt at defining value in a global value chain by reference to distribution of returns along that global value chain and Lazoniak and O’Sullivan’s attempt at defining value in a global value chain by reference to shares of final prices retained by suppliers and buyers.

³⁵ Gereffi *et al, supra* n. 1, pp. 78-104. Please see also www.globalvaluechains.org/concepts.html

governance mechanism is simply price, which is usually set by suppliers. Although the relationship between any given supplier and buyer may not be entirely transitory (i.e. it may be characterised by repeat transactions between them), thanks to the relatively simple product specifications the cost for a supplier to switch buyer - and vice versa - is relatively low. This is the simplest form of governance that may be found in a global value chain;

(b) *modular value chains*: a modular global value chain is a global value chain in which suppliers make products or provide services to buyers' specifications. However, suppliers tend to use generic machinery for production (thereby limiting transaction specific investments) and to take full responsibility for the technology used for production and for the production process. In other words, suppliers internalise as a coherent system of knowledge the greater and more complex - compared to that received in a market transactions global value chain - information received from each buyer. As a result, although individual relationships between suppliers and buyers can be quite complex, the cost for a supplier to switch buyer - and vice versa - remains relatively low. Among the remaining types of global value chain governance, this is the one most similar to the market transactions form of governance described above. The other types of governance, as will be seen, are characterised by supplier-buyer relationships that resemble networks to an increasing degree;

(c) *relational value chains*: a relational global value chain is a global value chain in which suppliers make products or provide services to buyers' specifications and those specifications are highly detailed. In turn, because product specificity is high, suppliers usually achieve a high level of capability in respect of the products they produce and the services they provide, thereby providing a strong incentive for buyers to outsource to suppliers more aspects of the "wider" production process (e.g. component purchasing and process technology upgrading), in order to benefit from complementary capabilities that the suppliers have developed and are able to offer. As a result, relationships between suppliers and buyers are complex, being effectively of a mutual dependency nature. The risk involved in these relationships is usually managed through trust, reputation, spatial proximity, social proximity, family ties and/or ethnic ties (for example, relational value chains are often - although not always - found in industrial districts or specific communities). However, notwithstanding these risk management mechanisms, given the high level of product specificity present in relational value chains and the ensuing complexity of the relationships between suppliers and buyers, the cost for a supplier to switch buyer - and vice versa - is also high;

(d) *captive value chains*: a captive global value chain is a global value chain in which small suppliers with low capabilities make products or provide services to large buyers' specifications and those specifications are highly detailed. As a result of the combination of the small size and low capabilities of suppliers on the one hand and the large size and high level of product specifications of buyers on the other, buyers tend to exercise a high level of monitoring of, and control over, suppliers. In addition, because of the low capabilities of suppliers, buyers - differently from what tends to happen in relational value chains - tend to

confine suppliers within a narrow and less sophisticated range of functions within the production process (e.g. simple assembly), while reserving for themselves the more sophisticated functions within that process (e.g. design). All this renders suppliers dependent on buyers for their business and makes the cost for suppliers to switch buyers very high. In other words, suppliers are captive; and

(e) *hierarchy*: a global value chain governed by hierarchy is a global value chain characterised by vertical integration. In other words, the “selling and buying” of products and services takes place either within the same firm or within the same group of companies and governance is exercised by managers on subordinates (within the same firm) or by parent companies on subsidiary companies or affiliate companies (within the same group).³⁶

In the context of relational value chains and captive value chains, the firms that drive, manage and control the “wider” production process within a global value chain are usually referred to as lead firms (the lead firms).

3. FACTORS FOR PREDICTING GOVERNANCE IN GLOBAL VALUE CHAINS

Having identified five types of global value chain governance, Gereffi *et al* proceed to provide an operational theory of governance, i.e. to provide three factors the possible combinations of which will enable researchers to predict which type of governance is likely to arise in any global value chain (depending on the particular combination of those three factors observed in the relevant global value chain).

These three factors are:

- (a) the *complexity* of the information that needs to be exchanged by buyers with suppliers in respect of product specifications;
- (b) the extent to which this information can be *codified*, i.e. transmitted as a non-transaction specific body of information by buyers to suppliers and then internalised as a generic, coherent system of knowledge by suppliers; and
- (c) the *capabilities* of actual and potential suppliers in respect of the requirements of the relevant transaction.

If only two values - high or low - are attributed to each of them, these three factors give rise to eight possible combinations, of which five are the types of global value chain governance set out above.³⁷ More precisely and by way of illustration:

³⁶ *Ibid.*, pp. 83-84 and 86-87. Please see also www.globalvaluechains.org/concepts.html

³⁷ Any combination that features both low complexity and low ability to codify is unlikely to occur in practice, which excludes two of the eight possible combinations (being the low complexity-low ability to codify-low capabilities combination and the low complexity-low ability to codify-high capabilities combination). And if complexity is low, but ability to codify is high, then low capabilities on the part of a supplier

Table 1 – Factors for predicting governance in global value chains

Governance type	Complexity of information	Ability to codify information	Capabilities of suppliers	Degree of explicit coordination and power asymmetry
Market	Low	High	High	Low
Modular	High	High	High	↓ ³⁸
Relational	High	Low	High	↓
Captive	High	High	Low	↓
Hierarchy	High	Low	Low	High

where the last column also illustrates how power operates in global value chains.

So, for example, in captive global value chains buyers exercise a degree of explicit coordination over suppliers that is similar to the direct administrative control that managers exercise on subordinates (within the same firm) or parent companies exercise on subsidiaries or affiliates (within the same group) in hierarchy global value chains. In turn, such high degree of explicit coordination implies a high degree of power asymmetry, with buyers (similarly to managers or parent companies) being the dominant party.

In relational global value chains, there is a significant degree of explicit coordination. But, as buyers and suppliers are effectively mutually dependent, this takes the form of a close dialogue between more or less equal business partners. In turn, this form of explicit coordination implies a more or less symmetrical power balance.

In modular and markets global value chains, the degree of explicit coordination is relatively low, as switching suppliers or buyers is relatively easy and both suppliers and buyers therefore work with multiple business partners. In turn, this also implies a relatively low degree of power asymmetry.

In conclusion, once a value is attributed to each of the three factors listed above in respect of any global value chain, one will, according to Gereffi *et al*, be able to predict the type of governance, and therefore the degree of power asymmetry, that will develop in that global value chain.³⁹

would almost inevitably lead to that supplier's exclusion from the relevant global value chain, which – while a significant outcome – would not give rise to a type of global value chain governance *per se*.

³⁸ The arrows indicate an increasing degree of explicit coordination and power asymmetry, from low to high.

It should at this point however be noted that, while very useful to predict the type of governance within a global value chain, the combination of the three factors listed above may be less useful in predicting the degree of power asymmetry within the relevant global value chain. This is because the three factors do not include any factors that may be specific to an industry or sector, but which are – strictly speaking – external to the transactions that take place within that industry or sector.

For example, from the study of intermediaries in the agri-business and craft sectors in South Africa commissioned by the Trade and Industrial Policy Strategies and carried out by Von Broembsen in 2010,⁴⁰ it emerges that the agri-business and craft global value chains in which the intermediaries operate are either market transactions or modular global value chains, i.e. the forms of global value chains in which, according to Gereffi *et al*, the degree of power asymmetry should be the lowest. However, the study shows that, due to the low barriers to entry in these sectors (particularly the craft sector) and the resulting high degree of competition among suppliers, the intermediaries have in fact little bargaining power when it comes to negotiating on behalf of suppliers the price for an agri-business product or an item of craft with buyers (usually big retailers or conference organisers).⁴¹ In other words, a factor (the low barriers to entry) external to the transaction (the price negotiations), but specific to the sector (agri-business and craft), misplaces Gereffi *et al*'s prediction of degree of power asymmetry in the agri-business and craft global value chains.

Gibbon *et al* also raise the similar question of to what extent the global value chain framework includes, or would be able to include, normative, regulatory and structural factors (which may be external to individual transactions, but may permeate the sector in which those transactions take place) in its prediction and analysis of the degree of power asymmetry in a global value chain.⁴²

This is not to say that Gereffi *et al*'s operational theory of global value chains should be discarded in so far as it relates to power asymmetry. It is more to note that, while it may provide a useful starting point for the prediction or analysis of the degree of power asymmetry in a global value chain, it should probably not be used on its own for that purpose, but should be complemented with a more “holistic” view of the wider environment within which the relevant global value chain operates.

³⁹ Gereffi G., Humphrey, J. and Sturgeon, T., *The governance of global value chains*, Review of International Political Economy, 12 (1), 2005, pp. 84-88.

⁴⁰ Von Broembsen, M., *Mediating from the margins: the role of intermediaries in facilitating participation in formal markets by poor producers and users*, (2011), South African Journal of Labour Relations, volume 36, issue 1, 2012, pp. 31-53.

⁴¹ Von Broembsen, M., *People want to work, yet most have to labour: Towards decent work in South African supply chains*, Law, Democracy & Development, Volume 16 (2012), p. 16.

⁴² Gibbon *et al*, *supra* n. 12, pp. 333-334.

4. GLOBAL VALUE CHAINS' IMPACT ON WORKERS

It is apparent from the review of global value chain governance set out above that global value chain research and analysis have in the past tended to focus on global value chains from what is effectively an economics perspective. Attention has been paid almost exclusively to suppliers and buyers (who in reality more often than not are firms, as opposed to individuals) and the interactions between them, while hardly any attention has been paid to the individuals who make up the work force of those suppliers and buyers and the impact that the interactions between those suppliers and buyers have had on those individuals. The suggestion is not that this lack of analysis has necessarily been due to a lack of interest in workers on the part of academics - indeed, reference to considerations such as labour conditions and environmental standards has increasingly been appearing in the context of global value chain research and analysis. It is instead that to date too rarely have labour conditions (and in particular the conditions of the poor and very poor workers in developing countries) been made the principal focus of any such research and analysis.⁴³

However, the impact of global value chain governance on the labour conditions of those workers is key to the questions that this dissertation will endeavour to answer. And one person who has made those labour conditions the principal focus of global value chain research and analysis is Barrientos.

This chapter will therefore now proceed to consider the impact that current forms of global value chain governance have tended to have on workers towards the bottom, or at the very bottom, of global value chains, usually in developing countries and, in doing so, it will use Barrientos's 2007 working paper for the International Labour Organization as a springboard.⁴⁴

The impact of current forms of global value chain governance on workers in developing countries appears to be greatest in global value chains characterised by forms of governance that entail the presence of lead firms, i.e. relational or captive global value chains.⁴⁵

The vertical dis-integration of multinational corporations that was referred to in the introduction to this chapter has more often than not resulted in the production segment of global value chains taking place in one or more developing countries. This appears to have had two effects on global value chains: (a) the fact that lead firms no longer own the production segment of their global value chains (i.e. they no longer legally own suppliers and are therefore no longer legally the employer of the suppliers' workers) has placed lead firms' behaviour towards suppliers within their global value chains beyond the reach of both the states within whose jurisdictions lead firms are incorporated and the states within whose jurisdictions suppliers and their

⁴³ However, for an example of those who have, please see Barrientos, S., *Global Production Systems and Decent Work*, Working Paper No. 77, Policy Integration Department, International Labour Office, Geneva, May 2007 and Navdi, K., *Globalisation and poverty: how can global value chain research inform the policy debate?*, IDS bulletin 35.1, 2004.

⁴⁴ See generally Barrientos, *supra*.

⁴⁵ This is not to say that the types of impact that are about to describe could, or do, not apply to, for example, workers of subsidiary companies in a global value chain governed by hierarchy. It is simply to say that they would appear to occur more often and to be more acute in relational or captive value chains.

workers are located;⁴⁶ and (b) lead firms have developed the tendency to try to offload the risks of production (e.g. falls in demand, shifting consumer trends, etc.) onto suppliers within their global value chains (e.g. in the garments industry, by shortening lead times).⁴⁷

In turn, these two effects on global value chains (the lead firms' behaviour being placed beyond reach and their tendency to offload production risks onto suppliers) have induced suppliers to alter the employment relationships between them and (at least a proportion of) their workers. More specifically, in an attempt to mitigate the risk represented to them by, for example, constant changes in consumer demands and trends and insecure and short term orders, suppliers have increasingly been adopting flexible forms of employment. In particular, three forms of flexible employment have been identified: (a) *functional flexibility*: this allows suppliers to vary, or increase, the specific job functions of workers; (b) *pay flexibility*: this allows suppliers to vary the pay arrangements of workers; and (c) *numerical flexibility*: this allows suppliers to vary the number of workers employed at any time at short notice, for example by hiring workers through short term contracts or third party contractors. By allowing suppliers to alter the size of their labour force at short notice and reduce labour costs and, therefore, by enabling suppliers to meet variable production requirements with short lead times while keeping labour costs low, flexible employment has played a key role in enabling suppliers to integrate into global value chains.⁴⁸

However, flexible employment (in all its variants of part-time, temporary, casual and contract working) is by definition a less stable and secure form of employment than permanent, full-time employment and therefore the shift from permanent to flexible employment described above has represented a deterioration of the labour conditions of workers in developing countries.⁴⁹

In addition, as Barrientos notes when analysing her work pyramid, there is evidence that flexible employment is also linked to other poor working conditions (as well as employment instability and insecurity). More specifically, the more flexible the workers' form of employment, the more likely the workers appear to be to receive worse pay and the less likely they appear to: (a) have a contract of employment, with all the employment benefits that would flow from that (e.g. collective representation in the work place, paid holiday, paid sick leave, pension, etc. to name but a few); and (b) have access to social benefits (e.g. state unemployment, health and pension benefits). This appears to be particularly true for women workers, migrant workers and workers hired through third party labour contractors. Put another way,

⁴⁶ Barrientos, *supra*, n. 22, p. 3.

⁴⁷ Barrientos, *supra*, n. 22, p. 7.

⁴⁸ Barrientos, *supra*, n. 22, p. 8.

⁴⁹ Although it is not the purpose of this dissertation to carry out an in-depth analysis of flexible forms of employment, the author would like to acknowledge that a number of academics and employment lawyers are carrying out such an analysis and the significance of such an analysis, which also identifies and draws attention to the negative consequences that derive for workers from a shift to more flexible forms of employment. Please see, for example: Arthurs, H., *Labour law after labour*, (2011), 15 Osgoode CLPE Research Paper, No.15/2011; Fischl, M., *Running the government like a business: Wisconsin and the assault on workplace democracy*, (2011) Yale Law Journal Online 39-68; and Benjamin, P., *Informal work and labour rights in South Africa*, (2008), 29 ILJ 1579.

the relationship between increasing flexibility of form of employment and progressive deterioration of labour conditions can be seen as a continuum between formal and informal work.⁵⁰

In turn, flexible employment and its - monetary and non-monetary - consequences have tended to reinforce any pre-existing conditions of vulnerability, poverty and marginalisation of workers, irrespective of whether or not flexible employment has enabled those workers to integrate into a global value chain. For example, as Bolwig, Ponte, du Toit, Riisgaard and Halberg note, migrant workers picking fruit in the Western Cape region of South Africa are fully integrated in global value agro-food chains, but are also at the same time highly marginalised within their local employment relationships. Put another way, when considering the impact of global value chains on the labour conditions of workers in developing countries, it is not enough to look only at the vertical, economics-specific links that make up global value chains. Attention must also be paid to the horizontal links of workers within global value chains with their local communities, i.e. to the impact that the integration of those workers into global value chains has on their employment relationships within their local communities.⁵¹

It is therefore apparent that the impact of global value chains and their governance on workers towards the bottom, or at the very bottom, of those global value chains in developing countries has not been particularly positive.

This dissertation will now analyse at the story of the Suid Bokkeveld rooibos tea farmers and then examine: first, what type of global value chain they found themselves in; secondly, what their original position within the rooibos tea global value chain was; thirdly, what the impact of that position on their labour conditions was; and lastly, how that position has changed over time.

⁵⁰ Barrientos, *supra*, n. 22, pp. 10-14.

⁵¹ Bolwig, S., Ponte, S., du Toit, A., Riisgaard, L., and Halberg, N., *Integrating Poverty and Environmental Concerns into Value Chain Analysis: a Conceptual Framework*, Development Policy Review, 2010, 28 (2), p. 178.

CHAPTER THREE

GLOBAL VALUE CHAINS – A CASE STUDY

THE STORY OF THE SUID BOKKEVELD ROOIBOS TEA FARMERS

1. GEOGRAPHICAL AND HISTORICAL BACKGROUND

The Suid Bokkeveld is situated in the Northern Cape Province of South Africa, at the Western edge of the Great Karoo plateau and close to the Northern extremity of the Cape Floral Kingdom. It is a harsh land, where the sun sears down and the earth bakes in summer and where the frost burns the buds in winter. However, winter rains and acid soils make it the ideal home for drought resistant members of the protea family and for the insignificant-looking *aspalathus linearis* plant, commonly known as rooibos.

The people of the Suid Bokkeveld descend from the first people of South Africa, the KhoiSan. Discriminated against because of the colour of their skin,⁵² they spent the colonial and apartheid years at the margins of society. Services to the community of the Suid Bokkeveld were minimal and poverty was (and still is) widespread. The community was (and still is) entirely dependent on natural resources and was also heavily dependent on poorly paid employment as agricultural labourers.⁵³ While many other post-colonial societies have experienced systematic and profound disempowerment by colonial settlers and their descendants, what is perhaps unique about the descendants of the KhoiSan is the length of time that they have been subjected to domination, the extent to which their culture has been obliterated and the tools of domination applied to ensure that the descendants of the colonial settlers could exploit their labour at little cost. Although apartheid was officially abolished in 1994, its legacy lives on in the inequitable social and economic relations in the area where the Suid Bokkeveld is located, where more than 90 per cent of agricultural land belongs to white land owners and so called “coloured” people are confined to the most marginal areas.⁵⁴

One of the many legacies that the KhoiSan have passed down to their descendants is their knowledge of rooibos, which has been used since pre-historic times to produce a beverage known as rooibos tea.

⁵² Without wishing to oversimplify, the Khoisan are racially non-white. During apartheid they became known as “coloured” (due to the fact that – again without wishing to oversimplify – the colour of their skin was neither white nor black, but a shade in between) and were treated differently from the other racial categories identified by apartheid laws (e.g. white, black, Indian, etc.).

⁵³ Please see the booklet *Everybody's Cup of Tea – Community Action and Rooibos Tea – A Case Study from the Suid Bokkeveld, South Africa*, by Oettle, N., undated, available in hard copy from the Environmental Monitoring Group and the website <http://www.heiveld.co.za/index.html>

⁵⁴ Oettle, N., Goldberg, K. and Koelle, B., *The Heiveld Co-operative: A Vehicle for Sustainable Local Development*, Drynet, Both ENDS, Amsterdam, 2009, pp. 1-2.

Rooibos is endemic to the Western and Northern Cape Provinces of South Africa and grows nowhere else in the world. Originally collected in the wild, it was only in the early 1900s that it began being cultivated on a commercial basis.

Once considered a poor man's drink, in recent years rooibos tea has become a valued and sought-after tea in the health-conscious European and North-American markets. However, because of its unique soil and climatic requirements and its association with other components of the local ecosystem (such as bacteria, fungi, pollinators, etc.), rooibos has not been successfully cultivated anywhere else in the world and all demand for it is therefore supplied from its only production area in the Western and Northern Cape Provinces, which is only approximately 200 km long x 100 km wide.

The coloured descendants of the KhoiSan had shared their knowledge of rooibos with the white descendants of the colonial settlers and so from the early 1900s the latter were able to benefit from the commercial opportunities offered by the growth of the export-oriented rooibos industry. In the context of apartheid, the coloured people provided the labour to establish the huge plantations of rooibos upon which most of the industry is still based today, but they were prevented from participating in any benefits that the industry offered by racially discriminating policies and legislation.⁵⁵

Due to its aridity, low fertility and inhospitable nature, the area in the Western and Northern Cape Provinces where rooibos grows is sparsely populated. It is primarily inhabited by dispossessed coloured people, most of whom work as labourers for white land owners who descend from the post-colonial settlers that benefited from the policies and legislation promulgated by the apartheid government.

However, on the North-Eastern fringes of this area some coloured land owners and users⁵⁶ have succeeded in retaining or regaining access to the land.⁵⁷ Widespread cultivation of rooibos is not possible in these rocky areas, but wild rooibos flourishes here. Using their traditional knowledge, these small scale farmers produce rooibos tea (both cultivated and wild) and subsistence crops and practise pastoralism with small livestock. Two communities of these small scale farmers in particular have been harvesting cultivated and wild rooibos for decades.

The Northern-most of these communities, which comprises about one thousand people, lives scattered across the Suid Bokkeveld (the Suid Bokkeveld Community). At the start of this story, these small scale farmers generally worked between one and six months a year tending to their own crops and livestock on land that

⁵⁵ Please see generally the Natives Land Act, No. 27 of 1913 and the Group Areas Act, No. 41 of 1950.

⁵⁶ Who either lease or have customary use of the relevant land.

⁵⁷ This access to land usually dates back to the 19th century, when some coloured people were able to gain access to, and become owners of, Crown Land that was available for settlement and that was not desired by larger white farmers because of its low economic value and inaccessibility. In other cases, this access to land is through lease of the land from larger white farmers. For a more detailed discussion, please see Oettle', N., *Adaptation with a human face*, currently unpublished (please ask Oettle', N., contact details at www.heiveld.co.za, for further information), section 3.2 (History). Please note that the version of this paper that the author had sight of did not have page numbers.

they owned, leased or had customary use of. The rest of the year was spent by them as seasonal labourers on neighbouring farms or further afield.⁵⁸

2. THE SUID BOKKEVELD COMMUNITY AND COMMUNITY EXCHANGE VISITS

After democratic government was instated in 1994, the provincial Department of Agriculture responded to the Suid Bokkeveld Community's requests for assistance by providing water provision and farm infrastructure. However, the Department realised that such assistance was not enough and that a broader, sustained and holistic developmental initiative was needed to address the problems of poverty and land degradation of this community. The impression had taken hold within the Suid Bokkeveld Community that development involved handouts of resources to the more privileged, to be used according to a development plan devised by technical experts. This had fostered a syndrome of dependency within this community. More was needed than the financial and technical support that the Department was able to provide. So in 1998 the Department sought a partnership for this purpose with the Environmental Monitoring Group (EMG), a non-governmental organisation (NGO) based in Cape Town with experience in community driven development.⁵⁹ EMG first made links with the Suid Bokkeveld Community in that same year.⁶⁰

At that time, rooibos tea prices were depressed following deregulation of the market. In addition, the Suid Bokkeveld Community farmers found themselves at the bottom of the rooibos tea global value chain: they did not even own their own tea processing facilities, but were dependent on the facilities owned by larger farmers. These farmers charged excessive rentals for the use of their facilities but, as the community farmers had no alternative but to rent the larger farmers' facilities, the community farmers were "captive" to the larger farmers. As a result of these disadvantageous conditions, the previous year the community farmers had received only USD0.30/kg for their rooibos tea.⁶¹ This income was not even sufficient to pay the immediate production costs, let alone invest in future production.⁶² The position of the community farmers in the rooibos tea global value chain was perpetuating and reinforcing their pre-existing conditions of work instability and insecurity and of vulnerability, poverty and marginalisation.

EMG held a first meeting with Suid Bokkeveld Community representatives in the course of which a number of principles were agreed to as the basis for all further actions:

⁵⁸ Oettle', N., Goldberg, K. and Koelle, B., *The Heiveld Co-operative: A Vehicle for Sustainable Local Development*, Drynet, Both ENDS, Amsterdam, 2009, pp. 2-5.

⁵⁹ Please see <http://www.emg.org.za> for further information.

⁶⁰ Oettle', N., Arendse, A., Koelle, B., and Van Der Poll, A., *Community Exchange and Training in the Suid Bokkeveld: A UNCCD Pilot Project to Enhance Livelihoods and Natural Resource Management*, Environmental Monitoring and Assessment, 99: 115-125, 2004, p. 118.

⁶¹ At that time, the Suid Bokkeveld Community farmers only sold their tea either to the larger white farmers or to Rooibos Limited (the ex-South African state owned rooibos tea company), but did not have direct access to the rooibos tea market. Information provided to me by Oettle', N. during a telephone conversation between him and me on 31 January 2013.

⁶² Please see the booklet *Everybody's Cup of Tea – Community Action and Rooibos Tea – A Case Study from the Suid Bokkeveld, South Africa*, by Oettle', N., undated, available in hard copy from the Environmental Monitoring Group and the website <http://www.heiveld.co.za/index.html>

- “- *involvement in any project activity should include contribution and benefit;*
- *people’s vision, enthusiasm and contribution should be mobilised before benefits are achieved;*
 - *the least advantaged should benefit the most;*
 - *the project should benefit the local community, and the wider community;*
 - *everybody [should undertake] to work together in the spirit of mutual respect; and*
 - *there should be transparency regarding all project documentation”*.⁶³

On the basis of that first meeting, in 1999 EMG organised and held a two day community workshop, to enable the members of the Suid Bokkeveld Community to share their common histories, develop a common vision for development, identify and analyse their needs, resources and constraints, and develop common objectives. In the course of that workshop it became clear that rooibos was a resource the community members understood profoundly and that rooibos tea was a product they could produce with excellence and that could therefore enhance their livelihoods, but for which they received little benefit as a result of being excluded from direct participation in the relevant markets.

In subsequent meetings with EMG, the members of the Suid Bokkeveld Community also expressed an interest in becoming more engaged in the marketing of the rooibos tea and in community based tourism, but felt that they lacked the knowledge and related confidence to take any action.⁶⁴

EMG therefore facilitated discussions within the Suid Bokkeveld Community about ways of gaining the knowledge that would be needed to engage in such activities. The idea of visiting other communities to share experiences and learn from one another took root.

Accordingly, a project proposal was developed to apply for funding to enable members of the Suid Bokkeveld Community to learn from other rural communities how they were improving their livelihoods through community based enterprises. A system was also developed to enable the members of the Suid Bokkeveld Community who would participate in the exchange to share the experiences gained from these other rural communities within their home community. A rooibos tea producer group and a rooibos tea exporter in the Western Cape Province, and community based tourism groups in Namaqualand in the Northern Cape Province were identified as potential community exchange partners.

EMG submitted the project proposal for funding on behalf of the Suid Bokkeveld Community to the Global Mechanism (GM) of the United Nations Convention to Combat Desertification (the UN Desertification

⁶³ Oettle, N., Goldberg, K. and Koelle, B., *The Heiveld Co-operative: A Vehicle for Sustainable Local Development*, Drynet, Both ENDS, Amsterdam, 2009, p. 6.

⁶⁴ *Ibid.*

Programme)⁶⁵ and the community was selected as the pilot project of GM's Community Exchange and Training Programme (the Community Exchange and Training Programme).⁶⁶

The Community Exchange and Training Programme was developed in 1999 by GM in partnership with RIOD,⁶⁷ the international network of NGOs involved in addressing desertification issues.⁶⁸ It arose from the recognition of the importance of engaging civil society and NGOs in the implementation of the UN Desertification Programme and, therefore, from a mutual desire to mobilise civil society support for National Action Programmes, the primary vehicle for the implementation of the UN Desertification Programme. It was designed as a capacity building initiative at the local level, to bring together local communities, governments, donors and NGOs for exchanges of experiences and practices through a process of training, exchange visits and information sharing. The aim of the Community Exchange and Training Programme is not to solve local communities' problems, but to enable local communities to acquire confidence in their own knowledge, skills and resourcefulness, learn about alternative ways of addressing their problems and develop new visions for a better future. The Community Exchange and Training Programme therefore provides a "pre-investment" opportunity for local communities and prospective investors to explore the options available for a development that is likely to be sustainable and sustained.⁶⁹

GM engaged an experienced partner to support the final design of the project proposal submitted by EMG. Reiner Woytek of the Indigenous Knowledge for Development Program of the World Bank⁷⁰ provided invaluable feedback and also proposed that the project be filmed, so that others in the Suid Bokkeveld Community could benefit from the experience.⁷¹

GM and the World Bank eventually funded the pilot project in partnership and the project was also presented to, and supported by, the South African UN Desertification Programme National Co-ordinating Body.⁷²

Once it was clear that the project proposal would be funded, EMG networked with various players to form a facilitation team to support the community exchange visits. The team comprised members of the Northern Cape Province Department of Agriculture, the local government, the Surplus People's Project (a land NGO)⁷³, Indigo development & change (Indigo) (an NGO that facilitates empowerment of disadvantaged

⁶⁵ The Global Mechanism is a subsidiary body of UNCCD, an international treaty ratified by 195 countries. It is a specialised institution dedicated to supporting developing countries to increase investments into sustainable land management, in order to help reverse, control and prevent land degradation and desertification. In addition, it provides countries with specialised advice on accessing finance for sustainable land management from a range of public and private sources, both domestic and international. Please see <http://global-mechanism.org> for further information.

⁶⁶ Oettle', N., Arendse, A., Koelle, B., and Van Der Poll, A., *Community Exchange and Training in the Suid Bokkeveld: A UNCCD Pilot Project to Enhance Livelihoods and Natural Resource Management*, Environmental Monitoring and Assessment, 99: 115-125, 2004, pp. 118 and 120.

⁶⁷ Réseau International des ONG sur la Désertification. Please see <http://riod.utando.com> for further information.

⁶⁸ *Ibid.*

⁶⁹ Oettle', N., Arendse, A., Koelle, B., and Van Der Poll, A., *Community Exchange and Training in the Suid Bokkeveld: A UNCCD Pilot Project to Enhance Livelihoods and Natural Resource Management*, Environmental Monitoring and Assessment, 99: 115-125, 2004, pp. 116-117.

⁷⁰ Please see <http://www.worldbank.org/afr/ik/what.htm> for further information.

⁷¹ Oettle', N., Arendse, A., Koelle, B., and Van Der Poll, A., *Community Exchange and Training in the Suid Bokkeveld: A UNCCD Pilot Project to Enhance Livelihoods and Natural Resource Management*, Environmental Monitoring and Assessment, 99: 115-125, 2004, p. 120.

⁷² *Ibid.*

⁷³ Please see <http://www.spp.org.za> for further information.

groups while conserving biodiversity in rural areas of South Africa)⁷⁴ and EMG. A participatory team workshop was organised and held in which the members of the facilitation team established a common knowledge base about the Suid Bokkeveld Community, clarified the task of the team, developed and improved their facilitation skills (facilitation, communication, team building, participatory planning and evaluation) and established a team contract, which was then used as a behavioural protocol and as a basis for evaluation. In the workshop the team also discussed logistics of, and the potential communities for, the exchange visits.⁷⁵

The facilitation team then ran two preparatory workshops with the Suid Bokkeveld Community. Criteria that had previously been identified by members of the community for selection for participation in the exchange visits were revisited and updated and, in the light of the available resources, a limited number of “travellers” were nominated and selected. Questions to be asked by the travellers to the members of the host communities were listed and logistics for the exchange visits were discussed and clarified. The travellers also decided how they wanted to manage the journey to the exchange communities in order to achieve their purpose and to this aim they drew up a team contract that made explicit a number of behavioural guidelines.⁷⁶

At the same time as the travellers were preparing for their journey, the host communities were also, through NGOs and local networks, preparing for the travellers’ visits. The concept of the exchange visit was shared and the objectives, budgets and logistics of the visits were discussed. The facilitation team and the Suid Bokkeveld Community placed their trust in the host communities to prepare for the exchange visits as they saw fit.⁷⁷

In the end, two different groups of travellers went on two exchange visits. The first visit was a five day trip to Namaqualand, in the Northern Cape Province, to explore community based eco-tourism, during which the groups visited Ecksteenfontein, Khoeboes, Lekkersing, Paulshoek, Pella and Sendelingsdrift. The second visit was a two day week-end trip to Graafwater and Wupperthal, to gain insights into organic rooibos tea production and marketing.

In all of the communities visited, after arrival and initial introductions, workshops were organised so that the travellers and the members of the host community could talk about local initiatives in a focused manner. These workshops were then integrated by further, smaller workshops, so that the travellers could learn more experientially about the local initiatives. In some communities, visits to the homes of their hosts gave the travellers a deeper insight into local lifestyles and livelihoods.⁷⁸

⁷⁴ Please see <http://www.indigo-dc.org> for further information.

⁷⁵ Oettle, N., Arendse, A., Koelle, B., and Van Der Poll, A., *Community Exchange and Training in the Suid Bokkeveld: A UNCCD Pilot Project to Enhance Livelihoods and Natural Resource Management*, Environmental Monitoring and Assessment, 99: 115-125, 2004, p. 120.

⁷⁶ *Ibid.*, p. 121.

⁷⁷ *Ibid.*

⁷⁸ *Ibid.*

Although each exchange visit had a programme, the visits evolved in response to unpredicted opportunities. For example, on one occasion the travellers were invited to join a workshop that was taking place to preserve the local indigenous language (the lost language of some of their ancestors, which most of the travellers had never heard before and were very curious about). At each stop of the journey, the travellers took time before leaving to reflect on what they had experienced and learnt.⁷⁹

At the end of each exchange visit, they also held farewell ceremonies to express thanks to the host community and to exchange contact details, so that they could network again in the future. The small gifts they gave to their hosts were also very well received (rooibos tea grown and made by them and flowers from their unique eco-system, among other things).⁸⁰

Once the exchange visits were over, two workshops were organised and held in the Suid Bokkeveld Community, so that the travellers could report back on the visits and share what they had experienced and learnt with the members of the community who had not been able to go. The travellers reported back both verbally and with the aid of photographic and video materials.

At these report-back workshops, participants formed interest groups and identified next steps. However, the development support agencies involved made it clear to them that it would be up to the interest groups to be the driving force of those next steps and that the agencies would only support the interest groups within their capabilities, if asked to do so.⁸¹

3. THE HEIVELD CO-OPERATIVE IS BORN

The exchange visit to Graafwater and Wupperthal had a profound impact on the members of the Suid Bokkeveld Community who took part in it, as a result of which they decided to form an organisation for the collective processing and marketing of their rooibos tea.⁸² The decision to form a rooibos tea producer organisation was first made at a stop on the way back from the exchange visit. EMG then provided facilitation support to enable the interested rooibos farmers to explore the legal options for establishing a joint business.⁸³

⁷⁹ *Ibid.*

⁸⁰ *Ibid.*, pp. 121-122.

⁸¹ *Ibid.*, p. 122.

⁸² Oettle², N., Goldberg, K. and Koelle, B., *The Heiveld Co-operative: A Vehicle for Sustainable Local Development*, Drynet, Both ENDS, Amsterdam, 2009, p. 6.

⁸³ Oettle², N., Arendse, A., Koelle, B., and Van Der Poll, A., *Community Exchange and Training in the Suid Bokkeveld: A UNCCD Pilot Project to Enhance Livelihoods and Natural Resource Management*, Environmental Monitoring and Assessment, 99: 115-125, 2004, pp. 122-123.

In 2001, fourteen rooibos farmers formed the Heiveld Co-operative Limited (the Heiveld Co-operative) and registered it as a processing and trading organisation, with the intention that it should be a democratically managed, profit making business that would provide benefit to the wider community.⁸⁴

The Heiveld Co-operative is a user co-operative. There are two types of co-operatives: worker co-operatives and user co-operatives.

The defining characteristic of a worker co-operative is that its worker-members own and control the co-operative itself. Worker co-operatives therefore potentially provide a radical alternative to the traditional employment relationships found in conventional firms, as they combine worker ownership with mechanisms for the democratic control of production. They are usually formed as part of an attempt to find more empowering alternatives to traditional ownership and employment relationships. However, worker co-operatives face complex challenges, that relate precisely to their attempt to provide an alternative to the traditional owner-worker relationship by combining those two roles. Their success or failure is usually determined by their ability successfully to manage and institutionalise the characteristic tensions that are at their heart:

- the tension between democratic decision making by (all) workers and the need for business efficiency;
- the tension between the role and the interests of workers in their capacity as owners (to whom co-operative managers are accountable) and the role and the interests of workers in their capacity as producers (who are accountable to co-operative managers); and
- the tension between the short-term desire of members to improve their quality of life and the long-term interests of co-operatives as businesses.

If ways of managing and institutionalising these tensions are found, then worker co-operatives can survive and thrive. If not, they usually fail.⁸⁵

In South Africa in particular, it has proved extremely difficult for worker co-operatives to survive.⁸⁶ This has largely been due, in addition to the complex challenges set out above, to a set of challenges in respect of co-operatives' business viability. For a worker co-operative to survive, its business must be viable. Business viability is a complex challenge for any business, but it is even more complex for worker co-operatives. This is because worker co-operatives are usually (including in South Africa) started with unemployed people, who

⁸⁴ Oettle', N., Goldberg, K. and Koelle, B., *The Heiveld Co-operative: A Vehicle for Sustainable Local Development*, Drynet, Both ENDS, Amsterdam, 2009, p. 6. Please see also Oettle', N., *Adaptation with a human face*, currently unpublished (please ask Oettle', N., contact details at www.heiveld.co.za, for further information), section 7.1 (Heiveld Co-operative). Please note that the version of this paper that the author had sight of did not have page numbers.

⁸⁵ Philip, K., *Co-operatives in South Africa: Their Role in Job Creation and Poverty Reduction*, for the South African Foundation, October 2003, pp. 4-5.

⁸⁶ Please see *Ibid.*, p. 19, for a discussion of some figures in this respect.

often have very low skills levels and no prior business experience, in economically marginal and marginalised areas. And, like any other business, it is in circumstances like these that they stand the least chance of surviving.⁸⁷ In addition, for a worker co-operative to survive, it must also be managed effectively and efficiently. Management requires a complex set of skills for any business person, but – again – as worker co-operatives are usually started with unemployed people, who often have no prior business experience, those people are even less likely to have business management skills.⁸⁸ It is therefore not particularly surprising that worker co-operatives in developing countries, including South Africa, have generally struggled to survive.

A user co-operative, on the other hand, has as its defining characteristic that its members are users of the co-operative's economic services, as opposed to workers of the co-operative. In user co-operatives, members use collective organisation to create economies of scale and thereby improve their access to, for example, housing, social services, financial services or product markets. In other words, members of user co-operatives are not directly dependent on the co-operatives for their livelihoods: the co-operatives are a way of reducing costs or enhancing income, either for the members as consumers or for the members' businesses. In user co-operatives profits are shared on the basis of formulae agreed by their members, but are usually linked to the extent of use of the co-operative services by members. In respect of user co-operatives, the tensions described above within worker co-operatives do not usually apply (or apply to a significantly lesser degree), as members are not dependent on the co-operatives for their livelihoods, but use them as a supplementary strategy to enhance those livelihoods.⁸⁹

Having considered user co-operatives generally, this chapter will now return to the Heiveld Co-operative specifically and consider how it fared after its formation.

4. DEVELOPING THE HEIVELD CO-OPERATIVE

Over the few months following its establishment, members of the Heiveld Co-operative were assisted in drawing up a business plan. Training was given to the co-operative's treasurer to enable him to keep a set of accounting books. Organisational development training was also given to the members of the co-operative to enable them to define the role of the office bearers and to run effective meetings. Finally, evaluation became a standard practice at the end of meetings.⁹⁰

⁸⁷ *Ibid.*, pp. 19-21.

⁸⁸ *Ibid.*, pp. 21-22.

⁸⁹ *Ibid.*, pp. 5-6.

⁹⁰ Oettle, N., Arendse, A., Koelle, B., and Van Der Poll, A., *Community Exchange and Training in the Suid Bokkeveld: A UNCCD Pilot Project to Enhance Livelihoods and Natural Resource Management*, Environmental Monitoring and Assessment, 99: 115-125, 2004, p. 123.

By the end of the year all the farmers of the Heiveld Co-operative had also registered as organic rooibos tea producers. This enabled them to secure deals for the sale of their rooibos tea at premium prices.⁹¹

The organic certifying agencies have been increasingly requesting accurate spatial information for the purpose of audit verification as part of their requirements. In order to comply with such requirements, the Heiveld Co-operative employed the support of Indigo to develop a comprehensive geographic information system for the production areas of its members.

In addition, in keeping with international standards, the farmers of the Heiveld Co-operative established internal mechanisms to ensure sustainable harvesting of wild growing rooibos and the adoption of farming practices that would ensure conservation of biodiversity, soil and water.⁹² For example, with the assistance of the GEF Small Grants Programme they installed solar power. They also erected wind barriers and started to control soil erosion in, and removed invasive alien tree species from, the wild rooibos fields. Finally, they started collecting water from roofs and storing it for use in the tea making process.⁹³

Not only that, but with the assistance of EMG (in collaboration with Indigo and the University of Cape Town) the farmers also started a weather monitoring process, in an attempt to evaluate and explore existing and new climate adaptation strategies. This process started out with just four farmers volunteering to monitor the local weather with a simple digital thermometer and a rain gauge at their homes, but is now also supported by automated weather stations, managed and maintained by the farmers. The process enables the farmers to analyse the finer weather patterns across the Suid Bokkeveld and thereby gain a better understanding of their local micro climate. In turn, this has allowed the farmers to develop an increased awareness of how particular weather patterns may affect their farming practices, disaster management and longer term livelihood strategies. All these matters are discussed by the farmers in quarterly climate change workshops.⁹⁴

With the assistance of the United Nations Environment Programme (UNEP),⁹⁵ the Heiveld trademark was also registered and a promotional booklet published.⁹⁶

After still renting a tea processing facility from a neighbouring farmer for the first few years, in 2005 with the assistance of the Canada Fund for Local Initiatives the Heiveld Co-operative completed the first phase of

⁹¹ Please see the booklet *Everybody's Cup of Tea – Community Action and Rooibos Tea – A Case Study from the Suid Bokkeveld, South Africa*, by Oettle, N., undated, available in hard copy from the Environmental Monitoring Group and the website <http://www.heiveld.co.za/index.html>. The farmers have since also obtained for their tea the fair trade label from Fairtrade Labelling Organisations International (FLO).

⁹² Oettle, N., Goldberg, K. and Koelle, B., *The Heiveld Co-operative: A Vehicle for Sustainable Local Development*, Drynet, Both ENDS, Amsterdam, 2009, p. 6.

⁹³ Koelle, B., Oettle, N., Parrington, S., Lissel, A. and Kotze, D., *Community Based Adaptation to Climate Change in Africa (CBAA)*, African Centre for Technology Studies, July 2010, p. 5.

⁹⁴ *Ibid.*, p. 9.

⁹⁵ Please see <http://www.unep.org> for further information.

⁹⁶ Oettle, N., Arendse, A., Koelle, B., and Van Der Poll, A., *Community Exchange and Training in the Suid Bokkeveld: A UNCCD Pilot Project to Enhance Livelihoods and Natural Resource Management*, Environmental Monitoring and Assessment, 99: 115-125, 2004, p. 123.

their own tea processing facility and in 2006 they processed their harvest on it for the first time, thereby placing themselves as fully fledged producers in the rooibos tea global value chain.⁹⁷

Today, the farmers of the Heiveld Co-operative provide cultivated and wild harvested rooibos tea for niche fair-trade and organic markets in Europe, North America, Australasia and South Africa, where they have direct, independent, sound trading relations with a range of wholesale and retail traders.⁹⁸

In addition, they recognised that if they developed their own packaging and marketed some of their rooibos tea directly, they could add value to the raw product and increase their returns on it further. With the assistance of UNEP, a consultant employed by EMG developed cloth bag packaging that could be made locally.⁹⁹ The members of three women's groups in the Suid Bokkeveld Community were trained to make the bags using hand-powered sewing machines and, thanks to this job, they are able to work at home to supplement their incomes.¹⁰⁰

Today, the Heiveld Co-operative successfully packages and markets some of its own tea, both locally (e.g. at Pick n Pay) and internationally (e.g. to the United Kingdom, Australia, the U.S.A. and Japan).¹⁰¹

5. THE HEIVELD CO-OPERATIVE'S SUCCESS

So how was the Heiveld Co-operative's success achieved?

First of all, when the Suid Bokkeveld Community farmers' initiative began, it did not have any external funding (nor was it, therefore, under any external influence) and it was developed on the basis of the farmers' own vision, commitment and contribution.¹⁰²

Secondly, in assisting the Suid Bokkeveld Community farmers EMG and Indigo adopted the so called participatory action research approach (PAR). The PAR approach is underpinned by the belief that "*changes for the better must be driven by those whose lives are to be improved, and not by "outsiders"*".¹⁰³ It "*seeks*

⁹⁷ Please see the booklet *Everybody's Cup of Tea – Community Action and Rooibos Tea – A Case Study from the Suid Bokkeveld, South Africa*, by Oettle', N., undated, available in hard copy from the Environmental Monitoring Group and the website <http://www.heiveld.co.za/index.html>

⁹⁸ Oettle', N., Goldberg, K. and Koelle, B., *The Heiveld Co-operative: A Vehicle for Sustainable Local Development*, Drynet, Both ENDS, Amsterdam, 2009, pp. 6 and 10. These traders include the farmers' fair trade partners, which include: Alter Eco (France); Charitea (Germany); CTM (Italy); Erboristi Lendi (Switzerland); and Equal Exchange (U.S.A. and U.K.). Please see Oettle', N., *Adaptation with a human face*, currently unpublished (please ask Oettle', N., contact details at www.heiveld.co.za, for further information), in the acknowledgements section. Please note that the version of this paper that the author had sight of did not have page numbers.

⁹⁹ Please see the booklet *Everybody's Cup of Tea – Community Action and Rooibos Tea – A Case Study from the Suid Bokkeveld, South Africa*, by Oettle', N., undated, available in hard copy from the Environmental Monitoring Group and the website <http://www.heiveld.co.za/index.html>

¹⁰⁰ Oettle', N., Arendse, A., Koelle, B., and Van Der Poll, A., *Community Exchange and Training in the Suid Bokkeveld: A UNCCD Pilot Project to Enhance Livelihoods and Natural Resource Management*, Environmental Monitoring and Assessment, 99: 115-125, 2004, p. 123.

¹⁰¹ Please see the booklet *Everybody's Cup of Tea – Community Action and Rooibos Tea – A Case Study from the Suid Bokkeveld, South Africa*, by Oettle', N., undated, available in hard copy from EMG and the website <http://www.heiveld.co.za/index.html>

¹⁰² Oettle', N., Goldberg, K. and Koelle, B., *The Heiveld Co-operative: A Vehicle for Sustainable Local Development*, Drynet, Both ENDS, Amsterdam, 2009, p. 7.

¹⁰³ *Ibid.*

to foster true empowerment within the local community to ensure increased resilience to external shocks and challenges”¹⁰⁴.

Thirdly, the Heiveld Co-operative is governed by a democratically elected board of five directors, all of whom are small scale rooibos farmers. The rotation of the directors means that in-coming directors need to acquire a new set of business management skills, so formal training and mentorship in this respect have been provided by the supporting development agencies on a regular basis.

Lastly, since its formation the Heiveld Co-operative has collaborated with EMG, Indigo, the University of Cape Town¹⁰⁵ and other research and development organisations as partners in research and interventions in the Suid Bokkeveld, contributing valuable local knowledge that had, until then, been largely undocumented.

It has also collaborated with EMG to develop and apply strategies for the enhancement of the resilience of its production system. This is reflected in its Organic Management Plan and is supported by the services of two mentor farmers, who educate the co-operative farmers in sustainable production techniques.¹⁰⁶

In other words, at every step of the way the farmers of the Heiveld Co-operative were at least involved, if not the driving force, in making any decision that would affect them and were involved on an equal footing with the organisations who assisted them (and still assist them) on the way.

6. RIPPLE EFFECT OF THE HEIVELD CO-OPERATIVE’S SUCCESS

The beneficial effect of the success of the Heiveld Co-operative has not stopped at its farmer members.

The Heiveld Co-operative offers good working conditions and pays fair trade wages to its farm workers.

It has created jobs in an economically marginalised area, having two permanent office staff, eleven seasonal workers and three women’s groups for the production of local packaging.

It has also shared its success with the Suid Bokkeveld Community, as 30 per cent of its surplus is invested in community projects and it has provided an educational scholarship and funds to the local school and church.

¹⁰⁴ Koelle, B., Oettle’, N., Parring, S., Lissel, A. and Kotze, D., *Community Based Adaptation to Climate Change in Africa (CBAA)*, African Centre for Technology Studies, July 2010, p. 7.

¹⁰⁵ The collaboration with the University of Cape Town was in respect of research on the sustainable harvesting of wild rooibos and in respect of the quarterly climate change workshops, convened in collaboration with EMG and Indigo. Please see the work referred to *supra*, pp. 5 and 9-10.

¹⁰⁶ Oettle’, N., Goldberg, K. and Koelle, B., *The Heiveld Co-operative: A Vehicle for Sustainable Local Development*, Drynet, Both ENDS, Amsterdam, 2009, pp. 7-8. Please see also Oettle’, N., *Adaptation with a human face*, currently unpublished (please ask Oettle’, N., contact details at www.heiveld.co.za, for further information), section 8.3 (Mentor farmers). Please note that the version of this paper that the author had sight of did not have page numbers.

But possibly the greatest achievement of the Heiveld Co-operative has been, through the management of the production, local packaging and export of rooibos tea, to restore the self-belief and self-confidence of its members and the members of the Suid Bokkeveld Community.¹⁰⁷

In the words of Heiveld Co-operative member and director Ragel Hesselman, when asked what the effect of fair trade had been on her and her life:

“[...] The apartheid times gave my self-confidence a huge setback. I now have confidence in myself, I know that I can rely on myself without fear or shame. Fair trade has helped to give me a place in the sun as a woman who can express her own views and take positions. In the past we, as women, never had the privilege to express ourselves, but now we are able to stand our ground. We no longer need to stand back for the men, and can take up our places in the business world.”¹⁰⁸

In other words, it could be argued that the Heiveld Co-operative gave Ragel a “voice”.

Before moving on to discuss the matter of the Suid Bokkeveld Community farmers' “voice” in the next chapter, this chapter will now turn to consider the position of the farmers in the rooibos tea global value chain.

7. THE SUID BOKKEVELD COMMUNITY FARMERS IN THE ROOIBOS TEA GLOBAL VALUE CHAIN

At the start of this story, the Suid Bokkeveld Community farmers (the Farmers) helped to produce rooibos tea to the larger farmers' detailed specifications. As a result of the combination of the Farmers' lack of production resources and low capabilities on the one hand and the wealth of production resources and high level of product specifications of the larger farmers on the other hand, the larger farmers tended to exercise a high level of monitoring of, and control over, the Farmers. In addition, because of the low capabilities of the Farmers, the larger farmers tended to confine the Farmers to the narrow and unsophisticated function of labourers within the production process, while reserving for themselves the more sophisticated functions within that process (e.g. design and marketing). All this rendered the Farmers largely dependent on the larger farmers for their work and livelihoods and made the cost for the Farmers to stop working for the larger farmers very high. In other words, the Farmers were captive to the larger farmers. It could therefore be argued that the Farmers started out by finding themselves at the bottom of a captive global value chain.

However, the position of the Farmers in the rooibos tea global value chain today is very different. The Farmers now own their own tea processing facility, so they too, like the larger farmers, are now producers

¹⁰⁷ *Ibid.*, p. 10.

¹⁰⁸ *Ibid.*, p. 12.

within the rooibos tea global value chain. It could therefore be argued that the Farmers have shifted their position within the rooibos tea global value chain from that of workers at the bottom of it to that of producers one rung further up. Furthermore, in addition to producing rooibos tea, the Farmers now also brand, market and sell some of their tea directly themselves. It could therefore also be argued that the Farmers have not only shifted their position within the rooibos tea global value chain from workers to producers, but that they have also at the same time set foot on another, higher rung of the global value chain: that of retailers.

Indeed, it could also be argued that in shifting their position within the rooibos tea global value chain from that of workers to that of producers (and retailers) the Farmers have also – at least in so far as they are concerned – in fact changed the nature of the rooibos tea global value chain itself, from a captive global value chain to a relational global value chain. The Farmers produce the bulk of their rooibos tea for wholesale purposes and, in doing so, they therefore have to abide by the high level of product specifications of their buyers. As product specificity is high – and thanks to their long standing and in-depth knowledge of rooibos, the geographic area in which it grows and the climatic conditions of that area – the Farmers have a considerable level of capability in respect of the production of rooibos tea. This provides a strong incentive for buyers to purchase rooibos tea from the Farmers, in order to benefit from those considerable capabilities. Moreover, the fact that the rooibos tea produced by the Farmers is certified both organic and fair trade provides a further strong incentive for buyers to purchase rooibos tea from the Farmers, in order to benefit both from the premium prices at which buyers would be able to sell that rooibos tea and from the interest in organic and fair trade products shown by an increasing number of environmentally and ethically oriented consumers. As a result, relationships between the Farmers and buyers are complex, as the Farmers – being specialised and having invested in the production of rooibos tea – are heavily dependent on it for their livelihoods, while buyers – given the fact that rooibos grows only in the Western and Northern Cape provinces of South Africa, the Farmers’ expertise and the additional bonus of organic and fair trade certification that the Farmers’ rooibos tea offers – are now somewhat dependent on the Farmers, as they do not have much choice of rooibos tea suppliers and their customers are increasingly interested in high quality, organic and fair trade products. It could be argued that this set of supply and demand circumstances resembles quite closely a relational global value chain.¹⁰⁹

A more in-depth analysis of how this shift in global value chains may have come about and a discussion of the above mentioned Farmers’ “voice” will be carried out in chapter four.

¹⁰⁹ Please see chapter two, section “Governance in global value chains” above.

CHAPTER FOUR

VOICE, CONSCIOUSNESS AND SPACES

1. THE POSITION OF THE SUID BOKKEVELD COMMUNITY FARMERS IN THE ROOIBOS TEA GLOBAL VALUE CHAIN

Chapter three discussed how the Suid Bokkeveld community farmers (the Farmers) started out by finding themselves at the bottom of the rooibos tea global value chain.

They spent at least six months a year, if not more, working as seasonal labourers on neighbouring farms or further afield. They did not own their own tea processing facilities, so during the time spent tending to their own crops they were dependent on the facilities owned by larger farmers. These farmers charged excessive rentals for the use of their facilities, but, as the Farmers had no alternative but to rent the larger farmers' facilities, the Farmers were "captive" to them. Chapter three therefore discussed how the Farmers started out by finding themselves at the bottom of a captive global value chain.

However, chapter three also discussed how the position of the Farmers within the rooibos tea global value chain today was very different. More specifically, it could be argued that the Farmers have shifted their position within the rooibos tea global value chain: from workers at the bottom of it to producers and retailers. Indeed, it could be argued that in shifting their position within the rooibos tea global value chain the Farmers have also – at least in so far as they are concerned – in fact changed the nature of the rooibos tea global value chain, from a captive global value chain to a relational global value chain.

Chapter two discussed how to different types of global value chains corresponded different degrees of power asymmetry between suppliers and buyers.¹¹⁰ In particular, it pointed out how captive global value chains implied a high degree of power asymmetry, with buyers being the dominant party; while relational global value chains implied a less asymmetrical power balance.¹¹¹ It could therefore be argued that the Farmers changed the nature of the rooibos tea global value chain from a captive global value chain to a relational global value chain by changing the degree of power asymmetry between them and the rooibos tea buyers. In other words, it could be argued that the Farmers were able to change the nature of the rooibos tea global value chain by shifting in their favour the balance of the bargaining power between themselves and the buyers. Although still dependent on the buyers for their livelihoods, the Farmers are now however able to exercise a degree of power over the buyers, whose choice of organic, fair trade rooibos tea producers is not extensive and who would therefore struggle to switch producers.

¹¹⁰ Please see chapter two, section "Factors for predicting governance in global value chains" above.

¹¹¹ *Ibid.*

This chapter will explore how this shift in the balance of bargaining power from one type of global value chain to another was achieved by the Farmers.

On the surface, it would seem that the shift was achieved mainly with the assistance of two non-governmental organisations (NGOs) (the Environmental Monitoring Group (EMG) and Indigo development & change (Indigo)) and funding from international organisations and donor agencies (the Global Mechanism (GM), the World Bank, the United Nations Environment Programme (UNEP) and the Canada Fund for Local Initiatives, among others). But it is necessary to look below the surface of these interventions to understand what their true impact on the Farmers was. At the end of chapter three it was suggested that the Farmers could have acquired a “voice”. In this chapter it will be argued that the true impact of those interventions was to help the Farmers acquire that “voice”.

This chapter will now turn to explain what is meant by “voice” for the purposes of this dissertation.

2. “VOICE”

What is meant by “voice” is the combination of three factors: critical consciousness, representation, and power. More specifically, when critical consciousness is present, and is expressed through representation, power is able to be shifted. The combination of these three occurrences is, it is argued, the exercise of a “voice”.

This chapter will now turn to explain what is meant by each of these three factors.

2.1 Critical consciousness

What is meant by critical consciousness is Freire's *conscientização*, being the emergence of a consciousness that perceives economic, social and political contradictions and is prepared and willing to take action against the oppressive elements of its own reality.¹¹²

In his seminal work, *Pedagogy of the Oppressed*,¹¹³ Freire argues that “*to exist, humanly, is to name the world, to change it. Once named, the world in its turn reappears to the namers as a problem and requires of them a new naming. Human beings are not built in silence, but in word, in work, in action-reflection.*”¹¹⁴ Freire argues further that “*those who have been denied their primordial right to speak their word must first reclaim this right*”.¹¹⁵

¹¹² Freire, P., *Pedagogy of the Oppressed*, Penguin Books, 1996, p. 17.

¹¹³ Freire, P., *Pedagogy of the Oppressed*, Penguin Books, 1996.

¹¹⁴ *Ibid.*, p. 69.

¹¹⁵ *Ibid.*

The way in which human beings reclaim their right to speak their word is through *conscientização*. People, as human beings existing in a given set of facts and circumstances, find themselves rooted both in time and in space.¹¹⁶ Through *conscientização*, through critical thinking, they acquire consciousness of the set of facts and circumstances in which they exist. Only then can people perceive that set of facts and circumstances as an objective and contradictory reality, only then can they acquire the ability to intervene in that reality.¹¹⁷ In Freire's words, "*Individuals who were submerged in reality, merely feeling their needs, emerge from reality and perceive the causes of their needs.*"¹¹⁸

Conscientização does not then stop at the level of perception of a reality, but prepares human beings to take action against the oppressive elements of that reality.¹¹⁹

This critical consciousness is acquired through what Freire refers to as "*true education*",¹²⁰ which is education based on communication, on dialogue. This is because "*only dialogue, which requires critical thinking, is also capable of generating critical thinking.*"¹²¹

True education is not, according to Freire, carried out by the teacher for the students, or by the teacher about the students, but by the teacher with the students.¹²² Having investigated the set of facts and circumstances in which the students are temporally and spatially rooted, the teacher must "*re-present*" that set of facts and circumstances to the students, and "*re-present*" it not as a lecture, but as an objective and contradictory reality.¹²³ It is through the process of analysing this "*re-presented*" reality that the students, human beings, acquire awareness of their previous, distorted perceptions of that reality and thereby acquire a new critical consciousness of that reality.¹²⁴

Later in this chapter it will be argued that it was thanks to a process of true education carried out by the two NGOs (EMG and Indigo) with the Farmers that the Farmers were able to develop critical consciousness.

This chapter will now turn to explain what is meant by representation.

2.2 Representation

What is meant by representation is collective representation and action through worker organisations.

¹¹⁶ *Ibid.*, p. 90.

¹¹⁷ *Ibid.*

¹¹⁸ *Ibid.*, p. 98.

¹¹⁹ *Ibid.*, p. 100.

¹²⁰ *Ibid.*, p. 74.

¹²¹ *Ibid.*, p. 73.

¹²² *Ibid.*, p. 74.

¹²³ *Ibid.*, p. 90.

¹²⁴ *Ibid.*, p. 95.

More specifically, in a background paper for the World Development Report 2013, Chen¹²⁵ and others argue that workers need to be able to exercise voice¹²⁶ in order to secure livelihoods and economic rights.¹²⁷ They refer to voice as collective voice and representative voice.¹²⁸ Collective voice is exercised through democratic, member based organisations, while representative voice is exercised by representatives of such democratic, member based organisations participating, on a permanent basis, in relevant policy making, rule setting, collective bargaining or negotiating processes.¹²⁹

It is the kind of representation that underpins the concept of collective voice used by Chen and others, being representation by democratic, member based worker organisations, that is intended when reference is made to representation in the context of the concept of “voice” for the purposes of this dissertation.

Chen argues that there are two ways for workers to gain representation in the sense explained above:

- self organisation, i.e. the workers themselves setting up organisations. Through the organisations the workers could challenge, and shift in their favour, the balance of power in their working relations, something which they would not be able to achieve as individual workers; and
- expansion of existing unions to include new categories of workers previously not represented by them.¹³⁰

In respect of self organisation, Chen gives as examples – among others – the Self Employed Women’s Association (SEWA) in India and the Self Employed Women’s Union (SEWU) in South Africa. Each of these organisations is an example of how mobilising its members as a group has enabled the organisation effectively to address issues of concern to its members and successfully to demand development interventions and change in respect of those issues,¹³¹ something which its members had not been able to achieve on their own, as individual workers.

In respect of the expansion of existing unions, Chen gives both an example from the developing world and various examples from Europe of workers who were previously not represented by any organisation but were subsequently incorporated into existing structures in a variety of ways (e.g. through direct inclusion into existing unions or through the creation of worker organisations that were then linked to well established, bigger unions through, for example, affiliation).¹³²

¹²⁵ Martha Chen is a lecturer in Public Policy at the Harvard Kennedy School and international co-ordinator of the global research-policy-action network Women in Informal Employment: Globalizing and Organizing (WIEGO). For more information on WIEGO please see www.wiego.org

¹²⁶ For the sake of clarity, “voice” for the purposes of this dissertation does not have the same meaning as voice in this background paper.

¹²⁷ Chen, M., Bonner, C., Chetty, M., Fernandez, L., Pape, K., Parra, F., Singh, A., Skinner, C., *Urban Informal Workers: Representative Voice and Economic Rights*, Background Paper for the World Development Report 2013, World Development Report 2013, available at the following link <http://wiego.org/publications/urban-informal-workers-representative-voice-economic-rights/>, p. 6.

¹²⁸ *Ibid.*

¹²⁹ *Ibid.*

¹³⁰ Chen, M.A., Vanek, J., and Carr, M., *Mainstreaming Informal Employment and Gender in Poverty Reduction: A Handbook for Policy-makers and Other Stakeholders*, Commonwealth Secretariat, 2004, p. 158.

¹³¹ *Ibid.*, pp. 159-161.

¹³² *Ibid.*, pp. 163-165.

This chapter will now turn to explain what is meant by power.

2.3 Power

What is meant by power is Gaventa's view of power in the context of his own power analysis, in which he builds on the well known three dimensions of power developed by Lukes.¹³³¹³⁴ The choice to refer to power in the way in which it is viewed by Gaventa has been made as Gaventa's is a view that, usefully, combines both the theoretical and the practical aspects of power. In other words, it is a view that, usefully, not only examines the theory of power but also applies that theory to practical scenarios.

Within the discourse on power the meanings attributed to it and the mechanisms elaborated to understand it are diverse and often contentious.¹³⁵ Some view power as held by actors, with some actors being powerful and others being powerless. Others view it as represented by a pervasive network of relationships that affect everyone, but within which no single actor holds any significant power on their own.¹³⁶ Some view power as a zero-sum concept: if one group of actors gains power, another group of actors must have relinquished that power; as the powerful rarely give up their power voluntarily or easily, this often involves conflict (so called 'power struggles'). Others view it not as finite, but fluid and accumulative: it can be created, used and shared by actors and their networks in many different ways.¹³⁷

The term power is often used with different prepositions, which have the effect of changing the emphasis of the term. More specifically, 'power over' usually refers to the ability of the powerful to affect the thoughts and the actions of the powerless. 'Power to' usually refers to the capacity of an actor to act, to realise the potential of their rights. 'Power within' usually refers to "*gaining the sense of self-identity, confidence and awareness that is a precondition for action.*"¹³⁸ 'Power with' usually refers to "*the synergy which can emerge through partnerships and collaborations with others, or through processes of collective action.*"¹³⁹

Gaventa's own view of power was shaped by his experience of engaging with power relations as a young graduate in political science in a remote mining valley in one of the poorest parts of the U.S.A. Here, he worked with grassroots citizens in their efforts to claim political, economic and social rights against government and a London based corporate mine owner. While doing so, he noticed that although "*violations of democratic rights, enormous inequalities in wealth and appalling environmental living conditions were to be found everywhere, there was little visible conflict or action for change.*"¹⁴⁰ There was something about the power relations in that context that had not only led to the powerful (the government and the mine owner)

¹³³ Please see generally Lukes, S., *Power – A Radical View*, Second Edition, Palgrave MacMillan, 2005.

¹³⁴ Please see generally Gaventa, J., *Finding the Spaces for Change: A Power Analysis*, IDS Bulletin, 37.6, November 2006, p.23-33. Please see also Gaventa, J., *Reflections on the Uses of the 'Power Cube' Approach for Analyzing the Spaces, Places and Dynamics of Civil Society Participation and Engagement*, CFP evaluation series 2003-2006: no 4, October 2005, pp. 1-45.

¹³⁵ *Ibid.*, p. 24.

¹³⁶ *Ibid.*

¹³⁷ *Ibid.*

¹³⁸ *Ibid.*

¹³⁹ *Ibid.*

¹⁴⁰ *Ibid.*

winning each instance in which the powerless (the citizens) had raised a voice for change, but also to the citizens' voice being silenced altogether.¹⁴¹

Since then, Gaventa has viewed power as agency, as capacity to act to bring about positive change and his work has focused on how actors who have lost their capacity to act are able to recover it.¹⁴²

2.4 Spaces and levels

Gaventa also argues that power and power relations do not exist in a vacuum, but within spaces of engagement and at different levels within those spaces.¹⁴³

The concept of space is widely used in discourses on power. Gaventa uses it to mean the opportunities or channels that enable actors to act so as to change decisions and relationships that affect their lives and interests.¹⁴⁴ Spaces are not neutral, but are themselves shaped by the power relations that are housed within them.¹⁴⁵

While Gaventa acknowledges that within discourses on power there is considerable debate on the appropriate way of categorising spaces, he suggests, based on his work, the following continuum of space categories:

- *closed spaces*. These are spaces in which decisions are made by a set of actors behind closed doors, with no pretence of opening the doors to others for inclusion in the decision making process;
- *invited spaces*. These are spaces into which (powerless) actors are invited to enter and participate by other (powerful) actors, usually supranational agencies, governments or non-governmental organisations. These spaces may be more permanent, as in the case of institutions, or more transient, as in the case of one-off consultations; and
- *claimed/created spaces*. These are spaces that are either claimed by powerless actors from the power holders or spaces created autonomously by powerless actors. These spaces range from spaces created by social movements or community associations to spaces that simply involve natural places where people gather to discuss, debate and resist.¹⁴⁶

However, Gaventa stresses that, no matter what categorisation of spaces is adopted, it is critical to remember that those who create a space are more likely to have power within it.¹⁴⁷

¹⁴¹ *Ibid.* For an in-depth account of Gaventa's experience, please see Gaventa, J., *Power and Powerlessness: Quiescence and Rebellion in an Appalachian Valley*, University of Illinois Press, 1982.

¹⁴² *Ibid.*

¹⁴³ *Ibid.*, p. 25.

¹⁴⁴ *Ibid.*, p. 26.

¹⁴⁵ *Ibid.*

¹⁴⁶ *Ibid.*, pp. 26-27.

¹⁴⁷ *Ibid.*, p. 27.

The term “levels” indicates the levels, within spaces, at which power relations take place. They are the local, national and global levels. They should be seen not as separate, but as interrelated parts of a space. In an increasingly and irreversibly globalised world, power at the local and national level is being shaped by the power holders at the global level and, in turn, the exercise of power locally and nationally affects power globally.¹⁴⁸

The dynamics of power are therefore inter-related with the type of space in, and the level at, which power is exercised. A shift in the balance of the power relations within a certain space (or at a certain level within a certain space) is likely to affect the nature of that space.¹⁴⁹¹⁵⁰

2.5 How critical consciousness, representation and power combine into “voice”

Having explained what is meant by each of critical consciousness, representation and power, this chapter will now return to how, together, these three factors combine into “voice”.

Where awareness of an actor’s reality, and therefore of their place in that reality, has been lost (or “submerged”, to use Freire’s words),¹⁵¹ that awareness needs to be regained. That awareness may be regained through “true education”.¹⁵² It is through true, dialogical education that an actor learns to perceive their reality (and its contradictions) again and acquires a new critical consciousness of them. This critical consciousness prepares the actor to take action against the contradictions of that reality.¹⁵³

However, the action of a single critically conscious actor is, on its own, unlikely to bring about positive structural change to any reality. In order for that to be achieved, representation (in the sense described above, of collective voice) is required. Actors need to form into democratic, member based organisations, in which they can express the critical consciousness they have acquired, by which they can be collectively represented and through which they can collectively act. Such organisations would give actors the critical mass necessary to become more visible to the power holders in their power relations.¹⁵⁴

Having acquired critical consciousness and having found a way of expressing it through collective representation and action, actors would then be in a position potentially to be able to shift in their favour the

¹⁴⁸ *Ibid.*, pp. 27-28.

¹⁴⁹ *Ibid.*, p. 30.

¹⁵⁰ What is outlined in this section “Power” is a modified version of Gaventa’s ‘power cube’. Gaventa’s ‘power cube’ has been modified in two respects: (a) it is not presented visually as a cube; and (b) the third dimension, or side, of the cube (the three forms of power: visible, hidden and invisible) has been omitted. While the author by no means disagree with this categorisation of forms of power, in her view it tends to focus primarily on power as ‘power over’ (being the degree to which the powerful are able to affect the thoughts and the actions of the powerless). However, the focus of this dissertation – in so far as power is concerned – is on ‘power within’ (being the sense of awareness, self-identity and confidence that leads to action) and the author therefore deemed it appropriate not to stray from that focus. For a discussion of the original version of Gaventa’s ‘power cube’ please see generally Gaventa, J., *Finding the Spaces for Change: A Power Analysis*, IDS Bulletin, 37.6, November 2006, p.23-33.

¹⁵¹ Freire, P., *Pedagogy of the Oppressed*, Penguin Books, 1996, p. 98.

¹⁵² *Ibid.*, p. 74.

¹⁵³ *Ibid.*, p. 100.

¹⁵⁴ Although the focus of this dissertation is not representation in a more formal, tripartite style collective bargaining process, the author would like to note that this increased visibility would facilitate the emergence of a representative voice in the sense intended by Chen and others in *Urban Informal Workers: Representative Voice and Economic Rights*, Background Paper for the World Development Report 2013, World Development Report 2013, available at the following link <http://wiego.org/publications/urban-informal-workers-representative-voice-economic-rights/>, at p. 6.

balance of power within their power relations. In doing so, they would also potentially be able to change the nature of the space in which those power relations play out.

The combination of all of the above is, it is argued, (the exercise of) a “voice”.¹⁵⁵

This chapter will now turn to discuss how the true impact of the assistance given to them by the two NGOs (EMG and Indigo) and the funding received by them from international organisations and donor agencies (GM, the World Bank, UNEP and the Canada Fund for Local Initiatives, among others) was to help the Farmers acquire and exercise a “voice” in the sense described in this section.

3. THE FARMERS' “VOICE”

3.1 The Farmers' critical consciousness

The Farmers lived scattered across the Suid Bokkeveld. They all had a profound knowledge of the area (both its geographic and climatic characteristics) and of rooibos (both how to nurture the plant and how to make tea from it), but none of them had been able to use that knowledge to their economic advantage. Instead, they were confined to being seasonal labourers for larger farmers, a position which, with its precariousness and extremely low income, perpetuated their pre-existing conditions of work instability, insecurity, vulnerability, poverty and marginalisation.¹⁵⁶ Their position within the rooibos tea global value chain as seasonal labourers of larger farmers marginalised the Farmers socially within a patron-servant style relationship,¹⁵⁷ while the poorly remunerated and precarious nature of the seasonal work itself perpetuated their condition of structural poverty¹⁵⁸ and their sensitivity to shocks (i.e. their vulnerability).¹⁵⁹

The Farmers had been heavily discriminated against, first during colonial times and then during apartheid. After the demise of apartheid they had remained at the margins of society, disadvantaged by historical, entrenched inequality and persistent, self-perpetuating poverty.

¹⁵⁵ The author would like to note that, although in the explanation of the concept of “voice” representation is described as flowing from the acquisition of critical consciousness, this is not always the order in which representation and critical consciousness occur. For example, it could be that a small number of actors (who lack critical consciousness) are invited to join a big, well established worker organisation (an organisation like SEWA, for example). For those actors, representation (i.e. joining the worker organisation) would come first and it would then be through being members of that organisation that they would in time acquire critical consciousness. What is vital to the concept of “voice” that the author has been explaining is that both critical consciousness and representation are present.

¹⁵⁶ Bolwig, S., Ponte, S., du Toit, A., Riisgaard, L. and Halberg, N., *Integrating Poverty and Environmental Concerns into Value Chain Analysis: a Conceptual Framework*, Development Policy Review, 2010, 28 (2), p. 178.

¹⁵⁷ *Ibid.*

¹⁵⁸ *Ibid.*, p. 180. What is meant by structural poverty is a condition of persistent poverty, that affects the way in which individuals (in this dissertation's case, the Farmers) are inserted in society. The concept of structural poverty is based on the premise that persistent poverty affects individuals' ability to access key productive resources. In turn, the inability to access key productive resources makes it less likely for individuals to escape poverty, which therefore persists. In the context of global value chains, being at the bottom of a global value chain (i.e., in effect, being persistently poor) is likely to limit individuals' ability to access key resources, thereby trapping them into a condition of structural poverty.

¹⁵⁹ *Ibid.*, pp. 180-181. What is meant by vulnerability is the ability of a system (in this dissertation's case, the Farmers) to recover from a shock, in other words whether a system is sensitive or resilient in respect of shocks. In the context of global value chains, being a “system” of individuals at the bottom of a global value chain whose product is geared primarily towards export (as is the case with rooibos tea) renders that “system” sensitive to fluctuations in product demand and, therefore, fluctuations in the demand for seasonal labour.

It is argued that, in circumstances like these, the Farmers lacked critical consciousness.

However, it is also argued that the Farmers were able to gain critical consciousness and that they were able to do so thanks to the assistance they received from the two NGOs, EMG and Indigo.

More specifically, it is argued that it was the method that the two NGOs used to assist the Farmers that enabled a process of emergence of their critical consciousness to take place. In chapter three the method used by the NGOs was described as the participatory action research approach (PAR).¹⁶⁰

There is no unitary approach to PAR, as the way in which it is applied is heavily dependent on the context in which it is practised.¹⁶¹ However, PAR may generally be said to be an approach that:

- is ethical and acknowledges the co-responsibility of the co-researchers and co-learners for the outcomes of any actions taken in the context, or as a result of, the research;
- explores the relationship between the realms of the individual and the realms of the social;
- is critical, in the sense that it deliberately sets out to contest irrational, unproductive, unjust and/or unsatisfying ways of interpreting the world and of relating to others;
- is emancipatory, in the sense that it aims to release people from the constraints of irrational, unproductive, unjust and/or unsatisfying social structures that limit their self-determination and self-development;
- is reflexive, in the sense that it aims to help people to investigate reality in order to change it; and
- aims to transform both theory and practice.¹⁶²

Without wishing to sound reductionist, the PAR approach may generally be thought of as an approach that involves a spiral of self-reflective cycles, each of which would include the following sequence of steps:

- planning a change;
- implementing the change and observing the process and the consequences of the change;
- reflecting on those processes and consequences;
- planning another change;

¹⁶⁰ Please see chapter three, section "The Heiveld Co-operative's success" above.

¹⁶¹ Oettle', N., *Adaptation with a human face*, currently unpublished (please ask Oettle', N., contact details at www.heiveld.co.za, for further information), section 4.1 (Why PAR?). Please note that the version of this paper that the author had sight of did not have page numbers.

¹⁶² *Ibid.*

- implementing that other change and observing the process and consequences of that other change;
- reflecting on those processes and consequences, and so on.¹⁶³

In their practice, the two NGOs generally assume that, in the context of the PAR approach, one should observe, reflect on and learn something about the situation being researched and alternative options for improving that situation before planning the first action or change.¹⁶⁴

In assisting the Farmers, the two NGOs interpreted the PAR approach in the following way:

- the participatory component of the approach must entail actively involving all relevant and willing players (especially those who were usually disregarded, for example women) as active co-researchers and change agents, without relegating any players to the role of objects of the research of others and without imposing any external views of which changes may be desirable and which not;¹⁶⁵
- the action component of the approach must entail not just observing reality, but also acting to improve it; and
- the research component of the approach must entail a process in which knowledge is developed, problem solving abilities are improved and theory is critically reviewed in an on-going process of action and reflection. Responsibility for the research process and its outcomes must be shared by all participants, as a result of which the research process may be influenced and (if deemed necessary) re-designed by all participants.¹⁶⁶

In practice, this interpretation of the PAR approach by the two NGOs in the context of assisting the Farmers entailed, among other things, always reminding and stressing to the Farmers that the design and implementation of any assistance programme *for* them should in fact be driven *by* them, not be imposed *on* them externally by any NGOs and/or donors. To achieve this, the Farmers must participate actively in that design and implementation, not only by passively answering questions asked of them by NGOs and donors, but also by actively formulating questions themselves. For example, during the organisation of the community exchange visits the Farmers were encouraged to formulate the objectives of the visits and decide in advance how delegates would report back on them to other members of the Heiveld Co-operative and the Suid Bokkeveld community.¹⁶⁷ By way of another example, after returning from, and reporting back on, the

¹⁶³ *Ibid.*

¹⁶⁴ *Ibid.*

¹⁶⁵ Koelle, B., Oettle', N., *Adapting with Enthusiasm: Climate Change Adaptation in the Context of Participatory Action Research*, p. 7.

¹⁶⁶ Oettle', N., *Adaptation with a human face*, currently unpublished (please ask Oettle', N., contact details at www.heiveld.co.za, for further information), section 4.1 (Why PAR?). Please note that the version of this paper that the author had sight of did not have page numbers.

¹⁶⁷ Please see chapter three, section "The Suid Bokkeveld Community and community exchange visits" above.

community exchange visits, the Farmers were also encouraged to form interest groups to identify and discuss their next steps.¹⁶⁸

Indigo also used participatory video techniques in the context of assisting the Farmers through the PAR approach. This was done with considerable success both in term of process (which engendered enthusiasm among the Farmers through participation in the story telling and in the production of the video materials) and outcomes (which included a number of videos being produced that have since been shown both within the Suid Bokkeveld community and around the world, to share the Farmers' stories and perspectives).¹⁶⁹

Thanks to the PAR approach and the community exchange visits, the Farmers learnt to perceive their reality critically and became ready to take action to change it. In other words, they acquired critical consciousness. It was once the Farmers had acquired critical consciousness that the idea of being represented and acting collectively was born.

3.2 The Farmers' representation

In order to gain representation, the Farmers chose the path of self organisation and formed a user co-operative, the Heiveld Co-operative. By mobilising as a group and forming into a co-operative the Farmers acquired a common legal identity (represented by the co-operative itself) and a critical mass. This, together with the assistance the Farmers received from international organisations and donor agencies (which enabled them to acquire their own tea processing facility and thereby become producers of rooibos tea themselves), helped them to become more visible within the rooibos tea global value chain. It was then that the Farmers became able to shift power.

3.3 The Farmers' power and space

Having gained critical consciousness and having found a way of expressing it through collective representation and action, the Farmers were then able to shift in their favour the balance of the power relations within the rooibos tea global value chain. First, they were able to shift their position from that of labourers to that of producers and retailers. Secondly, they were – at least in so far as they are concerned – able to change the nature of the relationship between producers and wholesale buyers from a captive relationship to a relational one. In other words, the Farmers were able to shift sufficiently in their favour the balance of the power relations within the rooibos tea global value chain to change the nature of the chain from a captive global value chain to a relational global value chain.

Using the terminology of Gaventa's power analysis, the Farmers, having regained their capacity to act ('power within'), were able to change the nature of the space in which they operate from a "closed space" to

¹⁶⁸ *Ibid.*

¹⁶⁹ Oettle', N., *Adaptation with a human face*, currently unpublished (please ask Oettle', N., contact details at www.heiveld.co.za, for further information), section 6.3 (Participatory Action Research in the Suid Bokkeveld). Please note that the version of this paper that the author had sight of did not have page numbers.

a “claimed” space. The rooibos tea global value chain had been a space in which decisions were made by a set of actors (the larger farmers) behind closed doors, without any pretence of including the Farmers. But the Farmers were able to claim that space and turn it into a space they not only participate more effectively in, but which they also contribute to define and shape. And they were able to do so both at a local level (where they shifted from labourers to producers and retailers) and at a global level (where, as producers, they sell to international wholesale buyers, and, as retailers, they sell their tea internationally).¹⁷⁰¹⁷¹

Such shift in the balance of the Farmers’ power relations and in the nature of the space in which the Farmers operate is evidenced by a number of changes in the day to day lives of the Farmers.

For example, although some Farmers still engage in seasonal work (for the larger farmers, for neighbouring Farmers or for the Heiveld Co-operative), other Farmers no longer need to do so and tending to wild and cultivated rooibos (from which they produce their own rooibos tea) is now their main farming activity.¹⁷² In addition, for those Farmers who still engage in seasonal work, the extent to which they are dependent on it has considerably been reduced.¹⁷³

By way of another example, in 1997, when they were dependent on the tea processing facilities owned by the larger farmers, the Farmers had received only USD0.30/kg for their rooibos tea. However, since the Heiveld Co-operative was formed and the Farmers registered as organic, fair trade rooibos tea producers, they have been able to sell their rooibos tea at premium prices (in 2012 they were able to sell it at ZAR17.50/kg, which is approximately USD1.97/kg). One point of particular pride for the Farmers is the exclusivity deal they have with Pick n Pay, pursuant to which the Farmer’s rooibos tea is the only organic rooibos tea that Pick n Pay sell.¹⁷⁴ The premium prices that have been obtained by the Farmers by marketing their rooibos tea through the Heiveld Co-operative have in turn enabled the co-operative to distribute a small net profit to all its members (after retaining 50 per cent of the gross profit in a “Members’ Bonus Fund” to capitalise the co-operative’s business).¹⁷⁵

In addition, the establishment of the Heiveld Co-operative and the subsequent shift in the nature of the rooibos tea global value chain have had the effect of bringing about other changes in the Suid Bokkeveld community.¹⁷⁶ For example, since the Heiveld Co-operative was formed, it has created jobs in what is still

¹⁷⁰ Please see chapter three, section “The Heiveld Co-operative is born”.

¹⁷¹ If the original version of Gaventa’s ‘power cube’ had been used, the power analysis could have focused more on the invisible power that had been exercised on the Farmers. While that would have been an entirely valid focus, the author has preferred – as discussed above – to focus on the mirror aspect of invisible power, i.e. the development of power as agency, as capacity to act to bring about positive change.

¹⁷² Arendse, A., *Trade, Environment & Sustainable Development*, Briefing Doc: 4, Rooibos Tea Trade & Small-Scale Production, Environmental Monitoring Group, July 2001, p. 4. Please see also Oettle’, N., *Adaptation with a human face*, currently unpublished (please ask Oettle’, N., contact details at www.heiveld.co.za, for further information), section 3.3 (Livelihoods). Please note that the version of this paper that the author had sight of did not have page numbers.

¹⁷³ Information provided to me by Oettle’, N. during a telephone conversation between him and me on 31 January 2013.

¹⁷⁴ *Ibid.*

¹⁷⁵ Oettle’, N., *Adaptation with a human face*, currently unpublished (please ask Oettle’, N., contact details at www.heiveld.co.za, for further information), section 7.1 (Heiveld Co-operative). Please note that the version of this paper that the author had sight of did not have page numbers.

¹⁷⁶ Although these changes are less specifically related to the nature of the rooibos tea global value chain, it is the author’s view that they are nevertheless changes of significance for the members of the Suid Bokkeveld Community and therefore merit mention here.

an economically marginalised area, by employing two permanent office staff, eleven seasonal workers and three women's groups for the production of local packaging.¹⁷⁷ By way of another example, the Heiveld Co-operative has shared its success with the Suid Bokkeveld community, as 30 per cent of its profit is invested in community projects and it has provided an educational scholarship and funds to the local school and church.¹⁷⁸

Not only that, but the establishment of the Heiveld Co-operative and the subsequent shift in the nature of the rooibos tea global value chain have also had other, less direct but no less significant, effects on the Farmers. For example, they have increased the Farmers' awareness of their reliance on rooibos tea for their livelihoods and of the vital importance, therefore, of growing rooibos in a way that is sustainable. They have also given the Farmers the confidence actively to pursue research into sustainable ways of growing rooibos. This has led to work carried out by the Farmers with Malgas, the findings of which have not only provided the basis for the Heiveld Co-operative's policy for the management and use of wild rooibos, but have also contributed to the formulation of the industry wide "Right Rooibos" code of conduct for the sustainable production of rooibos and helped the co-operative to provide its producers with the highest returns in the world per kilogram of wild rooibos tea.¹⁷⁹

All of the changes described above have contributed to alleviate the social marginalisation, and reduce the condition of structural poverty and the vulnerability, of the Suid Bokkeveld community.

3.4 The Farmers' "voice"

In conclusion, it is argued that the shift in the balance of bargaining power from a rooibos tea global value chain that was captive to a rooibos tea global value chain that is relational has been achieved by the Farmers through what, at the beginning of this chapter, has been called the exercise of a "voice". Thanks to the assistance of the two NGOs and funding from international organisations and donor agencies, the Farmers were able to gain critical consciousness and to represent themselves, and start acting, collectively through the Heiveld Co-operative. Thanks to further funding, the Farmers were also able to make the transition from labourers to producers within the rooibos tea global value chain or, in other words, to capture part of the value within the chain (being the value created by the production of rooibos tea). Finally, they were also able to contribute additional value to the rooibos tea global value chain (being the value created by the production of rooibos tea that was also organic and fair trade). In turn, this enabled the Farmers to shift in their favour the balance of power within their power relations or, to put it another way, to change the nature of the space in which they operated: from a "closed space" to a "claimed space", from a captive global value chain to a relational global value chain.

¹⁷⁷ Please see chapter three, section "Ripple effect of the Heiveld Co-operative's success".

¹⁷⁸ *Ibid.*

¹⁷⁹ Oettle', N., *Adaptation with a human face*, currently unpublished (please ask Oettle', N., contact details at www.heiveld.co.za, for further information), section 7.1 (Heiveld Co-operative). Please note that the version of this paper that the author had sight of did not have page numbers.

CHAPTER FIVE

CONCLUSIONS

1. FROM THE GLOBAL TO THE LOCAL

1.1 Globalisation and the world economy

Chapter one described how the need for a “fair globalisation” as a topic for discussion is not new and that there is evident widespread consensus that the social dimension of globalisation should now play a more central role in the globalisation discourse and the development agenda.¹⁸⁰

However, it also pointed out that the form the attention to the need for a “fair globalisation” should take remains uncertain and hotly contested.¹⁸¹

In particular, it described how, in response to pressure to include the social dimension in their priorities and policies, the global financial institutions (GFIs) have adopted a modified approach to development in their market reform agenda. This modified approach has resulted in a market reform agenda that maintains a pre-existing commitment to macro-economic policies and market reforms on the one hand, but, on the other hand, identifies a list of social welfare concerns that should now be given more attention by the GFIs.¹⁸²

However, chapter one then also pointed out that, in reality, those pre-existing commitments have tended to prevail in the context of the implementation of the market reform agenda, with detrimental effects for poor workers.¹⁸³ More specifically, it focused on two aspects of the market reform agenda that are relevant to the worsening of the conditions of poor workers: the deregulation of product markets and the deregulation of labour markets. The supranational free trade agreements facilitated by the World Trade Organization have caused their signatory states to deregulate their national product markets, principally by repealing laws that protected their national industries (e.g. laws providing for state subsidies in favour of national products and imposing import duties on foreign products).¹⁸⁴ In addition, the GFIs advocate a more flexible, deregulated labour regime, in order to generate economic growth (and thereby, according to them, also improve social welfare).¹⁸⁵

¹⁸⁰ Rittich, K., *Global Labour Policy as Social Policy*, Canadian Labour & Employment Law Journal, 2008, Vol. 14, No. 2, p. 228.

¹⁸¹ *Ibid.*

¹⁸² *Ibid.*, pp. 229-230.

¹⁸³ Von Broembsen, M., *People want to work, yet most have to labour: Towards decent work in South African supply chains*, Law Democracy and Development, Volume 16 (2012), p. 5.

¹⁸⁴ *Ibid.*

¹⁸⁵ *Ibid.*

Chapter one described how those two aspects of the market reform agenda have worsened the conditions of poor workers by driving, since the early 1970s, significant changes in the world economy, especially in the areas of industrial organisation and international trade.

As a result of those changes, it pointed out, two of the most notable characteristics of the world economy currently are the globalisation of production and trade and the vertical dis-integration of multinational corporations. In other words, production and trade have undergone a functional coordination - if not fully fledged integration - of geographically internationally dispersed activities (i.e. they have become globalised); while multinational corporations have been shedding their direct ownership of functions such as production, but still reserving for themselves functions such as innovation, product design, branding and marketing (i.e. they have dis-integrated vertically).¹⁸⁶

In turn, as a result of the combination of those two characteristics of the current world economy, global value chains have emerged.

1.2 Global value chains and workers in development countries

Chapter two, after looking more closely at the history of global value chains and at how governance within global value chains tends to work, considered how global value chains have generally worsened the conditions of workers in developing countries.

More specifically, it considered how such worsening has been caused by flexible forms of employment being increasingly adopted within global value chains by workers' employers.¹⁸⁷ Flexible employment (in all its variants of part-time, temporary, casual and contract working) is by definition a less stable and secure form of employment than permanent, full-time employment and therefore the shift from permanent to flexible employment has represented a deterioration of the conditions of workers in developing countries.

In addition, chapter two noted that there is evidence that flexible employment is also linked to other poor working conditions (as well as employment instability and insecurity). In particular, the more flexible the workers' form of employment, the more likely the workers appear to be to receive worse pay and the less likely they appear to be to: (a) have a contract of employment, with all the employment benefits that would flow from that (e.g. collective representation in the work place, paid holiday, paid sick leave, pension, etc. to name but a few); and (b) have access to social benefits (e.g. state unemployment, health and pension benefits).¹⁸⁸

¹⁸⁶ Gereffi, G., Humphrey, J. and Sturgeon, T., *The governance of global value chains*, Review of International Political Economy, 12 (1), 2005, pp. 78-79.

¹⁸⁷ Barrientos S., *Global Production Systems and Decent Work*, Working Paper No. 77, Policy Integration Department, International Labour Office, Geneva, May 2007, p. 8.

¹⁸⁸ *Ibid*, pp. 10-14.

In turn, it noted that flexible employment and its - monetary and non-monetary - consequences have tended to reinforce any pre-existing conditions of vulnerability, poverty and marginalisation of workers, irrespective of whether or not flexible employment has enabled those workers to integrate into a global value chain.¹⁸⁹

1.3 A local example – the Suid Bokkeveld rooibos tea farmers

Chapter three looked at the story of the Suid Bokkeveld rooibos tea farmers (the Farmers) and explained how they started out finding themselves at the bottom of the rooibos tea global value chain.

The deregulation of product markets (as well as an increase, in recent years, in health awareness in the developed world) has facilitated an increase in the demand for, and therefore production and export of, rooibos tea.

At the same time, the deregulation of labour markets has meant that such an increase in the production of rooibos tea has been achieved not through an increase in the number of permanent, full time jobs in the rooibos tea industry, but simply through increasing, on a temporary, short term basis, the number of rooibos tea seasonal workers to meet the higher demand. In other words, such an increase in the production of rooibos tea has been achieved through what Standing would call the “numerical flexibility” of a flexible labour regime, being the ability by firms to increase and decrease the number of their workers to meet fluctuations in product demand, thereby shifting the uncertainties and risks associated with such fluctuations onto the workers.¹⁹⁰

The effect of achieving the increase in production of rooibos tea merely through increasing the number of seasonal workers has been two-fold. On the one hand, for the seasonal workers this has meant that they have carried on being deprived of the benefits that would have flowed to them from having a contract of employment (e.g. paid sick leave, pension, etc. and access to social benefits (e.g. state unemployment, health and pension benefits, etc.)). In other words, the effect of “numerical flexibility” on the workers has been also to expose them to – using Standing’s terminology again – “wage system flexibility” (the ability by firms to reduce or avoid the benefit component of wages) and “labour cost flexibility” (the ability by firms to reduce or avoid social benefits imposed by legislation), respectively.¹⁹¹ In turn, this exposure has entrenched the seasonal workers in their position of poverty and vulnerability.

On the other hand, for the producers increasing the production of rooibos tea merely through increasing the number of seasonal workers has made them incur no additional costs other than the cost of the additional labour (i.e. the producers have incurred no additional overhead costs such as having to pay a seasonal worker when they are sick or having to contribute to any seasonal worker’s pension). In other words, producers

¹⁸⁹ Bolwig S., Ponte S., du Toit A., Riisgaard L., and Halberg N., *Integrating Poverty and Environmental Concerns into Value Chain Analysis: a Conceptual Framework*, Development Policy Review, 2010, 28 (2), p. 178.

¹⁹⁰ Standing, G. in Von Broembsen, M., *People want to work, yet most have to labour: Towards decent work in South African supply chains*, Law, Democracy and Development, Volume 16 (2012) p. 6.

¹⁹¹ *Ibid.*

have, through “numerical flexibility”, benefited from their exposure to “wage system flexibility” and “labour cost flexibility”. This has meant that the increase in the production and sale of rooibos tea has resulted in a direct increase in the producers’ profits (after deducting labour costs). In addition, as rooibos tea is produced only in the Western and Northern Cape Provinces of South Africa, producers have also been relatively free to increase the price of rooibos tea *vis-à-vis* the increase in demand for it.

None (or very few) of these benefits have been passed on to the seasonal workers. The producers have become richer and the workers comparatively poorer.

The Farmers had started out at the bottom of the rooibos tea global value chain as seasonal labourers for larger white farmers and, even after the increase in demand for rooibos tea in recent years, they had remained poor seasonal labourers at the margins of society.

However, chapter three also described how the course of the lives of the Farmers changed, thanks to the assistance of two non-governmental organisations (NGOs) and funding from international organisations and donor agencies, and how the Farmers first became rooibos tea producers themselves and then also became retailers of their own rooibos tea.

Chapter four then looked more closely at how the change in the lives of the Farmers was achieved. In particular, it considered what the assistance, the input received by the Farmers from the two NGOs and the international donor organisations had enabled the Farmers to achieve, not just objectively, i.e. in terms of tangible outputs, but also subjectively, i.e. in terms of a shift in the Farmers’ frame of mind. And it concluded that what the Farmers had been able to achieve was to acquire and exercise a “voice”.

Indeed, chapter four argued that such had been the significance of the “voice” that the Farmers had acquired and exercised, that the changes in their lives which they had been able to achieve as a result had not just improved their position at the bottom of the rooibos tea global value chain, they had also changed the nature of the global value chain itself. It argued that, from one in which the Farmers had been captive to the larger farmers, the rooibos tea global value chain had changed into a global value chain in which the commercial relationship between the Farmers and rooibos tea buyers was less unequal and in which the rooibos tea buyers were now in fact themselves somewhat dependent on the Farmers. More specifically, it argued that the rooibos tea global value chain had changed from a captive global value chain to a relational global value chain.

2. WHAT CAN A VOICE TELL US?

Having looked at the impact that globalisation has had on labour – to paraphrase Gaventa – at the global (the deregulation of labour market), national (the geographical dispersion of global value chains among different countries) and local (the Farmers as an example of poor workers at the bottom of a global value chain) level,¹⁹² what lessons (if any) may be drawn from the case study of the Farmers?

Before endeavouring to answer this question, the premise is made that of course there is no, nor can there be any, one-fits-all solution to improve the conditions of poor workers. The facts and circumstances of different categories of poor workers, in different countries are simply too varied for that to be possible. And that is the case even without taking into account the fact that in different countries the political set-up and lack of available resources (including external resources, from international donors) may hinder any such improvement.

However, having said that, the author's view is that there are lessons that may be drawn from the Farmers' case study. The following elements that were present in the case study would, in the author's view, need to be incorporated in any intervention that aims to improve the conditions of poor workers, if any such intervention is to be sustainable. Some of these elements are more obvious, others less so.

2.1 Economic assistance

Starting with what is perhaps the most obvious of those elements, economic assistance is a necessary element in almost any attempt to improve the conditions of poor workers. The Farmers could not have become rooibos tea producers themselves if, in 2005, they had not received assistance from the Canada Fund for Local Initiatives that enabled them to buy their own tea processing facility.

2.2 Practical assistance

However, the economic assistance that the Farmers received would have been of little use had it not been coupled with the practical assistance that the Farmers received from the two NGOs. Having acquired their own tea processing facility and formed themselves into a co-operative, the Farmers would not have been able to retain in the longer term the improvements that those changes had brought with them had they not received training from the two NGOs on how to administer a co-operative. In other words, if workers are poorly skilled, it is difficult to see how improving their conditions can not include, for example, teaching them job or business skills that will make them a more sought-after employment resource or will enable them to become successfully self-employed.

¹⁹² Gaventa, J., *Finding the spaces for Change: A Power Analysis*, IDS Bulletin, 37.6, November 2006, p. 25, Figure 1.

2.3 “Voice”

But neither economic nor practical assistance, whether given on their own or together, can improve the conditions of poor workers in a sustainable manner without more.

This is where the least obvious, yet absolutely necessary, of the elements present in the case study of the Farmers comes into play. Chapter four argued that the Farmers gained and exercised a “voice”.

More specifically, it argued that that “voice” was the Farmers’ critical consciousness. It was the Farmers’ realisation and critical awareness that their condition of structural poverty and vulnerability had been perpetuated by the economic, social and political constraints they had historically been placed under. It was also the Farmers’ realisation and critical awareness that their position at the bottom of the rooibos tea global value chain was prevented from being improved by the lack of their own tea processing facility (which prevented them from producing their own rooibos tea) and their consequent lack of direct access to the rooibos tea market.

Chapter four also argued that that “voice” was the Farmers expressing their critical consciousness by collectively representing themselves and collectively acting through the democratic, member based organisation that is the Heiveld Co-operative.

Finally, it argued that that “voice” was the Farmers, having acquired critical consciousness and having expressed it by way of collective representation and action, being able to shift the balance of power within their power relations and, thereby, also being able to change the nature of the space in which they operated. In other words, it was the Farmers being able to shift sufficiently in their favour the balance of bargaining power within the rooibos tea global value chain to change the nature of the global value chain itself, from a captive global value chain to a relational global value chain.

In the author’s view no long term, sustainable improvement of the conditions of poor workers can be hoped to be achieved simply through donations and/or externally imposed assistance initiatives, without also facilitating the development of a critical consciousness in those workers, the expression of that critical consciousness through collective representation and action of those workers and, therefore, the shift in the balance of power within those workers’ power relations (and the change in the nature of the space in which those workers operate) that can potentially flow from the combination of such critical consciousness and such representation.

3. LAST WORDS

It is always intrinsically difficult to extrapolate general conclusions from a single case study.

However, in this dissertation it is argued that the case study of the Farmers shows that the social dimension of globalisation demands that it is not acceptable simply to take the view that in an increasingly globalised world certain categories of workers (for example, workers at the bottom of global value chains) are unfortunately destined to be poor and marginalised. Instead, it is argued that the case study of the Farmers shows that it is in fact possible to improve the conditions of poor workers in the globalised world we live in today.

The way to achieve such improvement is, in the author's view, in addition to providing economic and practical assistance to them, to help those workers to acquire and exercise their own "voice" in the sense that this dissertation has endeavoured to describe. That is also, it is argued, the way to achieve a development that is ultimately fairer for all.

University of Cape Town

BIBLIOGRAPHY

Articles

- Bair, J., *Global Capitalism and Commodity Chains: Looking Back, Going Forward*, Competition & Change, Vol. 9, No. 2, June 2005, pp. 153-180.
- Benjamin, P., *Informal work and labour rights in South Africa*, (2008), 29 ILJ pp. 1579-1604.
- Bolwig, S., Ponte, S., du Toit, A., Riisgaard, L., and Halberg, N., *Integrating Poverty and Environmental Concerns into Value Chain Analysis: a Conceptual Framework*, Development Policy Review, 2010, 28 (2), pp. 173-194.
- Coe, N.M., Dicken, P. and Hess, M., *Global production networks: realizing the potential*, Journal of Economic Geography, 8 (2008), pp. 271-295.
- Fischl, M., *Running the government like a business: Wisconsin and the assault on workplace democracy*, (2011) Yale Law Journal Online pp. 39-68.
- Gaventa, J., *Finding the Spaces for Change: A Power Analysis*, IDS Bulletin 37.6, 2006, pp. 23-33.
- Gereffi, G., Humphrey, J. and Sturgeon, T., *The governance of global value chains*, Review of International Political Economy, 12 (1), 2005, pp. 78-104.
- Gibbon, P., Bair, J., and Ponte, S., *Governing global value chains: an introduction*, Economy and Society, Volume 37, Number 3, August 2008, pp. 315-338.
- Humphrey, J. and Schmitz, H., *Governance in Global Value Chains*, IDS Bulletin 32.3, 2001, pp. 1-16.
- Levy, D. L., *Political contestation in global production networks*, Academy of Management Review (2008), volume 33, issue 4, p. 943.
- Navdi, K., *Globalisation and poverty: how can global value chain research inform the policy debate?*, IDS bulletin 35.1, 2004, pp. 20-30.
- Oettle, N., Arendse, A., Koelle, B., and Van Der Poll, A., *Community Exchange and Training in the Suid Bokkeveld: A UNCCD Pilot Project to Enhance Livelihoods and Natural Resource Management*, Environmental Monitoring and Assessment, 99: 115-125, 2004.
- Rittich, K., *Global Labour Policy as Social Policy*, Canadian Labour & Employment Law Journal, 2008, Vol. 14, No. 2, pp. 227-275.
- Sturgeon, T.J., *How do we define value chains and production networks?*, IDS Bulletin 32.3, 2001, pp. 9-18.
- Von Broembsen, M., *Mediating from the margins: the role of intermediaries in facilitating participation in formal markets by poor producers and users*, South African Journal of Labour Relations, volume 36, issue 1, 2012, pp. 31-53.
- Von Broembsen, M., *People want to work, yet most have to labour: Towards decent work in South African supply chains*, Law, Democracy & Development, volume 16 (2012), pp. 1-28.

Books and booklets

Chen, M. A., Vanek, J., and Carr, M., *Mainstreaming Informal Employment and Gender in Poverty Reduction: A Handbook for Policy-makers and Other Stakeholders*, The Commonwealth Secretariat, 2004.

Freire, P., *Pedagogy of the Oppressed*, Penguin Books, 1996.

Gaventa, J., *Power and Powerlessness: Quiescence and Rebellion in an Appalachian Valley*, University of Illinois Press, 1982.

Lukes, S., *Power – A Radical View*, Second Edition, Palgrave MacMillan, 2005.

Oettle', N., *Everybody's Cup of Tea – Community Action and Rooibos Tea – A Case Study from the Suid Bokkeveld, South Africa*, available in hard copy from the Environmental Monitoring Group and the website <http://www.heiveld.co.za/index.html>

Papers

Arendse, A., *Trade, Environment & Sustainable Development*, Briefing Doc: 4, Rooibos Tea Trade & Small-Scale Production, Environmental Monitoring Group, July 2001, pp. 1-14. Available at http://www.emg.org.za/images/downloads/publications/rooibos_tea_and_small-scale_production.pdf (accessed on 4 February 2013).

Arthurs, H., *Labour law after labour*, Osgoode CLPE Research Paper, No. 15/2011.

Barrientos, S., *Global Production Systems and Decent Work*, Working Paper No. 77, Policy Integration Department, International Labour Office, Geneva, May 2007.

Chen, M., Bonner, C., Chetty, M., Fernandez, L., Pape, K., Parra, F., Singh, A., and Skinner, C., *Urban Informal Workers: Representative Voice and Economic Rights*, Background Paper for the World Development Report 2013, World Development Report 2013. Available at <http://wiego.org/publications/urban-informal-workers-representative-voice-economic-rights> (accessed on 4 February 2013).

Gaventa, J., *Reflections on the Uses of the 'Power Cube' Approach for Analyzing the Spaces, Places and Dynamics of Civil Society Participation and Engagement*, CFP evaluation series 2003-2006: no 4, October 2005, pp. 1-45.

Koelle, B., Oettle', N., *Adapting with Enthusiasm: Climate Change Adaptation in the Context of Participatory Action Research*, pp. 1-15. Available at <http://www.indigo-dc.org/documents/Koelle%20Oettle%20Adapting%20with%20enthusiasm.pdf> (accessed on 4 February 2013).

Koelle, B., Oettle', N., Parring, S., Lissel, A. and Kotze, D., *Community Based Adaptation to Climate Change in Africa (CBAA)*, African Centre for Technology Studies, July 2010, pp. 1-16. Available at http://www.dfid.gov.uk/r4d/PDF/Outputs/ClimateChange/CBAA_Communities_and_CC_Zimbabwe_June_2010.pdf (accessed on 4 February 2013).

Oettle', N., *Adaptation with a human face*, currently unpublished (please ask Oettle', N., contact details at www.heiveld.co.za, for further information).

Oettle', N., Goldberg, K. and Koelle, B., *The Heiveld Co-operative: A Vehicle for Sustainable Local Development*, Drynet, Both ENDS, Amsterdam, 2009, pp. 1-16. Available at <http://www.heiveld.co.za/resources/Heiveld-Case-Study.pdf> (accessed on 4 February 2013).

Philip, K., *Co-operatives in South Africa: Their Role in Job Creation and Poverty Reduction*, for the South African Foundation, October 2003, pp. 1-26. Available at http://www.sarpn.org/documents/d0000786/P872-Co-ops_October2003.pdf (accessed on 4 February 2013).

Websites

<http://www.emg.org.za>

<http://global-mechanism.org>

www.globalvaluechains.org/concepts.html

<http://www.heiveld.co.za/index.html>

<http://www.indigo-dc.org>

<http://riod.utando.com>

<http://www.spp.org.za>

<http://www.unep.org>

www.wiego.org

<http://www.worldbank.org/af/ik/what.htm>

University of Cape Town