

# **The Wine Industry Ethical Trade Association**

**Nicky Taylor**

## **About WIETA**

The Wine Industry Ethical Trade Association (“WIETA”) is a not for profit organisation, established in November 2002 to work in partnership with stakeholders in the wine industry to promote ethical trade and to support empowerment and improved working and living conditions for those employed in this sector.

WIETA has chosen to implement its mission through the formulation and adoption of a code governing employment standards for the wine industry. The organisation plays an important role in educating producers and workers on the provisions of the code, and in encouraging wine producers and growers to adopt the code. WIETA’s core function is to conduct social audits to assess and report on the extent to which members of the association comply with the provisions of the code, and to accredit those who do.

Any individual or body that is committed to the objectives of the organisation is welcome to join, and WIETA’s current membership base includes wine producers, wine agents, trade unions, non-governmental organisations, retailers, and government (see appendix for a list of current membership).

## **The background**

WIETA arose out of a UK based Ethical Trading Initiative pilot project. In the late 1990s, companies selling food and clothing to UK consumers were coming under increasing pressure – from trade unions, non-governmental organisations (NGOs) and consumers – to ensure decent working conditions for the people who produce the goods they sell. Retailers responded by adopting codes of minimum labour standards that they expected their suppliers to conform to. The ETI was set up in 1998 to bring the combined knowledge and influence of relevant NGOs and the international trade union movement to work alongside these companies in identifying and promoting good practice in code implementation.

The UK retail sector purchases more than 50% of South Africa’s export wines. Given the legacy of apartheid, paternalistic labour relations, the notorious “dop system” and historically poor wages and working conditions that characterised the agricultural sector, the wine industry was identified as an appropriate pilot for the ETI, in partnership with retailers purchasing our wines, to learn how to monitor compliance with labour standards in this sector.

The ETI realized early on that it would be virtually impossible to implement the pilot successfully without the assistance and expertise of local stakeholders, and the ETI encouraged SA and UK stakeholders to work together to assist in making decisions about how the pilot would be implemented. A number of wine producers selling their

wines to the British market volunteered to participate in the pilot by allowing the ETI (in partnership with local non governmental organizations working in the agricultural sector) to visit their workplaces, and to conduct a "social audit".

The pilot assisted the ETI and South African partners in learning about, developing and refining social auditing methodologies in monitoring the ETI base code. At the end of the pilot, an informal network of businesses and organizations involved in the wine industry decided to establish a formal body that would 'roll out' the work of the pilot.

Although the UK retail trade was a significant factor behind this initiative, there were numerous local factors in place which provided fertile ground for the establishment of a multi-stakeholder local initiative that would work towards promoting good labour practices in the sector.

Although poor labour practices and labour relations were widespread in the industry, many leading wine producers were taking important strides in supporting development and empowerment within their own businesses. These producers were in support of the development of a locally relevant code of standards and a standard framework that would monitor and report on compliance with core standards in an objective fashion, thereby assisting those who were taking steps to tackle many of the socio economic problems affecting labour in the sector with an opportunity to demonstrate this, whilst at the same time challenging those who were not meeting their obligations under national legislation to take steps to do so, in the interests of the industry as a whole.

In 1994, the South African Government implemented comprehensive labour legislation to ensure the fair treatment of agricultural workers. It has not been possible for the government to run a proactive campaign to monitor compliance with legislation across all sectors, and WIETA was seen as a key partner that would complement the work of government in encouraging compliance with labour legislation in the wine industry. The Minister of Labour provided public support for the establishment of this initiative, and the Department of Labour plays an active role in overseeing the activities of the organisation.

NGO's and trade unions operating in the wine industry have also been key drivers of this process. From a trade union perspective, although many of the cellars are unionized, the farming sector has always been a notoriously difficult sector to organize, owing to the difficulty in getting access to workers, and the sheer distance between and the small size of work sites. There is no centralized bargaining structure in the sector, and there is unlikely to be one in the near future, owing to the low level of employer and union organisation. WIETA represents an alternative way of ensuring compliance with labour legislation, but does not replace the need for collective bargaining and the activities of NGO's in ensuring sustainable development in the sector.

## **The multi-stakeholder approach to monitoring codes**

WIETA is managed by an Executive Committee, comprising labour, business, non-governmental organisation and government representatives. Representatives from these constituencies are elected onto the Executive at the Annual General Meeting. The CEO reports to the executive committee on WIETA's activities on a regular basis.

There is no doubt that the multi-stakeholder nature of WIETA has been one of the most challenging aspects of our work – getting stakeholders who have vastly different views and perceptions on issues to sit around a table every month to make joint decisions on the management of an organisation. It has also been our greatest strength. Although there have been many arguments and differing views on issues, everyone has remained at the table to talk things out, and thus far, we have been successful in finding solutions to most of the issues discussed. Board members have provided invaluable capacity and support to WIETA over the past two years, and the diverse input has ensured a more holistic and considered approach to our work.

## **The WIETA social auditing methodology**

The methodology that WIETA uses in conducting audits has been discussed and agreed with all stakeholders within WIETA. We constantly evaluate our processes, and learn from our mistakes and successes, and the methodology has been adapted and refined over time.

WIETA has a panel of 15 auditors, from different backgrounds - individuals with health and safety knowledge, labour lawyers, sociologists/social workers and community workers - all of whom have a very good understanding of the sector and who have been trained in the WIETA auditing methodology.

Before the audit takes place, members complete a questionnaire for WIETA eliciting information about their business, and the terms and conditions of employment of both permanent and seasonal workers. When the audit is conducted, the auditors have been using 4 basic techniques: visual inspections of the workplaces; interviews with individual workers (both permanent and temporary/seasonal); interviews with individual managers; and examination of documents kept by the company being audited, and by the parent company (if it is part of a larger group). We have developed standard interview schedules, document lists, checklists, and report templates.

At each audit, a final wrap up conference is held with employer and employee representatives, to check the preliminary findings emerging from the audit, after which a lead auditor compiles a full written report in consultation with the other auditors in the team, and any further respondents needed to clarify any puzzling areas or issues. The report is then sent back to the establishment, with recommendations on matters which the auditors felt indicated non-compliance with the WIETA code. The company then undertakes to draft an improvement plan to deal with these, and submits the plan to the WIETA team, which includes a special stakeholder subcommittee of the WIETA Board.

One thing that we have learned along the way is that social auditing is not an exact science, and we have encountered many questions as we have gone about our work - is the practice of selling wine to workers at cost price a practice that perpetuates alcohol abuse in the sector? To what extent is the fact that there are so few women employed to work in cellars a result of directly or indirectly discriminatory practices, and what measures should be put in place to change the status quo? Given the Aids pandemic in Africa - should HIV/Aids education not be a necessary component of any health and safety programme? How do we quantify what constitutes a living wage? How do we ensure that we capture information about the conditions of seasonal workers (often the most vulnerable in the sector), when the season is so short?

Fortunately we have a very capable auditing panel and a multi-stakeholder accreditation team who have assisted us in grappling with many of these issues. Finding the answers is not always easy. We are learning constantly as we go along, getting new ideas as we visit different wineries, improving on our methodology and introducing new programmes to assist us in developing and refining the code.

### **The results of audit processes...**

In the past year and a half, WIETA has conducted social audits at approximately 56 workplaces in the wine industry. Nine of these worksites have been certified as being in full compliance with the code following an audit. Accredited worksites are afforded the opportunity of using the WIETA logo in communicating this compliance to their target audience<sup>1</sup>.

The results of each audit are confidential, and shared only with the workplace that has been audited. The worksite concerned is of course welcome to disclose the contents of the report with whomever it deems appropriate, and in many cases, retailers have an agreement with their suppliers that they will be given access to this information. WIETA has however developed a data base to capture generic results of audits conducted in 2004 and have analysed the results<sup>2</sup>. This project is important in that an analysis of the audit results and improvement plans informs the various programmes, and will assist WIETA in identifying projects to encourage or assist with greater compliance in the future. The information is also useful to stakeholders participating in WIETA, including producers, non governmental and governmental organisations, as they can use this to establish, develop or extend programmes within their own sphere of influence, in response to the problems identified.

Up until now, members have fared well in demonstrating compliance with most aspects of the code. It must be noted that the initial results are not necessarily representative of the industry as a whole, as the sample is small, and the majority of the work sites that have been audited are cellars and estates. The most common problems identified in the reports thus far centre around the implementation of comprehensive health and safety programmes at work, worker awareness of WIETA and the code, members' failure to monitor the extent to which the labour contractors that they make use of are complying

<sup>1</sup> As the accreditation is workplace specific, the logo may not be used on bottles of wine.

<sup>2</sup> A report on audit findings is regularly updated and placed on our website: [www.wieta.org.za](http://www.wieta.org.za)

with the code and labour legislation, and the existence of discriminatory practices at different workplaces.

The improvement plans received thus far have shown that members seeking accreditation are taking their commitment to implement the code seriously. There have been numerous positive changes implemented following the audits, which is very encouraging. Examples include basic health and safety training introduced for seasonal workers at the beginning of season, the provision of written particulars of employment for both permanent and temporary workers, the election of WIETA worker representatives (including women workers) to work with management in the implementation of the code, the implementation of first aid training for workers, safer disposal of empty chemical drums to remove health risks due to inappropriate use by workers, the implementation of HIV/Aids education programmes for workers, and the list goes on...

WIETA has focussed on ensuring that members know what will be expected of them in implementing the code (through the development of a manual on the code, regular newsletters to members, and the WIETA website). In 2004, we embarked on a project to educate workers about WIETA through the development of a photo comic. The stories in the booklet were obtained from farm and cellar workers themselves at a workshop facilitated by WIETA and management and farm workers took on roles in the photo story. This booklet is now a major resource for workers on the WIETA code.

### **Key challenges ahead**

One of the key challenges for WIETA is to be more than just an auditing service. There is a need for more social dialogue in the industry on issues affecting implementation of the code, and WIETA needs to play a more active role in bringing stakeholders who are able to influence change together to discuss improvements and share good practice. We have received financial support from SAWIT to establish a training and materials development unit, that will provide pre-audit training to worker and management representatives on the code, and that will follow up with worksites following audit processes, and act as a resource to the parties. The training will be developed to enable both management and workers to contribute actively in decision making about processes that will be put in place and steps that will be taken to implement the code.

Part of the value of capturing and analysing information arising out of audit processes is that we are able to communicate good practice in implementing the code and services that exist to assist with implementation of the code. We intend to hold a range of seminars over the next few years, for both management and worker representatives at different worksites, focusing on fundamental issues affecting implementation of the code, such as HIV/ Aids, health and safety at cellars and farms and labour broking arrangements that do not circumvent the employer's legal obligations vis-à-vis their employees, in conjunction with government and organisations in the sector who are focusing on these issues.

It is also imperative that we deepen and widen our impact in a sustainable way. We are not able to do this without the support of a wide variety of different stakeholders in the value chain. Up until now, most of our activities have focused on the extent to which

wine producers are complying with the WIETA code. In joining WIETA, producers agree to promote ethical trade within their supply chains, and we intend to work with producers in educating their suppliers (i.e. growers) on the code and monitoring the extent to which there is compliance with the code within their supply chain. Given that there are more than 4000 growers in the sector, it is going to be impossible to audit every grower with the limited resources at our disposal. We need to examine how we go about influencing positive change in a cost efficient yet effective manner, and have commissioned research (involving input from all the WIETA stakeholders) which will assist us in making recommendations on how best to do this. The preliminary findings of the research will be shared and discussed with all of our members at the AGM at the end of October.

If we want to achieve our objective of supporting empowerment and improved living and working conditions for farm worker communities, the commitment to ethical trade needs to resonate throughout the value chain. It is imperative that all stakeholders work together to bring about sustainable change, and WIETA intends to continue to play an active role in encouraging debate on the role that different stakeholder bodies are able to play in promoting development and influencing good labour standards in the sector. This includes a focus on the responsibilities of retailers, agents, importers and exporters nationally and internationally in supporting ethical trade through their trading relationships and purchasing practices, as well as the role of non-governmental and government bodies in implementing projects that will encourage compliance or will assist the industry in raising the bar.