

Corporate Sustainability and Responsibility in the Cape Winelands

Abigail Deffee

DFFABI001

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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.

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Abstract

Several studies have examined the business case of corporate sustainability and responsibility (CSR) but there is less evidence which demonstrates the lasting positive impact of CSR on society. This exploratory study examines the perceptions of business responsibility in the wine industry from the social perspective. Bound by the legacies of slavery, the Cape wine industry has been shaped by unequal social, racial and cultural dynamics of power since the 1600s. The qualitative research approach adopted was designed so as to draw out insights from key decision-makers via nine semi-structured interviews. Positioned within a holistic framework, and drawing upon systems thinking, this research produced a number of key findings. Firstly, there is some evidence of systemic CSR in the dataset; firms placed explicit emphasis on the training and upskilling of previously marginalised groups, and took collective responsibility for solving social problems. There were examples of business creativity in establishing share schemes, although the success of these in remedying deep structural inequalities remains unclear. Secondly, the findings provide evidence of paternalistic behaviours on wine estates operating within existing hegemonic power structures. The participants' experiences of social initiatives largely equates to the empowerment of community groups via specific benevolent projects. The main conclusion drawn is that CSR in the Winelands commonly manifests as a mutation of entrenched paternalism, and thus is not a substitute for broader structural reform.

Keywords: Corporate sustainability and responsibility; wine industry; skills development; South Africa.

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Contents

LIST OF ABBREVIATIONS.....	6
LIST OF FIGURES AND TABLES.....	7
CHAPTER ONE: INTRODUCTION.....	8
CHAPTER TWO: SOUTH AFRICA IN CONTEXT.....	12
PROGRESS MADE SINCE THE TRANSITION TO DEMOCRACY.....	12
PROGRESS HAS NOT BEEN EVENLY FELT.....	14
HUMAN RESOURCES DEVELOPMENT AND SKILLS SHORTAGES.....	17
THE WINE INDUSTRY.....	20
CONCLUSION.....	24
CHAPTER THREE: A REVIEW OF THE CORPORATE SUSTAINABILITY AND RESPONSIBILITY (CSR)	
LITERATURE.....	25
THE EVOLUTION AND GROWTH OF CSR.....	25
MULTIPLE INTERPRETATIONS OF CSR.....	27
THE IDIOSYNCRATIC CONTEXT OF CSR IN SOUTH AFRICA.....	30
CRITICISMS OF CSR.....	34
CONCLUSION.....	36
CHAPTER FOUR: CONCEPTUAL AND THEORETICAL FRAMEWORK.....	38
CONCEPTUALISING CSR 2.0.....	38
HOLISM.....	41
CSR THROUGH A SYSTEMS LENS.....	41
RESEARCH AIMS AND OBJECTIVES.....	43
CONCLUSION.....	43
CHAPTER FIVE: METHODOLOGY.....	44
APPROACH.....	44
SAMPLING SELECTION.....	45
DATA COLLECTION PROCESS.....	45
THE PARTICIPANTS.....	48
THE SEMI-STRUCTURED INTERVIEW.....	48
INTERVIEW GUIDE.....	49
<i>CSR practices</i>	49

<i>Skills development</i>	49
<i>Social initiatives</i>	49
<i>Shareholding models</i>	50
THEORISING THE QUALITATIVE INTERVIEW	50
DOCUMENT ANALYSIS	51
THEMATIC ANALYSIS	51
ETHICAL CONSIDERATIONS	52
RELIABILITY AND VALIDITY OF THE STUDY	53
CONCLUSION.....	54
CHAPTER SIX: FINDINGS	55
THEMES FROM THE INTERVIEW DATA.....	55
FIVE CORE THEMES	60
<i>Skills and skills development</i>	61
<i>Business responsibility</i>	62
<i>Farmworker equity schemes</i>	63
<i>Familial and multi-generational ownership</i>	64
<i>Gender</i>	65
CONCLUSION.....	65
CHAPTER SEVEN: DISCUSSION AND CONCLUSION	66
SIGNIFICANCE OF THE RESEARCH	72
LIMITATIONS OF THE RESEARCH	73
THE NEED FOR FUTURE RESEARCH	73
CONCLUSION.....	74
REFERENCES	76
APPENDIX ONE: INFORMATION SHEET.....	83
APPENDIX TWO: PARTICIPANT CONSENT FORM.....	84
APPENDIX THREE: INTERVIEW GUIDE.....	86
APPENDIX FOUR: THEMATIC FRAMEWORK.....	87

List of Abbreviations

AIDS	Acquired Immunodeficiency Syndrome
ANC	African National Congress
BEE	Black Economic Empowerment
CIV	Creating Integrated Value
CSI	Corporate Social Investment
CSR	Corporate Sustainability and Responsibility
CSV	Creating Shared Value
EPWP	Expanded Public Works Programme
ESG	Environmental, Social and Governance criteria
FAS	Foetal Alcohol Syndrome
FET	Further Education and Training
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution strategy
HIV	Human Immunodeficiency Virus
HRD	Human Resources Development
NDP	National Development Plan
NEET	Not in employment, education or training
NGO	Non Governmental Organisation
NSDS	National Skills Development Strategy
PLAAS	Institute for Poverty, Land and Agrarian Studies
RDP	Reconstruction and Development Programme
SETA	Sector Education and Training Authority
TBL	Triple Bottom Line
TVET	Technical Vocational Education and Training
UCT	University of Cape Town
WBCSD	World Business Council for Sustainable Development
WIETA	Wine and Agricultural Ethical Trade Association
WOSA	Wines of South Africa

List of Figures and Tables

FIGURE 1: CARROLL'S PYRAMID OF CORPORATE SOCIAL RESPONSIBILITY	28
FIGURE 2: AFRICA'S CORPORATE RESPONSIBILITY PYRAMID.....	29
TABLE 1: THE AGES AND STAGES OF CSR	36
TABLE 2: SIMILARITIES BETWEEN WEB 1.0/WEB 2.0 AND CSR 1.0/CSR 2.0.....	38
TABLE 3: DNA MODEL OF CSR 2.0	40
TABLE 4: THE PRINCIPLES OF CSR 2.0.....	40
TABLE 5: OVERVIEW OF WINE ESTATES UNDER CONSIDERATION	47

Chapter One: Introduction

There is little or no disagreement that trends in business ethics have enjoyed a meteoric rise across the globe in recent decades. More recently still, we have begun to see significant strategic changes in corporate philanthropy as companies align their social goals towards their core business mission. Numerous large firms voluntarily issue annual reports listing their social objectives in an attempt to appeal to their consumer-base and amplify their achievements. By way of example, 95% of companies listed on the Global Fortune 250 publish reports divulging their social, economic and environmental performance (Carroll, 2015:93). Efforts to improve business transparency are increasing in an attempt to raise levels of brand trust amongst consumers. Routinely referred to as Corporate Social Responsibility, this primarily voluntary rather than legislative approach to business has moved beyond a concept and evolved into a thriving sector. Due in part to changing expectations of business, there is widespread global interest in how firms operate in broader society, the ethicality of its supply chains, employee well-being and the responsibility that businesses must take for their own actions.

In the pages that follow I employ a slightly modified conception of the more ubiquitous Corporate Social Responsibility. In this thesis CSR denotes Corporate Sustainability and Responsibility (CSR) as exemplified by Wayne Visser. For Visser, 'CSR is the way in which business consistently creates shared value in society through economic development, good governance, stakeholder responsiveness and environmental improvement' (Visser, 2012:1). Regardless of its rise, or perhaps on account of its rise, CSR remains an essentially contested concept, one which encapsulates a number of homologous terms including Corporate Citizenship, Shared Value, Triple Bottom Line and Corporate Social Investment. I expand upon these concepts and CSR's evolution and current prominence more substantively in Chapter Three. The remainder of this introductory chapter sets out an initial framework for the study, formulates the central research aim and poses a number of other questions before concluding with an outline of the subsequent chapters.

The drivers of CSR are manifold, as well as being spatially and temporally contextual. Acknowledging these distinctions, a detailed examination of global variances in CSR cannot be addressed within the scope of this study. Instead I focus on contemporary CSR practices in one

country, South Africa, in order to set the research framework and achieve greater depth in the analysis. For a nation like South Africa, beset by pervasive inequality and a beleaguered government unable to fill the gap, a radical shift in how firms operate could alleviate some of the more pressing problems. Given the specific and deep-seated social needs facing the country, explicitly bridging the divide between business and societal needs via a process of CSR is an acute point of interest. Globally there appears to be growing acceptance that business must be part of the solution in efforts to tackle societal challenges; this viewpoint also fits the mould in South Africa. To limit the parameters further, this study will focus solely on agri-business in the Western Cape, specifically the wine industry.

This paper critiques established CSR practices arguing that whilst traditional programmes of social responsibility have advanced businesses' social reputations, hence the oft-heard 'doing good is good for business', there is far less evidence demonstrating the positive and lasting impact of CSR on society. This is a conspicuous gap in the research which this study attempts to fill. This paper therefore seeks to **explore perceptions of business sustainability and social responsibility in the wine industry**. As part of this objective, I view businesses' efforts to engender value creation and societal contribution as the primary facets of CSR, two of Visser's 'DNA responsibility bases' (Visser, 2011b:150), which I elaborate upon in Chapter Four. Moreover, whilst CSR has foundations in fostering environmental sustainability, as a whole I refrain from environmental analysis in order to address social responsibility in sufficient depth.

To further limit the field of reference I direct attention towards skills development, taking the starting point that unemployment is a major cause of poverty, thus a shift towards a skilled labour force would alleviate poverty. Launched in 2012, South Africa's National Development Plan (NDP) 2030 identifies the role that different sectors of society must play in order to eliminate poverty, reduce inequality and create employment. Taking only the latter issue of employment, the private sector employs about three-quarters of the country's workers; a rough indication of the sector's potential leverage in fostering social change (National Planning Commission, 2012:47). Addressing agri-business in particular, the wine industry generates employment for 300,000 workers directly and indirectly, although of these only 15% are categorised as 'skilled' (Conningarth Economists, 2015:viii). Farmworkers make up a vulnerable and historically oppressed group; it is estimated that over 160,000 of these workers are from

previously marginalised sections of the population (WOSA, online). Bearing these statistics in mind, private sector involvement is critical if the country is to achieve social progress at scale. In describing the changing social will in South Africa, Mak'ochieng (2003:26) argues that in the 'new dispensation the government and the public are increasingly calling upon private business to help in bringing about socio-economic development in wider society.' The NDP states that the country is in need of a thriving private sector that invests in productive capacity, although somewhat surprisingly, it makes no direct reference to CSR. Notwithstanding any number of state regulations, strategies and intentions, it is widely accepted that the government cannot alleviate widespread structural poverty on its own. It is apparent that addressing the wrongs of the past and fixing today's deeply entrenched problems need a radical overhaul and a shift in thinking, perhaps one which will mobilise the wine industry to act sustainably and responsibly.

This study is of importance as South Africa is facing alarmingly high levels of unemployment and a responsible agri-business sector may fill the gap between community needs and state weaknesses. A number of questions arise. What role then does CSR currently play in promoting skills development in South Africa? What efforts are wine farms making to upskill and empower their workforce? How can responsible business practices positively affect social problems in South Africa? Focus is circumscribed to private wine cellars across the wine production landscape who are seen to be making reparations for past ills by addressing critical social issues. I interrogate how these firms are simultaneously creating value (via skills development) whilst making societal contributions. In order to conduct an original piece of research, this study deliberately avoids examining how or why CSR can be good for business; there is an abundance of academic and corporate studies which labour this point.

In the pages that follow I examine the wider literature and enquire into the history of skills development, the wine industry and CSR. Empirical primary research was conducted to discover the ways in which wine farms are improving the livelihoods and socio-economic conditions of their workers. In exploring the phenomenon of CSR, I also seek to understand what businesses are doing about the 'supply-side problem' which directly impacts them (Kraak, 2014:47). As a result I am driven to conduct research into skills development as a CSR practice on wine farms, motivated by a broader desire to better understand whether CSR can bring

about positive lasting change. With a dataset of nine semi-structured interviews, representing a wider population of socially progressive wine estates, this study is exploratory in nature.

This preliminary chapter introduced the core topic and set out the principal research objective which this study addresses. The dissertation has six chapters after this one. The following chapter provides an up-to-date look at the socio-political and economic situation in South Africa, unpacking progress made and challenges remaining since the country's transition to democracy, and concludes by briefly probing the skills development and wine industry literature. Chapter Three gives an overview of the existing literature pertaining to CSR as a global phenomenon before examining it more closely in a South African context. Chapter Four provides a conceptual framework for the study, laying out the central theoretical arguments. Thereafter, Chapter Five sets out the research design and methods used, in addition to outlining the reliability and validity of the study. Chapter Six presents the overall findings of the research and methodically examines the key emerging themes from the data analysis. The final chapter synthesises the core findings in a dialogue with the literature reviewed and offers further research recommendations.

Chapter Two: South Africa in Context

This chapter sets out to provide a picture of contemporary South Africa; its successes and the challenges faced since the transition to democracy. I aim to present a context grounded in recent history, to better understand the present-day environment in which business and society co-exist and how CSR might (in theory) flourish. The latter part of the chapter holds a dual purpose in bringing the literature from both skills development and the wine industry into focus.

Progress made since the transition to democracy

April 1994 marked twenty-five years since South Africa held its first historic democratic elections; the first in the country held with universal adult suffrage. Negotiations between FW de Klerk's National Party, the African National Congress (ANC) and other political organisations in the preceding years brought about an end to decades of institutionalised racial segregation. The transition to democracy offered promises of equal opportunity, a more cohesive society, and better conditions for many who had been locked out of the economy and dispossessed of much of their land. The ANC swept to power winning 62% of the vote and set about addressing apartheid's socio-economic divisions via a programme of legislative reform known as the Reconstruction and Development Programme (RDP). The RDP was grounded in good intentions, pledging as its first priority to attack 'poverty and deprivation' yet from the start there was a clear gap regarding macroeconomic policies (ANC, 1994:15). However, after just two years there was a shift in government policy as the pro-poor RDP was sidelined in favour of a neoliberal programme known as the Growth, Employment and Redistribution (GEAR) strategy; a clear indication that the ANC supported a market economy (Beizenhout *et al.*, 2007:22). In some respects, the South African economy lay at the periphery of globalisation throughout the 1970s and 1980s, and the state relied upon inward-looking strategies to maintain the 'political and economic dominance of the white community' (Ashton, 2004:105). After a decade of poor growth in the years leading up to 1994, the South African economy performed well during the 1990s and well into the 2000s. In line with the GEAR framework, tariffs were lowered, capital controls were lifted, and private investment was encouraged. With the exception of 2008-09, the country achieved positive growth throughout the entire period of 1994-2014 (Seekings & Nattrass, 2016:83).

The years following the groundbreaking election also saw the adoption of a new and renowned constitution in 1996. Widely celebrated for being one of the world's most progressive constitutions, it lists human dignity, equality, freedom and non-racialism as its founding values. Against its backdrop, remarkable progress has been made in a number of areas via a programme of distributional reform. One area which has seen a significant overhaul is in social assistance. For instance, the social grant system has been extended from 2.4 million people in 1994, to over 17 million today¹ (Seekings & Natrass, 2016:143; SASSA, 2018). The Child Support Grant, the Disability Grant and the Old Age Pension have all played a vital role in reducing poverty and inequality². Demonstrating the ubiquity of social assistance, Seekings and Natrass (2016:16) reveal that by 2009 half of all households in South Africa received at least one cash grant monthly. Affirming these views, Hundenborn *et al.* (2016:4) report that the proportion of households in receipt of social grants rose considerably from 23.5% in 1993 to 68% in 2014.

With regards to non-monetary well-being, considerable gains have been made in terms of expanded formal housing and access to electricity and piped water (Leibbrandt *et al.*, 2010:20). For instance, by 2017 the percentage of households connected to mains electricity was 84.4%, whereas prior to 1990 less than a third of South Africa had access to electricity³ (Statistics SA, 2017:4; Marquard *et al.*, 2007:7). Marquard *et al.* (2007:9) note the important contribution of electrification firstly in terms of promoting local economic development and secondly to resolve 'energy poverty', whereby low-income households are at a distinct disadvantage in terms of negative health effects from smoke ingestion, time spent collecting wood, and expense of inefficient appliances. Mass electrification has also given rise to modernisation and social and economic development for poorer households, enabling citizens' access to radios,

¹ It is important to acknowledge that a reasonably well-developed grants system was in existence prior to 1994. However, since then post-apartheid governments have been thorough in their efforts to expand and reform the social assistance system, particularly with regards to 'non-contributory' social assistance programmes. The grants system pre-democracy discriminated on the basis of race, particularly with regards to pension value, and this is no longer the case. The Social Assistance Act of 1992 finally abolished all racially discriminatory provisions (Leibbrandt *et al.*, 2010:60).

² Whilst there is a social safety-net system in existence for the young, elderly and disabled, there is no permanent income support for the long-term unemployed.

³ At the time South Africa had a significantly lower proportion of households connected to mains electricity than households in countries with similar income levels such as Argentina (88%), Venezuela (86%) and Costa Rica (85%) (Marquard *et al.*, 2007:7).

televisions and computer equipment, and more recently, the ability to charge mobile phones. Access to clean drinking water and good sanitation facilities are critical for the health of a population in helping to stop the spread of disease and illness. The Constitution is unusual in that it lists water as a basic human right. In the face of significant backlogs, and coping with a rising population, post-apartheid governments have been able to increase the supply of piped water into 88.6% of homes by 2017 (Statistics SA, 2017:4).

Progress has not been evenly felt

Despite great strides made in key areas, progress has not been felt universally; and South Africa remains one of the most inequitable countries in the world. Ranked by the World Bank as an upper middle-income country, South Africa is plagued by very high levels of inequality; its polarities reflected in the adage 'two worlds in one country' (Dayal, 2018:14). With a Gini coefficient⁴ hovering around 0.70 for income and 0.90 for wealth, its inequality compares unfavourably with all other countries for which these measures exist; the wealthiest 10% of South Africans own more than 90-95% of all wealth (Orthofer, 2016:4). Whilst in office the former President Thabo Mbeki gave a now well-known speech at the National Assembly propounding that South Africa is 'a country of two nations . . . One of these nations is white, relatively prosperous . . . The second and larger nation . . . is black⁵ and poor' (Mbeki, cited in Natrass & Seekings, 2001:45). To all appearances, inequality is correlated with race, but as Seekings and Natrass have invariably argued, the basis of inequality has long shifted from race to class (Seekings & Natrass, 2005; 2016). I suggest that Mbeki's dualistic narration ignores the fact that intra-racial inequality amongst the Black population has risen sharply, largely due to upward social mobility amongst some Black Africans, resulting in a shift of the middle classes and the elite. Nevertheless, some twenty years after Mbeki's infamous address, it remains the case that the poor of South Africa are overwhelmingly Black and predominantly live in the former Bantustans⁶. Whilst there is no single accepted measure of poverty, recent research

⁴ The Gini Coefficient is a measure of income or wealth, commonly used to measure inequality, whereby 0 equals perfect equality and 1 signifies maximum inequality.

⁵ Unless otherwise stated, 'Black' in this paper refers to South Africans who were classified into racial categories other than white under apartheid. The Population Registration Act of 1950 required every citizen to be racially grouped into one of four classifications: White, Indian, Coloured and Black.

⁶ The Bantustans were a partially self-governing area set aside during the period of apartheid for the 'indigenous' African people; a so-called homeland.

showed that in 2015, 30.4 million of South Africa's 55 million citizens were living in poverty⁷ (Mandela Initiative, 2018:13-14).

One cannot present a comprehensive picture of South Africa without considering the HIV and AIDS pandemic. The country is afflicted by one of the highest infection rates in the world. By 2005 over four million people were infected with the virus; today that figure is estimated at 7.52 million, meaning that an estimated 19% of adults aged 15-49 are HIV positive (Fig, 2005:608; SASSA, 2018:7). To put it mildly, rising rates of infection from the mid-1990s were not helped by the state health services' slow reaction to provide anti-retroviral treatment. It is widely agreed that senior politicians (led by Mbeki and his Health Minister Tshabalala-Msimang) were at fault here, promoting an anti-scientific approach to AIDS and effectively causing the premature death of hundreds of thousands of (mainly) poor people (Fig, 2005:609; Nattrass, 2007; Beizenhout *et al.*, 2007:63; Seekings & Nattrass, 2016:180). This delayed response by the state to provide comprehensive and affordable access to anti-retroviral treatment reversed a number of gains made in life expectancy since the end of apartheid. Not only is this a tragic loss, the AIDS pandemic presents a distinct challenge in terms of human resources, which is the primary reason for its inclusion in this chapter. Dickinson (2007:242) draws upon a number of authors to emphatically direct attention to the negative repercussions that the HIV/AIDS pandemic will have on operations and profitability of South African businesses 'in terms of markets, investor confidence, and workforces and the skills they embody.' Also viewing the pandemic from a human resources perspective, Fig (2005:609) devotes a section of his paper to HIV/AIDS and its devastating impact on the 'economically active segment of the population . . . [leading to] a significant loss of skills to the economy, and the removal of breadwinners from households.' In addition to holding the state responsible, Fig (2005:610) passes criticism on the weak and tardy response of the private sector, even though a quick response was in their direct interest.

Legislatively enforced racist policies were rolled out throughout the twentieth century not least within the education system, causing indelible detrimental effects on the life chances of the Black population. The Bantu Education Act of 1953 institutionalised the underdevelopment

⁷ Classified as below the upper poverty line of R992 (2015) per person per month.

of Black students who were provided with a sub-standard level education, stripping them of their basic human rights and setting them up for the unskilled labour market. Today education inequality remains pervasive. A number of prominent scholars in South African education have argued that despite good levels of school attendance, the dysfunctional education system continues to fail many children and young adults, leaving vast swathes of the population unprepared for employment (Spaull, 2015; van der Berg & Gustafsson, 2018). Seemingly a dual education system prevails, whereby a minority of 20% benefit from a good to excellent education whereas the broad majority complete eight or twelve years of schooling and find themselves without the necessary skills or resources for work in the twenty-first century (Wilson & Cornell, 2012:69).

Years of educational reform has failed to transform the system and break the cycle of intergenerational poverty. The NDP sheds light on the 'apartheid spatial divide [that] continues to dominate the landscape'; young Black learners are disproportionately faced with a poor quality of education (National Planning Commission, 2012:14). School leavers show concerning low rates of literacy and numeracy, leaving them ill-equipped to cope with the world of work. Spaull (2015:34) reports upon geographic inequalities in literacy, and cross-national data shows that learners are failing to acquire basic skills and understanding in maths and science⁸. Leibbrandt *et al.* (2010:86) also pinpoint apartheid policies which created a 'workforce with racially skewed human capital and spatial characteristics . . . such spatial and human capital legacies leave a very long-run footprint and these processes are hard to reverse.' South Africa is frequently described in terms of the 'persistent triple challenge' of poverty, inequality and unemployment. The causes and drivers of the issues outlined above are highly complex and rooted in the country's unique history. Whilst it would be futile to attempt to unpack them all in any considerable depth in this exposition, I pinpoint unemployment as a cross-cutting issue and explore the labour market's intersecting relationship with skills development in the following section.

⁸ Spaull (2015:34) refers to a number of cross-national assessments of educational achievement: the Progress in International Reading and Literacy Study (PIRLS); the Southern and Eastern African Consortium for Monitoring Educational Quality (SACMEQ); the Trends in Mathematics and Science Study (TIMSS).

Human Resources Development and skills shortages

South Africa has one of the highest rates of unemployment in the world at 29% (Statistics SA, 2019:1). Taking 'discouraged'⁹ workers into account, the unemployment rate hovers around one in three. Youth¹⁰ are particularly hard hit by unemployment, particularly those that drop out of school prematurely and those who fail to complete their school-leaving examinations successfully (Mandela Initiative, 2018:20). The statistics are striking; the percentage of young people aged 14-35 not in employment, education or training (NEET) is 40.3% (Statistics SA, 2019:8). Unsurprisingly, the longer a person remains out of work after leaving school or further education, the harder it is to become gainfully employed. But one cannot look at youth unemployment in isolation; it is part of a broader structural unemployment problem (Perold *et al.*, 2012:59).

Whilst recognising that successive governments have facilitated the expansion of social assistance and improved infrastructure in poorer neighbourhoods, Seekings (2013:12) finds fault lies at the state's door in its failure to create jobs. Whilst policy efforts to expand social grants since the 1990s have been admirable, grants do not necessarily correlate with jobseeker success in the labour market. New jobs created have not been significant in their numbers to cope with the growing number of people entering the labour market, even though it has been consistently proven that jobs are essential to overcoming widespread poverty and inequality (Wilson & Cornell, 2012:18). In agreement with Seekings, Altman and Marock attest that government attempts to create jobs in the economy have largely failed and certainly have been insufficient; this is a 'demand-side problem' (Altman & Marock, 2008, cited in Perold *et al.*, 2012:2). But others argue that South Africa is simultaneously afflicted with a 'supply-side problem' whereby work seekers 'lack the appropriate skills, work-related capabilities and higher education qualifications required for a high-skills economy' (Perold *et al.*, 2012:2; Kraak, 2014:47). In this study I take the supply-side argument and shall return to it later in this paper.

The literature provides a solid understanding of apprenticeship training and its long history in South Africa. The history of apprenticeships in the country dates back to the end of the nineteenth century, largely to provide for the expansion of the railways and the growth of the

⁹ By discouraged I mean those who are no longer actively seeking work.

¹⁰ South Africa's National Youth Commission Act, 1996, defines youth as 14 – 35 years.

mining industry. From the outset, Black Africans were largely excluded from the system of further education, and numbers of Indian or Coloured students were negligible. Technical and vocational education was further distorted under apartheid for Black people, and only began to portray a representative picture at the turn of the twenty-first century with 12% of White students and 75% Black students, a ratio which far more accurately presents the country's demographic (Fisher *et al.*, 2003:329-331). Historically colleges have played an underestimated role in South Africa and today they comprise a key component of state Human Resources Development (HRD) strategy. Today there are 50 public Technical Vocational Education and Training (TVET) colleges¹¹ with many more campuses distributed across the nine provinces. Whilst there has been a 'move' to try and raise the status of TVET colleges, the sector in general remains 'underdeveloped and weak' and, in practice, course uptake is too limited for the diverse training needs of the country (Fisher *et al.*, 2003:337, 347).

David Ashton (2004:98), a leading British author in this field, cautions the reader not to confuse the skills problem facing South Africa with that of the older industrial countries. The uniquely South African problem is that it is facing no jobs for a significant proportion of the populace, unlike the more common loss of low-skilled jobs seen in Western Europe and North America (Ashton, 2004:98). Following Ashton's line of argument, one must take care in applying foreign concepts to the South African context. The South African scholar, Andre Kraak, eminent in the field of HRD, concurs with Ashton regarding the importance of temporal and spatial context. Complicating things further, Kraak (2005:62-63) notes that South Africa does not fit neatly into 'poor' or 'rich' country classifications, and that being so he draws upon Crouch *et al.* (1999) to advocate for a differentiated skills formation system, one which expands the high-skills enclave, meets the low to intermediate skills demands and caters to the low-skills sector.

Both scholars have argued that the racial segmentation of the labour market during apartheid generated a skills equilibrium unique to South Africa where high-skilled jobs were the preserve of whites, and Blacks were confined to low-skilled employment (Ashton, 2004:106; Kraak, 2004a:46-70). Ashton (2004:106) postulates that this racial segmentation served to equate

¹¹ TVET colleges were previously known as Further Education and Training (FET) colleges. For ease of understanding and continuity, even where an author has used the terminology FET, I have replaced it with TVET to reflect current terminology.

low-skilled jobs with political subjugation, and these negative connotations remain attached to low-paid unskilled work. Considered within the history of apartheid, one can see the argument for the high-skills thesis is needed to disrupt white hegemonic power and rectify past discrimination. After apartheid's collapse, the high-skills concept promised a 'new start for all', where whites would be able to keep their good jobs, and new jobs would be created for the Black population (Ashton, 2004:106). In reality this did not happen; the number of new jobs created were simply not enough to handle the millions entering the labour market. In this light, Kraak (2005:59) critiques the high-skills argument, arguing that South Africa's industrial policy has led a different trajectory to industrial nations in the West and different too to the rapidly industrialised Pacific Rim countries. Without explicitly setting out a suitable approach, Kraak (2005:64) advises against viewing the national economy as a 'monolithic entity', but rather as a multi-layered process, and thus, an appropriate model needs to be developed; high-skills shortages are just one element of a more complex problem. Ashton (2004:114) places particular weight behind advancing a low-skills strategy as a prerequisite to moving towards intermediate and higher-level skills and is astute in discerning that 'at the emotional level . . . the previous equation of Black people with low-skills employment (must be) destroyed.'

Kraak (2005:66) rejects the term 'skills crisis' with reference to the shortage of high-skills in key professions, labouring this point through his use of inverted commas. His analysis of key figures shows that the shortages are 'largely due to South Africa's low economic growth trajectory' (Kraak, 2005:66). Perhaps not to the same degree as Kraak, nevertheless Mukora (2009:243-4) similarly plays down the so-called crisis, seeing it as a 'by-product of insufficient long-term planning' by businesses and the friction in the labour market. It is not unusual for academics to point to the deplorable schooling system as a reason for skills shortages. It is worth quoting Thobeka Mda in full as she offers a cogent argument here:

The skills shortage in South Africa is directly related to the quality and quantity of education provided to the majority of South Africans, especially in the past. The shortage reflects the type of education that was made available to the majority, the exclusivity of quality education for a few, and the general lack of access to education for many (Mda, 2009:200).

Regardless of differing views as to the cause behind the shortages, there appears to be a fairly universal consensus that shortages (to some extent) do exist. Businesses have a growing demand for skilled workers, which the market is unable to supply, but to ameliorate unemployment, businesses also need to absorb a substantial number of unskilled workers and

train them adequately. Current business demand for skilled personnel is at the expense of unskilled workers. Despite having the second largest economy on the African continent, South Africa remains 'trapped under the low-skills equilibrium' (Kraak, 2004a:47; Kraak & Von Holdt, 1990, cited in Manana, 2016:117). Clearly the challenge of skills development is critical and is thus considered a national priority. This is reflected in the National Skills Development Strategy¹² (NSDS), the third iteration of which was released in 2011.

Several authors question the role of employers in upskilling their workforce and condemn TVET colleges for their inadequacy in preparing young people for jobs. Breier (2009:17) conveys her stance with clarity, stating that 'any new graduate needs induction into the workplace, but the need is particularly great for those who gained little or no work experience in the course of their training.' In a later chapter of the same book, Mukora agrees, postulating that workplace induction is of particular importance to workers who have come via TVET colleges (Mukora, 2009:238). Likewise, Elliot is critical of TVET colleges' misalignment with industry needs and of their resulting failure to adequately prepare students for the workplace (Elliot, 2006, cited in Mukora, 2009:238). Mukora (2009:243) views decisions taken by firms in South Africa as usually being cost-sensitive as well as short-term in outlook and as such, training plans and their implementation vary with economic performance and the broader environment. The discrepancy between policy and practice feeds the skills shortage rhetoric. A number of authors concur that misalignment of the education and training system appears to have contributed to the so-called inverted triangle phenomenon of learner distribution, whereby more students attend universities than Technikons and TVET colleges (Akoojee, 2003:396; Fisher *et al.*, 2003:329; Kraak, 2004b:32). Kraak (2004b:32) also attributes this skewed distribution to social and cultural values which reflect in preferential bias towards university and are prejudiced against technical or vocational training.

The wine industry

To understand the wine industry in the twenty-first century, one must make sense of its links to the past and the pervasive legacies of slavery. As an industry its reputation remains somewhat blighted by widespread inequalities; the foundations of which were laid in the

¹² The NSDS is underpinned by three existing pieces of legislation: the Skills Development Act, 1998 (amended in 2008), the Skills Development Levies Act, 1999; and, the Employment Equity Act, 1998.

1600s. Slavery was the foundation of early wine farming in the Cape and has shaped political, economic and cultural power relations. Although slavery in the Cape was outlawed in 1838, Viall *et al.* (2011:115) suggest that emancipated slaves had nowhere else to go, and thus remained on the farms enabling paternalism to become 'deeply entrenched' over the next 150 years. One legacy of the authoritarian regime was that Black workers were seen 'as minors . . . and denied any but the most limited rights' (Du Toit *et al.*, 2008:11). Pinpointing the unequal power imbalance that existed between the farmer and his workers Viall *et al.* (2011:114) note that the Dop system¹³ acted as a 'particularly pernicious form of control.' Whilst the Dop system is no longer legal, its ramifications can still be felt today; research shows that it has destroyed families and created grave social problems.

Signs that the industry was changing began to appear in the 1980s. One such example is the Rural Foundation, sponsored by the government and supported by the South African Agricultural Union to improve workers' health, living conditions and prospects (Mayson, 1990:111). In addition to sponsorship from private companies the Foundation received a large state subsidy annually. Mayson (1990:117) portrays the Rural Foundation as a farmers' service organisation, which encouraged farmers to initiate community development projects, and argues that its establishment was in response to owners' unease towards trade unions. The most detailed source on the Foundation remains Mayson's 1990 unpublished thesis, but it has also been explored by other authors (Ewert & Du Toit, 2005:319; Du Toit *et al.*, 2008:14; Viall *et al.*, 2011:115; Hay, 2018:61). Viewing the Foundation as something of a precursor to contemporary CSR, Hay (2018:61) takes a sympathetic look at 'its members [who] braved ostracism and aggression to push the agenda for change [and] set an example that progressive farmers continue to follow today.' Others are inclined to hold a more critical view of the Foundation's benevolent yet conservative agenda, where the 'racialised power relations of white mastery were never up for debate' (Ewert & Du Toit, 2005:319; Du Toit *et al.*, 2008:14).

¹³ The Dop or Tot system was used by farms in South Africa whereby workers were paid in part for their labour in cheap wine, exacerbating alcoholism throughout the region. Its legacies are pervasive; the Western Cape incidence rate of Foetal Alcohol Syndrome (FAS) remains the highest of anywhere in the world (Brown *et al.*, 2004:24).

Prior to the democratic transition, the international opprobrium of apartheid and the resulting boycotts of South African business and products fostered an undeveloped market and industry. However, after years of international sanctions, the wine industry enjoyed something of a renaissance amidst its re-entry into the global market. By way of example, South Africa exported 25 million litres of wine in 1993. By 2014 this had risen to 500 million litres worldwide (Perlman, 2018:7). Today, twenty-five years after what Ewert (2012:237) terms the 'triple transition (i.e. deregulation, internationalisation and democratisation)', the industry is an important employer in the Western Cape. There have been a number of concerted efforts to transform the industry; the Wine and Agricultural Ethical Trade Association (WIETA) was formed in 2002 to monitor on-farm labour standards and the Wine Industry Transformation Charter was adopted in 2011. Pressure has also come from abroad; Hay (2018:64) credits British supermarkets with leading the call for change as consumer demands for a more ethical product have resulted in a need for suppliers to ascribe to the principles of Fair Trade, namely improved wages and working conditions.

Ewert and Du Toit (2005:317) discuss the increasing casualisation of labour in the industry and refer to a 'deepening divide' amongst permanent workers who benefit from better pay, housing and improved skills, and the 'lumpen proletariat' who live a precarious existence, employed as seasonal workers and largely subsisting on the margins. Examining the divide from a racial perspective, the authors attest that Black African workers struggle more than their Coloured counterparts, in that the former are seen as being more unionised and militated; and the latter benefit from family connections and networks on farms. As a province, unionised workers are few; just three percent of workers in the Western Cape agricultural sector are unionised, compared with 30% in the country as a whole (Human Rights Watch, 2011, cited in Hay, 2018:66). Despite impressive export growth it remains a difficult industry in which to prosper partly due to the high investment costs of production. Consequently, neither viticulture nor wine making is particularly profitable; more than 1000 growers left the industry between the mid-1990s and 2010 (Williams, 2007:6, cited in Ewert, 2012:238; Ewert, 2012:233). On account of the high cost of land and labour, Viall *et al.* (2011:91) quote Ewert as saying that to set up a wine farm, a farmer would need 'at least R25 million capital, plus knowledge and technology . . . the margins are paper thin for growing grapes for basic wine.' Unsurprisingly it remains difficult for emerging farmers to break into the market.

A dedicated programme of land reform was introduced to tackle inequality of ownership and return land to those previously dispossessed. A number of estates took advantage of grants from the government to pioneer initiatives which addressed social concerns and empowered workers. A few of the early adopters included Thandi Wines (established 1995), Fair Valley (1997) and New Beginnings (1998). However, there has been mixed success amongst empowerment projects in the industry, which have swelled in number since the turn of the millennium. The latest to collapse in a series of high-profile cases is Solms-Delta. Motivated by a desire to pursue social transformation Mark Solms, together with his business partner Richard Astor, put R260 million into the farm over ten years, millions of which went on training, worker-housing and initiatives to improve workers' standard of living (Currin, 2018). Described as a flagship land reform farm, it attracted considerable attention within the industry and from the state and wider media. But the company got into financial trouble and in 2018 was placed in business rescue.

Intimately linked with land reform, Black Economic Empowerment (BEE) transactions aim to redress some of the racial inequities of apartheid and persistent structural inequalities, focusing on ownership, management control and skills development. There has been a growing influence of BEE within the wine industry in the past two decades, and it has since become central to the discourse of transformation. Du Toit *et al.* (2008:18) argue that BEE has sidelined the prior agenda of land and agrarian reform in favour of the 'colour' of ownership. Cynicism as to the effectiveness of BEE as a form of affirmative action persists; Herman (2014:1931) posits that legislative compliance does not ensure transformation. In exploring the economic impact of BEE deals from a CSR perspective, Alessandri *et al.* (2011:230) question whether BEE is a legitimate vehicle to achieving Black wealth or accomplishing wider social benefits and hold a clear ambiguity towards farmworker equity share schemes. They conclude their paper with the assertion that, to their minds, most wine farms will remain under white ownership for the time being, and 'conservative white hands at that' (Alessandri *et al.*, 2011:331). A particularly damning opinion is held by Professor Karan of Stellenbosch University who avers that 'land reform in BEE is empowering white CEOs not black people' (Karan, cited in Viall *et al.*, 2011:221-2). Although neither Black nor white ownership is the central focus of this study, ownership is intrinsically tied up with the themes covered. A further issue to consider amidst

the complex racial politics of the industry is the tension between Black African and Coloured workers. According to Hay,

Land reform in the Western Cape has also exacerbated tensions between African, Coloured and 'Khoi Nation' claimants. Khoi Nation¹⁴ groups in particular feel they are missing out on land reform. The claimants identify as the descendants for the Khoekhoen groups brutally dispossessed in the seventeenth century, and whose subsequent exploitation underpinned the growth of the wine industry . . . Anger at being excluded from land restitution has been sharpened by the perception that economic-development initiatives and Black economic empowerment are aimed at Black Africans rather than at the Coloured descendants of Khoekhoen/Khoisan groups (Hay, 2018:68).

Several authors are in agreement that land reform in the sector has failed in its efforts to change the racial profile of land ownership, and their concerns are seemingly substantiated by land statistics (Viall *et al.*, 2011:220-222; Ewert, 2012:238; Hay, 2018:68). Accurate and up-to-date land ownership statistics are perplexingly difficult to access: the 2018/19 State of the South African Wine Industry report reveals that Black-owned land and water is at three percent, considerably short of the 20% ownership target by 2025 (Vinpro, 2019).

Conclusion

This chapter aimed to narrate a picture of contemporary South Africa, portraying its fundamental successes and deficiencies since the transition to democracy. In terms of progress, I briefly examined social assistance and improvements to service delivery, before analysing a number of areas where progress has not been evenly felt, tracing a number of current challenges; notably the HIV/AIDS pandemic and an education system unfit for purpose. The second half of the chapter conducted a brief review of the skills development literature and examined the wine industry from its roots in slavery to the modern-day.

¹⁴ The Khoekhoen groups of Southern Africa are thought to be the earliest pastoralists in the region, and were the first native group to come into contact with Dutch settlers in the seventeenth century. Whilst Khoi Nation groups have submitted claims for land to be returned to them, the land-restitution programme deals only with dispossession that took place after 1913 as a result of racially discriminatory laws, rather than conquest (Hay, 2018:68).

Chapter Three: A review of the Corporate Sustainability and Responsibility (CSR) literature

In the preceding chapter I delineated contemporary South Africa, charting progress made since the transition to democracy and the challenges that remain, before placing focus on skills development and the wine industry. This chapter explores the CSR literature. Having identified the broad topic of CSR as a tool to generate societal change in South Africa I set about systematically reviewing the literature. This chapter is roughly divided into three overarching sections. The first section presents a historical perspective of the CSR evolution and its subsequent growth as a sector, before providing a concise overview of a number of interpretations. The second section begins by exploring CSR contextually in South Africa, unpacking how its development was influenced by the history of apartheid and concludes with a look at the factors driving CSR. The chapter is brought to a close with an analysis of CSR critiques.

The evolution and growth of CSR

There is an abundance of academic and corporate literature on CSR in existence today, although there remains no single universally accepted definition. Some trace its origins to the 1870s to the industrial welfare movement and the emergence of philanthropists such as John Rockefeller and Dale Carnegie (Visser, 2017:127). Others writing contradict these claims, placing their conviction in dating CSR to the mid-twentieth century, largely thanks to the publication of Howard Bowen's landmark book *Social Responsibilities of the Businessman* (Moura-Leite & Padgett, 2011:529; Carroll, 2015:87). Tracing the evolution of CSR, Moura-Leite & Padgett (2011:536) conclude their historical analysis of the past 60 years by affirming that by the 2000s CSR had conclusively become an important strategic issue for business. They argue that in the present day, CSR has become 'almost universally sanctioned and promoted by all constituents in society' (Moura-Leite & Padgett, 2011:533).

The growth of CSR in recent decades is reflected in the increase in the number of CSR professionals, publications, industry conferences and a number of indices which reflect equity

performance of companies in terms of environmental, social and governance (ESG) criteria¹⁵. Turning to contemporary academia, one can see a proliferation of the number of journals in the field of CSR and sustainability, which aim to consolidate empirical evidence with sound academic concepts to concurrently create value for business and society, and perhaps blur the lines between business management and responsibility¹⁶. Added to this, business environment surveys led by management consultancies are increasingly being commissioned; it can feel as though the literature is somewhat dominated by corporate-sponsored PR reports. The *BSR and GlobeScan State of Sustainable Business Survey* found that 75% of their respondents believe 'sustainability needs to be better integrated into business strategy', but by far the most significant CSR priority for companies remains in partnering with nearby community organisations (BSR/GlobeScan, 2018:12).

The oft-heard refrain, 'doing well by doing good', or what Carroll (2015:89) terms the 'strategic reconciliation' of CSR and profitability, places business responsibility within the enlightened self-interest of firms. It is rooted in the idea that a better, stronger society is a better environment in which to do business. One challenge that has been levelled at businesses is that these peripheral efforts amount to little more than empty catchwords; it is a form of 'window-dressing' or 'green-washing' (Hamann, 2009:455; Hinson & Ndhlovu, 2011:333-4; Visser, 2017:57). Carroll (2015:89) reports on the large number of studies that have been carried out (usually funded by businesses) on the correlation between CSR and firm profitability which serve to support the business case for CSR. Such publications have been criticised for their failure to report on social impact, opting instead to give details of a firm's philanthropic initiatives in terms of money or volunteer hours spent (Porter & Kramer, 2006:81). This raises questions as to the benefit of CSR to society and leads to a more critical look at CSR. I return to this viewpoint towards the end of the chapter. Entire papers have been written tracing the evolution and growth of CSR, so I shall not delve any deeper into it here (Carroll & Shabana, 2010; Moura-Leite & Padgett, 2011; Carroll, 2015).

¹⁵ Indices include FTSE4Good Index, The FTSE/Johannesburg Stock Exchange Responsible Investment Index Series, The Calvert Social Index, The Dow Jones Sustainability Index and the Global Sustainability Signatories Index.

¹⁶ 'Sustainable Development', the 'Journal of Corporate Citizenship', the 'CSR and Environmental Management' journal, the 'Journal of Business Ethics' and the 'International Journal of CSR' are just a handful of the better-known academic journals.

Multiple interpretations of CSR

From this cursory introduction to CSR, it is apparent that the nomenclature surrounding the phenomenon is confusing, with an abundance of terminologies used interchangeably, causing contention between the academy, business and society. At its most straightforward, Cormack (2012:3) defines CSR as ‘the responsibility a business has for its social, environmental and economic impacts.’ Yet I suggest this definition fails to encompass any wider responsibility to be a net positive contributor to society. Particularly for companies operating in developing or emerging economies, where society is likely to have high levels of poverty, Cormack’s definition relieves business of the wider responsibility of solving critical problems. Thus, in line with Moon (2007:198), I prefer to think of CSR as self-regulation by business to bring about better social (and environmental) outcomes for wider society.

A rather more expansive definition of CSR is used by the World Business Council for Sustainable Development (WBCSD) which refers to the ‘continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large’ (Holme & Watts, 2001:17). Their work also recognises the importance of cultural context to CSR; it may mean different things in different societies. Accordingly CSR needs to be studied in the time and context in which it is being practised, something which is agreed upon by a number of scholars (Beizenhout *et al.*, 2007; Dobers & Halme, 2009:238; Hamann, 2009:442). Appreciating geographic, historical, social and economic context is of particular significance for this study, given its concern with South Africa.

Many scholars in this discipline turn to Carroll’s renowned four-part framework, and it is useful to replicate it here (Figure 1). Carroll (1991) articulates his view of CSR as economic, legal, ethical and philanthropic responsibilities that are required, expected and desired of business by society, ranked by order of priority. In line with Carroll’s vision the bottom two quadrilaterals, economic and legal, is what is *required* by society. Ethical responsibility is *expected*, and lastly, philanthropy is what is *desired*.

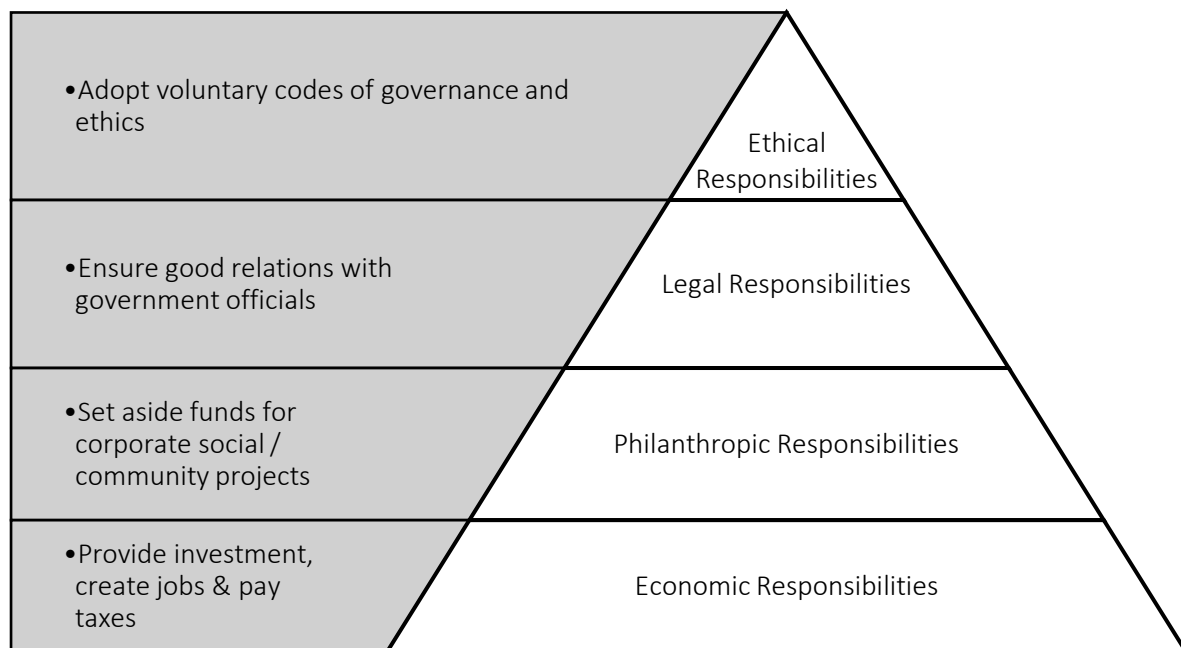
Figure 1: Carroll's Pyramid of Corporate Social Responsibility



Source: Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders.

Visser (2005:34) modifies Carroll's framework to explore how CSR manifests in an African context (Figure 2). He argues that as most research on Carroll's Pyramid has been in an American or European context, it is not fit for purpose in African states. Visser (2005:37) challenges the relevance of Carroll's Pyramid arguing that African concerns, such as high levels of unemployment and poverty, and a lack of foreign direct investment, mean that the order of importance must shift. In Visser's adapted pyramid, economic responsibilities remain the highest priority, but philanthropy moves up the food-chain to second, followed by legal, and finally ethical responsibilities. Visser's redesign, however, is not corroborated by empirical research, and so would benefit from further experiential research. I believe it is still helpful as Visser has encouraged readers to consider the importance of place and cultural context and the resulting need for flexibility in approach.

Figure 2: Africa's Corporate Responsibility Pyramid



Source: Visser, W. (2006). Revisiting Carroll's CSR pyramid: An African Perspective

Arguably the intellectual leaders promoting CSR entered popular business lexicon in the mid-1990s. Two scholars who can take some credit for introducing CSR theory to top business leaders worldwide are Harvard professors Michael Porter and Mark Kramer. In 2006 they introduced a fundamentally new way of viewing the relationship between business and society under the guise of Creating Shared Value (CSV). In their article for the Harvard Business Review they explore the links between competitive advantage and CSR (Porter & Kramer, 2006). Put simply, CSV is how to create meaningful value for business *and* society. Another stalwart of corporate responsibility is sustainability thought-leader John Elkington, who articulated the idea of the triple bottom line (TBL); a sustainability framework which measures corporate performance and the economic, social and environmental impact of business operations, commonly referred to as a measure of profit, people and planet (Elkington, 1997). However, Elkington himself has recently criticised the term, objecting that it is used mainly as an accounting tool and the resulting data is not being used to 'genuinely help decision-takers and policy-makers to track, understand, and manage the systemic effects of human activity' (Elkington, 2018, online). His rejection of the flawed appropriation of TBL speaks of a need for a new wave of innovation in business responsibility, to precipitate deeper thinking about mainstream capitalism. In my view, Elkington is calling for a shift away from traditional CSR.

The idiosyncratic context of CSR in South Africa

Fig's paper, *Manufacturing Amnesia*, contextualises the practice of CSR in South Africa whilst simultaneously reminding his readers that it is 'informed by global trends and attitudes' (Fig, 2005:605). We can better understand CSR in South Africa if we are better informed of global practices. In a similar vein to Fig (2005) and Hamann (2009), Bezuidenhout *et al.* (2007) comprehensively contextualise CSR activities in South Africa in political economy terms, dissecting how the political and economic environment in the country has influenced its CSR agenda over time. Within the context of apartheid, they note that the role of corporations was unfailingly thought of as 'controversial' to say the least (Bezuidenhout *et al.*, 2007:16). This tension stems from the role businesses (particularly in the mining sector) played in the oppressive apartheid system, and to what extent it is thought that they benefitted from the system of segregation. One of the standout features of apartheid was cheap Black labour, directly benefiting private corporations in the extractives industry who relied upon unskilled labour to work in the mines (Hamann, 2009:436). Ewert and Du Toit (2005:318) argue the same point vis-à-vis the wine industry, which like mining was dependent upon cheap labour and 'characterised by a racially hierarchical and authoritarian paternalism inherited and adapted from early Cape slave society.'

Fig (2005:599) divides writers on South African business into two camps: the liberal and the radical. Liberals believe that businesses were instrumental in apartheid's downfall as they employed Black workers in semi-skilled positions thus doing away with workplace segregation which Lipton (1985:59-65) refers to as the erosion of economic apartheid. In contrast radical writers take a dim view of businesses' role in apartheid, condemning firms for precipitating racist Afrikaner policies such as the migrant labour system, single sex hostels and the racial division of labour (Fig, 2005:600). Several authors date CSR's beginnings in South Africa to 1972, to the inaugural speech given by Meyer Feldberg at the University of Cape Town (UCT), who argued that that whilst business did not create the apartheid system, it needed to take responsibility for social issues in the country (Bezuidenhout *et al.*, 2007:16; Hamann, 2009:437).

In any case, it is commonly accepted that the development of CSR has been profoundly influenced by the history of apartheid (King *et al.*, 2010:363). A number of scholars are in agreement that the term *Corporate Social Responsibility* is rejected by South African firms wishing to distance themselves from past wrongdoings, hence the preferred concept *Corporate Social Investment* (CSI) (Fig, 2005; Bezuidenhout *et al.*, 2007; Skinner & Mersham, 2008; Hamann, 2009; Ramlall, 2012). The language of CSR has been mobilised within the South African context; developing an idiosyncratic quality. Fig (2005:601) elaborates further, asserting that firms tend to favour CSI as opposed to CSR as it asks ‘no questions about legacy, memory, history, justice, or moral and ethical responsibilities.’ The history and backdrop provided by authors such as Fig (2005), Bezuidenhout *et al.* (2007) and Hamann (2009) and sketched out briefly above is crucial to framing CSR in South Africa, as the phenomenon of CSR needs to be understood in a post-apartheid context.

An area of common agreement between authors lies in the polarity between CSR rhetoric and practice. For instance, Ramlall (2012) criticises its voluntary nature and the wide gap that exists between companies’ claims and public relations, and their actual practices. A closer look at ecologically sustainable development research points to a large gap between expatiated declarations and unconvincing practice (Bezuidenhout *et al.*, 2007: 85). Likewise, Fig (2005:605) draws attention to the variation between the claims espoused by companies and their practices, opining that some firms receive more credit than they rightly deserve. According to Fig (2005:604), constructing a favourable reputation dovetails neatly with the notion of CSI. Ramlall concludes her paper on CSR in post-apartheid South Africa with the assertion that meaningful CSR can be better achieved when collaborative partnership is at its core. She is not alone in championing a strategic partnership-based approach to CSR in South Africa. Skinner and Mensham (2008) and Hidden (2017) question current distorted CSR alignment between businesses and Non Governmental Organisations (NGOs), arguing that something must change in order to produce a more mutually sustainable and balanced model of development. Many companies are reactive rather than proactive with regards to their social agenda, and conduct ‘hand-out style efforts to “give something back” to the communities in which they operate’ (Skinner & Mensham, 2008:247). The most deprived areas of the country are spatially separate from business operations, adding further confusion and complexity to strategic giving.

Opinion is loosely divided as to how established CSR practice is in South Africa. The dominant view on the continent is that CSR is still very much in its infancy, resembling corporate philanthropy and most often peripheral to core business (Klins *et al.*, 2010:4). One could argue that its nascency provides an opportunity for firms, NGOs and society to embrace CSR, and mould it into a more effective tool for sustainability; one which is proactive and involves different layers of society. Bezuidenhout *et al.* (2007:39) raise an interesting point, that whilst South Africa may well lag behind the rest of the world in terms of environmental reporting, with regards to social reporting, South African companies have 'led the way.' Klins *et al.* (2010:6) agree that the continent lags behind most of the world, but take exception with South Africa, seeing it as steering the continent in terms of having a well-developed CSR landscape and referring to its legislation and incorporated initiatives such as the King Report on Corporate Governance, ISO 14001¹⁷ and social responsibility indexes. The King Report, now in its fourth iteration, serves as the benchmark for corporate governance in South Africa and stresses the importance of African values in corporate governance, not least *Ubuntu* (African humanism), as a 'dominant cultural driver of CSR' (King *et al.*, 2010:364). According to Beizenhout *et al.* (2007:46), whilst non-statutory, the King Reports remain influential in determining boardroom practice vis-à-vis the integrated context of the economy, society and environment in which the firm conducts business. There is, however, broad consensus that appreciably less research on CSR has been carried out in developing economies in comparison with developed countries. Dobers and Halme (2009:237) make this point explicitly, and query if CSR in developing countries is actually 'more pronounced' given gaps in social provision by the state. These emerging gaps in the literature, coupled with South Africa's complex and unique path to CSR, provide additional justification for further research in this area and supports the rationale behind this study.

One unique element of South Africa's CSR landscape, distinct to a number of other countries, is state involvement. Post-apartheid governments have repeatedly called for business to contribute to society, as captured in several white Papers and public policy documents (King *et al.*, 2010:363). One example of a social issue that has been legislated is the BEE act, which

¹⁷ ISO 14001 is an internationally agreed standard relating to environmental management.

Beizenhout *et al.* (2007:63) describe as 'a crucial element of the changing South African business environment' due to its potential to uplift the formerly disadvantaged Black population. Yet within the context of CSR, the authors find that BEE creates a significant tension, noting that critics disparage the BEE charter for enriching the lives of few, at the hands of the many. Likewise, Fig also appears unwilling to attribute much praise on the charter and underlines tension in the relationship between BEE and CSR, perhaps due to Black entrepreneurs' unwillingness to contribute to CSR spending, seeing it as a practice for 'white' firms to atone for past sins' (Southall & Sanchez, 2004:11, cited in Fig, 2005:615).

Overall findings from several authors' research refers to the pressures of globalisation and the liberalisation of markets, which have resulted in firms being called upon to play a more active role in society, therefore bringing business executives and NGOs together (Brugmann & Prahalad, 2007; Beizenhout *et al.*, 2007; Hinson & Ndhlovu, 2011). From a South African perspective, if large firms want to compete in a global market, they must have a set of CSR principles and be prepared for increased international scrutiny and 'much more rigorous corporate governance requirements' (Visser, 2005:32). Fig (2005:611) refers to the so-called 'depatriation' phenomenon¹⁸ as one reason behind increased CSR pressures from abroad, before listing a number of larger South African firms, who have shifted their CSR agenda towards integrating environmental and social issues in line with core business, in an attempt to position themselves as global players. Anglo American and Anglo Platinum frequently top CSR rankings for the mining sector, Woolworths and Pick n Pay for retail, and Santam and Nedbank for the financial sector (Hamann, 2009:453). Taken together these three sectors accounted for almost 60% of total CSR expenditure last year (Triologue, 2018:29). However, these ranking exercises are not always as unambiguous as they appear. Despite Anglo Platinum having a reputation as a leader in CSR, the firm concurrently 'won' an award for the 'worst corporate practice on environmental and human rights' in 2006 in respect of its handling of a resettlement in one of its projects (Hamann, 2009:452). Consequently, Hamann calls for a more nuanced and local analysis of CSR.

¹⁸ The depatriation phenomenon refers to companies who have relocated offshore, in particular exporting companies and those with external investments (Fig, 2005:611).

The literature shows that Fig (and others) recognise that pressure also comes from below, i.e. civil society and NGOs, as well as from peers, i.e. other firms setting a high standard. Research conducted by Beizenhout *et al.* (2007:85) found increased expectations of firms in South Africa. They continue, 'the behaviour of lead companies is often very visible, with a high public profile, and the setting of standards has a demonstration effect on emergent companies in similar sectors' (Beizenhout *et al.*, 2007:74). By contrast, this group of authors also criticise the South African media for playing a 'fairly passive role' in the reporting of corporate irresponsibility. Fig (2005:613-4) expands upon this point in a fairly caustic manner, citing the country's 'weak tradition of independent, investigative journalism' and identifying the number of journalists with 'integrity' as very small. Oftentimes journalists rewrite corporate press releases, as opposed to interrogating corporate practice, making it even more difficult to distinguish corporate practice from legitimate social programmes, which leads neatly to the criticisms of CSR.

Criticisms of CSR

Arguably CSR's most well-known critic is the late economist Milton Friedman. Many outside the academy are familiar with Friedman's essay for the New York Times. His now well-known admonition that the 'responsibility of business is business', lay at the heart of his argument; that the sole purpose of business is to generate profit (Friedman, 1970). Modern-day critics of CSR have been slower in their emergence, but this too is now evident across much of the literature as emerging voices begin to take a more critical look at corporate practice through a responsibility lens. Moura-Leite and Padgett (2011:535) query whether firms are ignoring fundamental social issues such as unemployment, skills development and inequality, in favour of so-called 'easier' social needs. Supposing that researchers are yet to look into what they deem a 'critical issue', they conclude their paper with the suggestion that CSR researchers must pay greater attention to the 'social side of the relationship', as the 'social perspective and how corporations affect society have rarely been explored' (Moura-Leite & Padgett, 2011:536). There has thus far been a lack of scientific situational analysis in this field, so whilst there is plenty written on the topic, there appears to be no clear understanding of the true socio-economic impact of CSR.

Banerjee (2008) presents a multifarious view of CSR, tracing the evolution of the modern corporation and problematising the application of the TBL approach as an evaluative tool. She argues that CSR consolidates the power of large organisations and perversely serves to marginalise large groups of people (Banerjee, 2008:59). Building upon Banerjee's work, Fleming and Jones (2012) provide an indispensable critique of existing CSR practices by exploring three sociological perspectives in the critical literature; CSR as a panacea that may remedy the ills of capitalism, as propaganda which belies neoliberalism, and as a parasite whereby firms are making money via their own 'dysfunctional externalities.' They argue that in the main, CSR approaches seek to benefit companies themselves, thus promoting their own 'exploitative and colonising agenda' (Fleming & Jones, 2012:81). The authors criticise existing CSR scholarship which they argue disregards the 'inherent anti-social nature of the current socioeconomic paradigm' and as such does not challenge capitalism. In doing so they view the existing hegemonic status quo of neoliberal hyper-capitalism as a world where CSR has no place (Fleming & Jones, 2012:107).

Alongside Fleming and Jones, Visser has taken a lead in interrogating the limits and failures of traditional CSR, which he explores in depth in his 2011 book *The Age of Responsibility: CSR 2.0 and the New DNA of Business*. Concluding that CSR has unequivocally failed in its attempt to create social good, Visser suggests that 'at worst, it has been a distraction; at best, an inadequate catalyst for the positive changes it claims to want to bring about in the world' (Visser, 2011b:122). He views the evolution of CSR as occurring within different 'ages and stages', which has an effect on the type of CSR practised (Table 1). Visser (2011b:17-18) conceptualises this evolution not as five distinct and separate categories, but in terms of five overlapping periods, and companies may in practice have activities in several ages and stages contemporaneously.

Table 1: The Ages and Stages of CSR

Economic Age	Stage of CSR	Modus Operandi	Key Enabler	Stakeholder Target
Greed	Defensive	Ad hoc interventions	Investments	Shareholders, government & employees
Philanthropy	Charitable	Charitable programmes	Projects	Communities
Marketing	Promotional	Public relations	Media	General public
Management	Strategic	Management systems	Codes	Shareholders & NGOs
Responsibility	Systemic/CSR.2.0	Business models	Products	Regulators & customers

Source: Adapted from Visser, W. (2011b:18). *The age of responsibility: CSR 2.0 and the new DNA of business*.

In his latest book, *Sustainable Frontiers*, Visser compels his reader to consider CSR from the macro-perspective:

While CSR has had a positive impact on both communities and the environment, its success should be judged within the context of the total impact of business on society and the planet. From this perspective, CSR has failed on virtually every measure of social, ecological and ethical performance we have available . . . [it] has failed because our global economic system is based on a fundamentally flawed design (Visser, 2017:101,112).

Making his point further he turns to some unambiguous statistics regarding our ecological footprint – which has more than tripled since 1961, our social problems – almost half the world’s population live on less than two dollars per day, and the ethical problems we face – noting the ‘litany of corporate scandals’ in recent decades (Visser, 2017:101). I elaborate on Visser’s thesis in some detail in the subsequent chapter, in addition to social theories of systems thinking and holism, both of which discourage from looking at things in isolation, choosing instead to consider individual phenomena as parts of the whole.

Conclusion

As this chapter and the preceding one show, much has been done independently in the areas of skills development and CSR, but far fewer researchers have tackled the relationship between the two. A search of the literature revealed surprisingly little in the way of skills development *and* CSR. In their chapter on CSR in South Africa, included as part of ‘The World Guide to CSR’, King *et al.* (2010) cite skills development and job creation as one of the top three priority issues facing the country. Whilst they acknowledge progress made by the government’s Expanded

Public Works Programme (EPWP) they share the view that poverty reduction is ‘unlikely without business creating long-term employment and training opportunities’ (Hemson, 2007, cited in King *et al.*, 2010:365). The introductory chapter of the same book also refers to the acute challenge of skills development across Africa, but does not go into further detail in linking it with CSR (Klins *et al.*, 2010:5). I was able to identify a 2016 PhD thesis by Manana, entitled ‘CSR and the development of Scarce Skills in South Africa’, which has a number of crossovers, although, as the title suggests it pays particular attention to skills which are in high demand.

The literature examined above raises certain issues that must be addressed. Firstly, excluding Visser’s rather gloom-ridden assertions, there appears to be significant gaps in the material on whether CSR has actually made any tangible difference to social problems we face. As stated above, Moura-Leite and Padgett (2011:536) expressly call for researchers to investigate the ‘social side of the relationship’ and the impact that CSR has on society. Secondly, the body of literature reveals plenty of descriptive and normative analysis of impending problems, but far less on how to go about solving these via the interdisciplinary field of CSR; Manana’s 2016 thesis may be a notable exception. Thirdly, the literature invariably raises the importance of context-specific assessments, although these are still lacking in emerging economies; the bulk of studies are conducted in Europe and North America.

Chapter Four: Conceptual and theoretical framework

As the preceding chapter emphasised, the academic and business literature is awash with definitions and nuanced phraseology surrounding CSR. This chapter lays out the conceptual framework upon which this thesis is rooted, positioning this paper within the larger field of research, aiming to further understand the phenomena of CSR 2.0 and challenge and augment existing research. The conceptual framework provides a picture of my working theory, drawing upon holism and systems thinking to ground focus. The chapter concludes by presenting the research objectives.

Conceptualising CSR 2.0

For clarity I am interested in the fifth stage of Visser's framework (Table 1), specifically CSR 2.0 which 'focuses its activities on identifying and tackling the root causes of our present unsustainability and irresponsibility' so as to ascertain whether firms have or have not shifted to this stage in their CSR practices (Visser, 2017:103). Conceding that CSR 1.0 has failed, I am driven to grapple with what the second generation of CSR may look like in practice. To aid understanding (Table 2), Visser encourages the reader to conceptualise and interpret CSR 2.0 using the web-based metaphor of Web 1.0 and Web 2.0; where there has been a marked shift away from standardised hardware and software towards user-generated content and open-source (Visser, 2011b:144-5).

Table 2: Similarities between Web 1.0/Web 2.0 and CSR 1.0/CSR 2.0

Web 1.0	CSR 1.0
A flat world finding a new medium to push out advertising. Dominated by giants like Microsoft and Internet Explorer. Focus on standardised hardware and software of the PC.	A vehicle for companies to establish relationships with communities, channel philanthropy and manage their image. Uses the same standards, codes and guidelines.
Web 2.0	CSR 2.0
Defined by words like 'collaborative intelligence' and 'user participation'. Tools include social media, knowledge syndication and beta testing. A way of seeing the world differently.	Defined by 'global commons', 'innovative partnerships' and 'stakeholder involvement'. Shift in power from centralised to decentralised, from marginal to mainstream, from single and exclusive to multiple and shared.

Source: Adapted from Visser (2011b:144-5) *The age of responsibility: CSR 2.0 and the new DNA of business*.

CSR 1.0 provided a risk-based and image-driven vehicle for philanthropic contributions and charity projects. By contrast a shift in principles to an integrated, collaborative and reward-based approach manifests as CSR 2.0 where 'companies are judged on actual social, environmental and ethical performance (are things getting better on the ground in absolute, cumulative terms?)' (Visser, 2017:114). Visser (2011b:145) postulates that those businesses that continue to practise CSR 1.0 will be 'rapidly left behind' as 'networked stakeholders will expose them and gradually withdraw their social licence to operate.' Leoński (2016:225) evaluates Visser's concept of CSR 2.0 in the Polish context and in doing so provides a number of insights into how new technologies are shifting CSR. Describing CSR 1.0 as being on the 'micro' scale, where focus on CSR is seen from the perspective of the company, rather than its broader impact on society, he attributes 'changes in the technical-social environment' for creating new opportunities (and threats) to companies and suggests CSR 2.0 provides a platform to look at the responsibility of companies from a macro-perspective (Leoński, 2016:224-5). With regards to the Cape wine industry, how then have these new opportunities (and threats) altered the CSR landscape, and how does viewing them from the macro-perspective alter our understanding of CSR?

This paper's frame of reference is that business should be evolving hand-in-hand with society. As Visser states, 'the time is long overdue for business to serve humans rather than the other way around' (Visser, 2017:137). My conceptualisation of CSR 2.0 thus leads me to question whether businesses are addressing critical root causes of poverty, inequality and unemployment, through innovating their business models to bring about societal change. Faced with enormous challenges, as a country there is a need to create solutions which generate economic productivity. For instance, is skills development seen as an innovative and integrated business solution and would it address the loss of human potential that South Africa is suffering? Given that skills development has a clear business case attached to CSR activities, it is both likely and feasible that these elements can be interwoven with core business strategy.

A related point to consider is that CSR 2.0 is not necessarily intrinsically different to other sustainability models. Visser makes direct reference to 'echoes' of a number of similarities with previous models including Carroll's CSR pyramid, Elkington's TBL, Hart and Prahalad's Bottom of the Pyramid, and Porter's strategic CSR (Visser, 2011b:149). Hence CSR 2.0, or systemic CSR,

holistically represents what we have learnt thus far¹⁹. CSR 2.0 is characterised by five core tenets: creativity, scalability, responsiveness, glocality and circularity (Table 3), and four DNA Responsibility Bases (Table 4) which are value creation, good governance, societal contribution and environmental integrity (Visser, 2011b:150).

Source: Adapted from Visser (2011b:146-150) *The age of responsibility: CSR 2.0 and the new DNA of business*.

Table 4: The principles of CSR 2.0

Creativity (C)	Our social and environmental problems are complex and need creative solutions
Scalability (S)	Truly responsible and sustainable projects exist but they are few and far between and very few go to scale
Responsiveness (R)	More stakeholder-driven approaches are needed to question whether industries, or the business model is part of the solution or problem
Glocality (2)	Think global, act local' - Need to combine international norms with local contexts by finding local solutions that are culturally appropriate
Circularity (O)	We need to close the loop on production and design practices and limit our resource consumption and waste disposal

Table 3: DNA model of CSR 2.0

DNA code	Strategic Goals	Key Indicators
Value creation	Economic development	Capital investment
		Beneficial products
		Inclusive business
Good governance	Institutional effectiveness	Leadership
		Transparency
		Ethical practices
Societal contribution	Stakeholder orientation	Philanthropy
		Fair labour practices
		Supply chain integrity
Environmental integrity	Sustainable ecosystems	Ecosystem protection
		Renewable resources
		Zero waste production

As mentioned in Chapter One, I limit focus to two of these bases: value creation and societal contribution. The former, value creation, is not just about creating economic or financial value. The intention is wider economic development. Quoting Visser directly, this translates to ‘improving the economic context in which a company operates, including investing in infrastructure, creating jobs, providing skills development and so on’ (Visser, 2011b:150). The ideology of value creation is one in which economic benefits are widely shared. For Visser (2017:129), Creating Integrated Value (CIV) manifests as an evolution of the CSR movement and breaks down silos by ‘finding ways to integrate across the business.’ Seemingly the overriding reason why integrated value creation will be successful is because it uses

¹⁹ In his writing Visser uses a number of terms interchangeably to represent this new model. Besides CSR 2.0, he makes use of systemic, radical, holistic and transformative. Given that I believe these adjectives are all loaded with contextual meanings, for ease of understanding I will stick to CSR 2.0 and systemic CSR.

terminology that businesses understand. By contrast, terms such as *CSR* and *sustainability* ‘tend to be put into peripheral boxes, both in people’s heads and in companies themselves’ (Visser, 2017:133). The latter, societal contribution, has firm roots in CSR 1.0 via philanthropy, but also has its origins in two other areas; fair labour practices and supply-chain integrity, all of which support broader strategic goal of stakeholder engagement (Visser, 2011a:34-35). Noting that charitable philanthropy is just ‘one tile in a larger mosaic’, Visser believes these areas of stakeholder engagement, community participation and supply-chain integrity to be ‘the most vexing and critical elements of CSR’ (Visser, 2011a:34-35). These two bases of CSR 2.0 act as a foundation from which to explore business responsibility in the wine industry.

Holism

Taking Visser’s conceptualisation further, an integrated view of CSR draws upon holism, that is, the idea that a business should be viewed as a whole rather than a selection of functions and departments. Holism provides a construct for the theoretical basis of this thesis. The idea of holism is not a new one, after all it has its roots in the Greek word *holos*, meaning *whole* or *entire*. Yet it is commonly attributed to South African statesman Jan Smuts, who popularised the term in the twentieth century. This way of thinking is in line with Crane *et al.* (2008:104) who posit that if CSR is to move from its past fragmented approach to a more integrative and holistic perspective, shareholders throughout the firm are then enabled to see themselves as ‘part of something larger.’ As part of their wider discourse on shared value, Porter and Kramer (2006:84) consider how to map the social impact of a company’s value chain by taking a holistic view; one that incorporates *all* its business activities. Applying their analysis to this research, my interpretation of this is to view farmworkers’ rights, working conditions, wages, housing and social benefits, the environment, stakeholders, and equity share schemes as all interconnected. Porter and Kramer (2006:77) make the clear point that business and society are interdependent and criticise proponents of CSR who emphasise the tension between the two, rather than their interdependence.

CSR through a systems lens

Visser (2011b:290) regards Smuts’ theory of holism as something of a precursor to systems thinking. For Senge (2006:286), the central cornerstone of systems thinking lies in the ‘structures that govern social systems . . . through the cumulative effects of the actions taken

by the participants in those systems.’ Simply put, we shape our structures, and then they shape us. One cannot view one part of the system without considering the whole. His seminal work *The Fifth Discipline* skilfully explores the learning organisation, reminding us that everything is connected. He relies upon a Sufi allegory to illustrate the importance of the whole; ‘dividing an elephant in half does not produce two small elephants’ (Senge, 2006:66). Developing Senge’s work, Sherwood (2002) views systems thinking as a way to tackle complexities, asserting that the systems view breaks down complexities by studying complex systems intact and seeing them as a whole. In his book *Seeing the Forest for the Trees* he points out the ‘fundamental importance of taking a holistic view when addressing business and organisational problems’ (Sherwood, 2002:1). He uses system to mean a ‘community of connected entities’, which aligns with Visser’s conceptualisation of systemic CSR, which should not be viewed as ‘other’ or ‘separate’, perhaps manifesting as a distinct CSR department, but inherently ‘part of’ the business, and interwoven throughout the firm (Sherwood, 2002:2). Mak’ochieng (2003:27-29) also advocates viewing CSR from a systems approach as it encourages businesses to recognise that they are not operating in a ‘social vacuum’ but rather in a complex business environment.

Arie de Geus’ *The Living Company* views a business as a living system; it is a human community rather than simply a money-making machine (De Geus, 1998). Looking at business through this humanistic lens, CSR no longer requires a specific department as sustainability and responsibility is deeply embedded throughout business practices. Cordoba and Campbell (2008:359) argue that firms with charitable foundations are in fact isolating themselves from the practice of CSR. They view systems thinking as one approach to help businesses make sense of the complexities encountered in CSR. As Senge points out, and as I referred to in Chapter Three, in reality our contemporary managerial practices and business rhetoric combine to tell a different story than that of a ‘human community’ (Senge, 2006:267). Senge (2006:271) does however draw some parallels with De Geus, not least by exploring the etymology of words such as company and business, highlighting that the oldest Chinese symbol for business translates as ‘life meaning.’

Research aims and objectives

The body of this chapter, together with the review of existing literature, has provided a framework from which to develop the research aims. My wider interest lay in understanding whether CSR can address critical societal issues in South Africa. Owing to the breadth of topic area I focused upon exploring CSR predominantly in terms of skills development. Literature revealed that new research would be valuable in this area to explore sustainable business practices through a systems thinking lens. The overarching aim of this research was to **explore perceptions of business sustainability and social responsibility in the wine industry.**

To address this aim, the objectives of the research were to:

- Understand individual motivations behind CSR practices
- Identify the range of CSR experiences as perceived by wine farm owners and employees
- Map the social impact of value creation and societal contribution
- Describe the actions taken by firms to upskill their workers

Conclusion

The greater part of this chapter presented a picture of my working theory, drawing upon holism and systems thinking to frame this research study. It began by detailing CSR 2.0 as a phenomenon conceptualised by Visser. Following this, a holistic view was explored as a framework for business responsibility, to address issues as a whole and to explore mutual interconnections. A systemic way of thinking looks at the business as a 'community of connected entities' and recognises that our actions create our reality and influence our behaviours (Sherwood, 2002:2). Through this lens we cannot take skills development nor CSR as separate to or from the business, nor can we view business as separate from society; it is on this basis that the methodology was designed. As such, the theoretical framework outlined above shaped the research methods which inform this study.

Chapter Five: Methodology

The previous chapter outlined the conceptual framework upon which this thesis is based; its foundations rooted in holism and systems thinking, and concluded by presenting the central research objectives. To reaffirm, 'traditional' CSR practices (Visser's 1.0 conceptualisation) have failed in their efforts to make substantial differences to societal ills, and, if we are to have any chance of improving socio-economic levels in South Africa, the private sector must play a crucial role in transforming society. The central aim was to explore perceptions of business sustainability and social responsibility in the wine industry. As such, data was collected from firms who are seen to have fundamentally aligned their core business values with social values, limiting the parameters of the study to agri-business in the Western Cape. This chapter details the research methods and approach employed to inform and steer the research process. It then provides an explanation of the data analysis before concluding with a look at the reliability and validity of the study.

Approach

Methodology is the justification for using a particular research method, which suits the relevant theory. This study employed a qualitative approach, making use of data which is appropriate in relation to the research aims and best suited for social inquiry. A qualitative approach has an inherent openness which allows the researcher to go into the research with an open mind and identify unanticipated phenomena (Maxwell, 2005:22). One of its strengths is that it allows for far greater (theoretically informed) flexibility than quantitative research designs (Silverman, 2006:309). By its nature interactive and inductive, qualitative research is centred on the belief that experiences are to be researched because they are meaningful. According to Mason (2002:1) a qualitative methodology not only enables, but 'celebrates richness, depth, nuance, context, multi-dimensionality and complexity' allowing the researcher to interpret and understand the complexities of the social world. The approach taken was characterised by one major assumption, which is that the participating firms have a strong sense of commitment to sustainability and responsibility. This target population of interest had a notable effect on the non-probability sampling, and is thus not representative of the population. In light of this, findings cannot be generalised.

Sampling selection

Non-probability sampling is used in exploratory research. Purposive sampling is often guided by time and resources and authorises the researcher to select their sample because of the belief that it will demonstrate 'some feature or process in which we are interested' (Silverman, 2006:306). For these reasons a purposive sampling strategy was used to identify relevant companies to take part in the study, because of the parameters of the population. Only firms with a strong CSR reputation in the industry were interviewed. To identify the sample I did desk-based research, taking as a starting point the industry owned, not-for-profit organisation Wines of South Africa (WOSA). WOSA is a rich resource for the country's wine industry, particularly with regards to social sustainability. From there I was able to obtain information pertaining to Black-owned wine brands, transformation in the industry, empowerment projects and social initiatives. Furthermore, advice was sought from a Minister of the Provincial Government regarding companies with recognised enlightened business practices and farms and agri-processing enterprises with employee share equity schemes in the Western Cape. The Minister provided three leads; two of which resulted in interviews for this study. As new factors emerged, and in addition to the aforementioned sampling methods, participants were asked to recommend other firms in the sector known for responsible business practices and their investment in the socio-economic welfare of their workers. Respondent driven sampling was used to select additional participants, by asking people who had been interviewed to identify others who meet the selection criteria (Ritchie *et al.*, 2013:129).

Data collection process

In all cases I sent a speculative letter of permission via email to conduct research at their place of business and requested an interview. Data was subsequently collected through a number of site visits to companies, where I conducted face-to-face interviews. Out of a possible twelve, three prospective interviews did not take place, due to non-response from two firms, and a cancellation due to time commitments from the third. Therefore, no information is included on these three companies. This was a single data collection period whereby the nine interviews took place over a five-week period in April 2019, all of which were electronically recorded and transcribed. The interviews were conducted in English; English being the first language spoken by the researcher. Whilst all participants had fluency in English, the majority spoke it as a second language with Afrikaans as their mother tongue. The interviews averaged at one hour

in duration, but there was some variation in length, with the shortest at just over 40 minutes and the longest at almost 90 minutes. All participants received the same documentation in advance of the interview, which provided details of the study and the participant's obligations and rights (Appendix 1).

Data collection was carried out in the Cape Winelands and the Overberg, specifically at eight locations in Stellenbosch, Wellington, Elgin and Robertson. The companies included in this study are Bosman Family Vineyards; De Rust Estate; Weltevrede Jonker Family Estate; Spier Wine Farm; Compagniesdrift, and its parent company, Meerlust Estate; Thokozani, and its parent company Diemersfontein Wine and Country Estate. This sample was then used to make broader inferences about the wider population. All interviews were conducted at the participant's place of work; that is, the wine farm to which they are connected. Where possible and in order to obtain information from decision-makers, the Managing Director, Human Resources Director, or business owner was interviewed at each firm as it was felt this person would be able to provide the best overview of the business, in terms of strategy, skills and CSR. The one exception in terms of job role occurred at Bosman Family Vineyards, where an additional interview was conducted with the ex-Chair of the Workers' Trust.

A summary of each estate included in the study is provided below (Table 5) to indicate the participant interviewed, the existing spheres of social responsibility, and the shareholdings structure of each company (where known). Some of the detail provided was sourced via desk-based research. Both Meerlust and Diemersfontein have initiated empowerment companies; Compagniesdrift and Thokozani respectively. In each of these cases the 'parent' company has provided on-going business support. Paul Clüver, who won the Lifetime Achievement Award at the Drinks Business Green Awards in 2010, is well-known for his philanthropic endeavours and for initiating the empowerment brand Thandi in 1995, reportedly the first Fair Trade wine in the world. Both Bosman Family Vineyards and Weltevrede Wine Estate have demonstrated commitment to their workers and communities via the Adama Foundation Trust and the Edge of Life funding trust respectively, and there is a range of online published materials confirming their socially responsible endeavours. Lastly, Spier Wine Estate is included in this study. A search of the literature revealed that Spier has been pioneering ethical farming and is viewed as a sustainability leader in the industry.

Table 5: Overview of wine estates under consideration

Wine Estate	Name & job role of participant(s)	Ownership and shareholdings	Social responsibility at a glance
Compagniesdrift	Ilse Ruthford, Managing Director	Formed in 2009 by the Myburgh Family Trust. 100% black-owned, as of July 2019. Trust deed in place for 72 shareholders. No dividends paid out.	Priority is uplift and motivation of staff. Children can attend the creche or Spark Lynedoch School. Workers provided with housing, services and a community vegetable garden.
Meerlust	Albie de Waal, Managing Director	Part of Myburgh family since 1756, under 8 th generation ownership.	Initiated Compagniesdrift with R15m from the Myburgh Family Trust, R15m grant from Western Cape Government and a bank loan to create a viable and long-term sustainable empowerment project to benefit the workers.
Bosman Family Vineyards	Petrus Bosman, Managing Director & Rita Andreas, ex-Chair of Workers' Trust	First generation of Bosmans arrived on the farm in 1798, today under 8 th generation ownership. 26% black-owned. 260 shareholders. Dividend payments every year since 2009.	The Adama Foundation Trust supports a range of social initiatives including a medical clinic, provision of transport, a pre-school with 96 children, school fee subsidies for secondary school pupils, worker housing.
Diemersfontein Wine & Country Estate	David Sonnenberg, Owner	Family owned since 1942, under 3 rd generation ownership today.	Set up Thokozani as a vehicle for social change, to 'mirror' Diemersfontein. Other social initiatives are mainly on an educational and cultural basis; the Sonnenbergs established a school on site for 300 pupils; providing scholarships for 50, they support the Opera Voices of South Africa Trust, a hospice, a rugby club.
Thokozani	Denise Stubbs, Managing Director	Launched by Diemersfontein in 2007 as an empowerment company. Today there are around 85 staff shareholders. 80% black-owned, remaining 20% owned by David Sonnenberg. No dividends paid out.	Core support is in people development within the business. Also provide help with funeral policies, healthcare, food hampers.
Paul Clüver Wines, De Rust Estate	Dr Paul Clüver, Owner	Part of the Clüver family since 1896. Now managed by 5 th generation of Clüvers.	Dr Clüver donated 100ha of his land to drive the foundation of the Lebanon Project in 1995 and initiated the black empowerment Thandi wine brand. His mother founded De Rust Futura School for farmworkers' children, which began as a two-roomed classroom and now has over 1000 pupils.
Weltevrede Jonker Family Estate	Philip Jonker, Owner	Family bought the land in 1912, under 4 th generation ownership today.	The three main bodies of beneficiaries supported are at the Jakes Gerwel School, the Church and the workers' trust. The worker empowerment trust began in 2000 to empower labourers with a vineyard and shares. Set up the Edge of Life funding trust.
Spier Wine Farm	Heidi Newton-King, Sustainability & Human Resources Director	Bought by the Enthoven family in 1993 (who also own Nando's fast food chain and the Hollard Group of insurance companies).	Range of 'growing for good' initiatives in place to make positive social & environmental change; Treepreneurs, Spark School Lynedoch, 50% of entry level positions are for unemployed youth, training budget & individual learning spend for staff.

The participants

The participants were evenly spread in terms of gender (four female, five male). With regards to race, the majority of the participants were white (six out of nine); this can likely be attributed to long-standing family ownership of farms in the Cape, which have been handed down over generations. Other than occupation, race and gender, no other demographic information was recorded as it did not lie within the parameters of this study.

The semi-structured interview

The research methodology relied on in-depth semi-structured interviews as a core qualitative method. Interviewing generates a collaborative production of knowledge, drawing out opinions and experiences of people's social worlds and context. It enables the researcher to obtain detailed information about their topic, which is perhaps not available in the public realm. According to Birmingham and Wilkinson (2003:44), the interview is a fundamental method to elicit information on a one-to-one basis and provide the researcher with greater insight into the meaning and significance of what is happening. Acknowledging that the research interview is based upon a series of interactions, Ritchie *et al.*, (2013:180) view interview data as a way to understand other people's lived experiences which 'holds value beyond the context of the immediate research interaction' as it takes into consideration the interviewees' explicit interpretations of phenomena and events. The semi-structured interview allows for more flexibility and fluidity than a structured interview or questionnaire by facilitating the conversation to take a particular direction if so-wished by the interviewee or the researcher. At the beginning of each interview I communicated the broad areas of research interest, notably CSR and skills development. The aim was to engage in conversation around these subject areas, rather than confine the interviewee to a prescribed set of questions. Participants were thus afforded the space to talk freely and to take the conversation in their preferred direction. The research was designed so as to allow for the exploration of unanticipated issues. Mason (2004:2) notes that the semi-structured interview 'can be shaped by the interviewee's own understandings as well as the researcher's interests, and unexpected themes can emerge.' By way of example, I did not anticipate such focused discourse on BEE, equity share schemes, or education. However, as the semi-structured interview creates space and flexibility to adapt to new themes raised by the interviewees, I was in a position to adapt the interview schedule, so that these themes had higher precedence in the discussions.

Interview guide

I drew up an interview guide (Appendix 3) in which I pre-determined a number of questions and themes; these provided structure and guided the conversation. Broadly speaking, I wanted to obtain an understanding of their experiences and perceptions of CSR and skills development predominantly, in addition to uncovering details of social initiatives they have been involved with. I had a number of predefined areas for discussion which included responsible business models and CSR practices, skills development, social initiatives led by the company, and their shareholdings structure.

CSR practices

Firstly, and of paramount importance, I wanted to discover their perceptions as to business providing real solutions to some of the country's most pressing problems and whether business can contribute meaningfully to achieving social progress at scale. What are their perceptions on addressing the wrongs of the past and taking a lead in ameliorating deeply entrenched problems? I was driven to understand their own motivations for acting sustainably and responsibility as a business; why are they doing it, and what do they think it is achieving predominantly in terms of societal contribution?

Skills development

Secondly, with regards to skills development, I wanted to establish whether they think the level of skill of their employees is adequate and how they respond as a business to upskilling workers; what role does their firm play in training skilled labour? I sought to understand their perspective on whether adequate skilled labour is being trained to enable sufficient high productivity investment to take place. Throughout discussions I took a broad view of skills development; this could be via training, wages, employee well-being or shareholdings. Are these efforts part of or separate from CSR practices? This cross-cutting theme aligns with the first of Visser's four DNA responsibility bases – value creation – which I will return to in the analysis and discussions.

Social initiatives

Thirdly, the participants were asked to expound upon social initiatives led by the business, and to consider what benefits and impact these have on their workers and the wider community.

The exploration of social initiatives dovetails neatly with Visser's third DNA responsibility base – societal contribution. Accordingly, discussions centred on fair labour practices, community participation, philanthropic and charitable donations and supply chain integrity.

Shareholding models

Lastly, in the sampling selection, it became apparent that a number of firms were involved in empowerment projects and farmworker equity schemes, part of the industry's process to transform and redress imbalance. Accordingly participants were asked about their experiences of share equity schemes with particular reference made to beneficiaries, dividend pay-outs, and the formation of Workers' Trusts.

Theorising the qualitative interview

Conscious of the range of interviewer-interviewee relationships, this study took a discursive approach to interviewing in order to generate a collaborative and reciprocal interaction, in line with both critical and feminist research approaches. By sharing personal details, and attempting to avoid objectifying the interviewee, the conversation negotiated understanding and themes via the joint activity of making meaning. In this way we engaged in mutually constructing meaning, actively participating in making sense of phenomena together (Holstein and Gubrium, 2004, cited in Silverman, 2006:113). The epistemological standpoint I adopted was constructionism, whereby 'the process of the interview itself is recognised as part of the representation of that which it seeks to explore' (Ritchie *et al.*, 2013:181). The value of the social constructivist approach is that deep insights emerge from interactions.

In advance of the interviews, a deliberate attempt was made to have a similar level of interaction between the interviewer and respondent. However, in practice, during the interviews there were varying levels of interactions, dependent mainly upon rapport established with the interviewee. This is reflected in the differing interview lengths, the responses, and the data gleaned. Unsurprisingly, more probing was more required in some interviews than others; such is the interactional nature of interviews. This probing for depth and detail defined the scope of the formal analysis to come. Where possible I opted to use open ended questions so as to encourage the interviewee to elaborate beyond yes and no answers, and thus generate a more detailed discussion. For Talmage (2012:216), the

partnership in making meaning between interviewer and interviewee is the overriding endeavour of the discussion. He continues:

Active interviewing, particularly in the context of qualitative research, assumes a more flexible approach to the interview, with fewer formulaic restrictions on how the interviewer presents herself or himself in the interview. Rather than following a rigid interview schedule, the active interviewer is thought to be engaged in a conversation around a topic (Talmage, 2012:216).

To facilitate this approach, I was open in sharing personal details, endeavouring to remain alert to my own internalised beliefs and values.

Document analysis

As a means of triangulation of sources, and to corroborate the data, in advance of the data collection I conducted content analysis of public and published business documents, such as companies' online materials and specific sustainable business surveys to extrapolate a broad mix of data. This provided context for the interpretations arising from the interviews and augmented my knowledge of the firm before going into the interviews. It also helped guide the interview process and steer the discussion in a focused direction.

Thematic analysis

After carrying out the fieldwork, I began by transcribing the nine interviews verbatim, to allow for a comprehensive review of what had been said. Thematic analysis goes beyond the surface description and looks to capture meanings within the data. The analytic process is a continuous iterative exercise of moving back and forth across the entire dataset, firstly going through the data in a systematic and thorough manner, secondly re-reading for general content and information, and thirdly to familiarise myself with the data at hand. In this process I was guided by the work of Ritchie *et al.* (2013, Chapter 10) in grappling with the initial familiarisation of the data, constructing a thematic framework, indexing and sorting the data, reviewing data extracts, and lastly, data summary and display. One of the most common methods of analysis, and used by researchers across a breadth of disciplines, thematic analysis involves identifying patterns of significance in the data and classifying the data according to these patterns; labelling and sorting it so as to then interpret and analyse. Once this is done, the researcher looks for commonalities and overarching links and principles across the data. I began to organise my data into meaningful groups, creating a number of concepts, some of which were interlinking, and developing codes. This process precipitated my decision to conduct the

analysis thematically, rather than firm by firm. Some of these codes were then combined to make broader themes, as discussed in the findings chapter. Building on the work of Miles and Huberman (1994), I developed a thematic framework matrix in Microsoft Word as an analytic tool to support the data management process. This helped to manage the volume and complexity of the data. In line with an approach suggested by Ritchie *et al.* (2013:305-6) I worked 'systematically through each transcript, dealing with themes as they occur in the transcript and making entries across several thematic matrices' to identify interconnections between themes. I then began to explore assumptions underpinning each theme. There is a difficulty in coding not to lose the 'language' or the 'meaning' of the participant. To overcome this, I continually returned to the transcripts throughout the process to ensure I did not lose the bigger picture. Accordingly, in the next chapter I use full quotations at times to try to minimise this problem.

Ethical considerations

This study was guided by the UCT Code of Ethics Involving Human Subjects. No vulnerable people, as defined by the UCT Code of Ethics, were involved and data collection did not take place until explicit clearance and approval was granted by the UCT ethics committee in February 2019. Even so, Oliver (2010:123) reminds the researcher to 'respect the human dignity' of those who are prepared to help us in the research process; after all it is the respondent who enables the process to take place. Bearing this in mind I provided all participants with enough relevant information about the nature of the research project to enable them to make informed consent as to their involvement. As such I attempted to communicate the key aspects of the research without using technical vocabulary, first via email, and then face-to-face. The important principle of informed consent is that participants can make a reasoned decision of whether they want to take part or not based upon the purpose and aims of the research (Silverman, 2006:324). When the interview took place participants were also provided with a hard copy of the information sheet, reaffirming the purpose of the research and highlighting that participation was voluntary and could be withdrawn at any time. Given the relative hierarchical seniority of each participant within the company, it is unlikely that there was additional pressure from the employer to participate; as such it is assumed that consent was voluntary. Anonymity and confidentiality tend to be areas of concern in qualitative research (Oliver, 2010:125). Rather uncommonly in social science

research I took the decision to seek permission to name respondents in the findings. All participants signed a consent form (Appendix 2) in which they confirmed that their responses (including name and name of company) would be used for academic purposes. Whilst opting not to maintain confidentiality and anonymity remains unusual, I felt that whilst remaining respectful to the needs of the participants, it is my hope that this research will, in some way, have value to those involved. My aim was to draw upon the perceptions of firms seen to be leaders in the CSR space, so that these experiences can be drawn upon and shared more widely. The sharing of ideas, not only in an academic vacuum, has value particularly with regards to businesses thinking and acting critically in their pursuit of social responsibility and business sustainability.

Reliability and validity of the study

In qualitative research it is accepted that there will always be a number of factors to affect the reliability and validity of data, dependent upon the strength of the data analysis and research design. One common complaint levied at qualitative researchers is that the sample size is generally small and commonly not statistically representative. Recognising the former to be true in this case, as I was unable to secure as many interviews as I had initially envisaged, I managed to minimise this problem by respondent-driven sampling, so as to increase my sample size. However, with regards to the latter criticism, that qualitative studies are not statistically representative, I postulate in line with Ritchie *et al.* (2013:351) that the value of qualitative research is not to attempt to generalise on a statistical basis, but to exhibit the depth of the phenomena under study. Nevertheless, any generalisations made in the following chapters should be viewed as needing further enquiry to be tested in further research, rather than as 'immutable conclusions' (Ritchie *et al.*, 2013:364). In qualitative research it may be argued that there is significant value in taking findings back to participants; it can provide validation in addition to allowing the researcher to check meaning. Whilst I was unable to present complete findings, I sent each participant an unabridged copy of their transcript, reconfirming their consent and verifying their agreement with the recorded text. In this case no participant chose to make amends or qualifications to the document. Bound by a short data collection timeframe and limited resources meant I was unable to either conduct a pilot study or to re-visit and carry out follow-up interviews after the data analysis stage. Accordingly, I was unable to confirm any misinterpretations in the analytic process.

As stated, the aim was to collect data from decision-makers at the participating firms. Yet a drawback of this approach is that the data does not benefit from a breadth of views within the business. In the main, with the exception of Bosman, Thokozani and Compagniesdrift, there was no opportunity to hear first-hand from workers who themselves have been beneficiaries of skills development programmes, social initiatives and employee equity share schemes. As a researcher, one cannot know for sure that the participants attached the same meaning to the phenomena discussed, for example skills development or CSR, which may affect reliability of the findings. This is discussed in greater detail in Chapter Seven, where some of my findings are corroborated with the wider literature. Relatedly, I recognise that there may be occasions which distorted the response of the interviewees, for instance self-presentation or impression management may impact the dataset. In attempting to showcase either themselves or their business in the best light and discuss what they thought I wanted to hear, participants may have portrayed a biased representation. However, this is perhaps of limited importance given that I am interested in their perceptions.

In line with the discursive approach where the interviewer plays an active role, the data collected reflects the fact that I, the researcher, was there, and the participant is reacting and reactive to my presence. As an 'active' interviewer I attempted to create an atmosphere conducive to open and free discussion. However, the interviewer/interviewee association was not a sustained relationship, and I was unable to forge the same level of rapport with all participants. There may have been additional factors at play; for instance, language issues, a participant's interest (or lack of) in the study, and time constraints. As mentioned, some participants were cogent and more articulate whereas others were more restrained.

Conclusion

This chapter explained the steps taken in the research methods, outlining the research approach, data collection and data analysis, before concluding with an examination of the reliability and validity of the research. The subsequent chapter identifies broad patterns across the dataset and discusses the study's major findings, opting in the main to focus on five prominent themes; skills, business responsibility, shareholdings, family-ownership and gender.

Chapter Six: Findings

This thesis presents an exploratory study into CSR practices of wine farms. As stated in Chapter One, the wine industry is a key economic driver which provides almost 300,000 jobs in South Africa, the majority of these in the Western Cape. Employment opportunities and a targeted skills plan for the previously disadvantaged population are crucial in the country's attempt to pursue its transformation agenda. As such, in an attempt to tackle the research objectives, the methods focused on eight businesses in the Cape Winelands in order to identify and explore perceptions and experiences of CSR and skills development, and how these firms are creating societal value. This chapter presents the data which forms the basis of the investigation.

As discussed in the previous chapter, there are multiple conceptions of interviewing. This study took a constructionist conception of the interview, whereby the interviewer was jointly involved in co-creating meaning with the interviewee. As Ritchie *et al.* (2013:181) explain, the constructionist approach lends itself to in-depth and exploratory data analysis, recognising that the process of the interview itself is 'part of the representation of that which it seeks to explore.' Recognising this point, the data gleaned varies amongst the nine participants, dependent upon how meaning was co-created to explore the phenomena in question. This chapter is presented as an analytic story, providing a comprehensive review of the research findings in narrative form and shedding light on the key concepts emerging from this study. The first half of the chapter introduces 19 interdisciplinary codes identified from the data, drawing out common threads found to be weaving through the participants' stories. The remainder of the chapter examines the five principal themes at length.

Themes from the interview data

In analysing the interview data 19 descriptive codes emerged from the thematic framework. These were: **Black Economic Empowerment, Fair Trade, Shareholdings, Government, Skills, Company Foundations/Workers' Trusts, Education, Business Responsibility, Social Initiatives, Land, Socio-economic Problems, Gender, Family/Generations, Business Diversity, Race, the Wine Industry, Business as a Role Model, Finance, and Apartheid.** A number of these themes had overlapping threads, for example, business responsibility had clear convergence with social initiatives and socio-economic problems; BEE shared common codes with apartheid and race;

and business diversity could have been merged with the wine industry. However, after careful consideration, and acknowledging the complexity behind each label, I avoided conflating any of the themes. The next section of this chapter reviews the chosen material of the 19 themes, briefly summarising each thematic area from the data analysis.

In terms of **Black Economic Empowerment**, the nine participants held various views as to the effectiveness of current legislation. There was general agreement of the necessity of upskilling the country's labour force, and broad support for empowerment of Black people, yet ambivalence remained as to whether BEE legislation and codes were the right tools to promote economic participation in the pursuit of socio-economic transformation. The codes were described as 'tough to implement', and needing 'a lot of administration', although in spite of these criticisms, the benefits of a good BEE rating were recognised. The amended AgriBEE Scorecard is broad in outlook, consisting of five core parts: Ownership; Management control; Skills development; Enterprise and Supplier Development; and Socio-Economic Development. Given the scope of the scorecard it is perhaps unsurprising that participants had diverse views and differing outlooks on the whole. Failed cases of BEE projects were mentioned; notably Solms-Delta and New Beginnings. In the main these were presented as cautionary tales as how not to run an empowerment business. Denise Stubbs was particularly sceptical about publicity around Thokozani, perhaps due to a reluctance to receive the media attention that has relentlessly followed other BEE brands.

Fair Trade was less commonly referred to in the interviews. An exception was Petrus Bosman and Rita Andreas, who were effusive in their descriptions of how the certification has helped Bosman Family Vineyards. This response deviated from other interviews, where Fair Trade was either not discussed, or referred to briefly as an expensive administrative undertaking. Paul Clüver was upfront in his criticism of Fair Trade, although he initially considered it as a vehicle for the Thandi empowerment project, before concluding it to be unviable for small growers, due to the high cost of auditing the product.

Perceptions and thoughts on **shareholdings** and farmworker equity schemes were expressed by all participants, and formed one of the core themes to emerge from the findings. As such, it is discussed in detail below.

Whilst I did not ask explicit questions about the **government**, this was a relatively major and eclectic theme. Eight of nine participants discussed the state to some extent; mostly in relation to available funding for agri-business. There was clear differentiation in participants' outlook towards provincial and national government, there being general consensus that the Provincial Government of the Western Cape had provided a good level of support for a number of years, although this is increasingly linked to a firm's BEE level. Albie de Waal of Meerlust made the clear point that in order for fledgling wine farms to succeed they need not only the support of the authorities, but operating cash. He continued: 'the area that's worrying is they tend to give these people . . . a farm or they'll give them some sort of help but . . . it's three to four years, maybe more before you get to positive cash.' These assertions are perhaps an indication as to why a number of new empowerment projects fail in their early years.

A predominant theme to emerge from the dataset was **skills**. Not only did a number of sub-themes emerge, within the theme there were multiple areas of overlap. Besides referring to the 'skills shortage' he has experienced at Weltevrede, Philip Jonker talked in depth about what he views as the 'reality in South Africa' for children at school and an education system which leaves children ill-equipped for life beyond formal education:

Only 40% make it to matric, so 60% drop out along the way . . . What becomes of them? They didn't get a qualification. They studied subjects probably that didn't give them any skills. They are forced to become manual labour resources or labourers, or they probably get onto government grants. And if not, they need to survive in some way and the chances are that they might become involved often in crime and so on. And so that is the majority, that is 60%. But the reality is that of the 40% that do get to matric only 10%, maybe 12%, go to university. So the normal school system actually doesn't cater for actually 88% of all kids. Others spend at least 12 years being told the whole time "actually you're not good enough", "you're a failure", or they do get to matric, and say "you know what you've wasted your time you've got a certificate here . . . but you can't find a job" (Philip Jonker, Interview, April 2019).

Following this thread, the majority of the interview with Jonker centred on the school in his community which he co-founded. I expand in detail upon this theme below. **Education** was a cross-cutting theme in the analysis, with multiple links to **skills development**. From the participants' responses, the data can roughly be split into two categories; the educational attainment of current farmworkers, and the schooling provision of the next generation (children of workers). Regarding the latter, all of the wine farms interviewed provide some sort of support for schooling, either through the establishment of their own schools (Bosman,

Diemersfontein, Thokozani, De Rust Estate, Philip Jonker) – or through the support to an affiliated education provider (Spier, Compagniesdrift, Meerlust). Uniquely, Spier have an ‘individual learning spend’ as part of their training and development budget for all their workers; some staff members are entitled to use this to help pay for their children’s education. The data reflects a marked shift in attitudes to education for the next generation, Ilse Ruthford spoke of her wish for farmworkers’ children to ‘have a better education than their parents.’ In discussing the pupils’ experiences at school Jonker was direct in his comparison between generations, stating that ‘their parents’ experience is absolutely incomparable; some of the parents didn’t have the proper opportunity to go to any kind of school.’

One interpretation of the data collected is that **Workers’ Trusts** were something of a precursor to Black-owned wine farms. The data shows that workers’ forums began as an inclusive way to involve the farm labourers, bringing their labour issues to light. In all cases, the **company or family foundations** were formed in response to socio-economic problems and most commonly operate as a vehicle for social change.

Owing to the core objectives of this thesis, **business responsibility** emerged recurrently with topics discussed ranging from individual morality and ethics, to making good business sense. These are discussed in more detail below. Field notes taken reveal humility and a lack of vanity amongst participants vis-à-vis their CSR efforts. Interviewees spoke of addressing problems collectively, with responsibility and agency for change spread throughout the business.

Given the broad range of socio-economic challenges facing farmworkers, their dependents, and the broader community, it is unsurprising that wine farms have developed and/or support a number of **social initiatives**. In addition to supporting education and schooling, perhaps the most common sub-theme amongst participants was the provision of worker housing. In the case of Bosman Vineyards, three-quarters of their workers live on the farm. Bosman spoke of wanting to improve the quality of life of all his workers, making reference to existing pervasive inequalities: ‘I can’t have a good quality of life if they don’t.’ ‘Conventional charity’, as it was referred to by David Sonnenberg, was widely practised and manifests in a variety of means; food provision, vegetable gardens, transport, a health clinic, a hospice, and HIV/AIDS support.

Land and **land reform** was spoken about briefly, most often in terms of agreements made with the state regarding land allocation for empowerment projects.

As to be expected given the context in which our discussions were grounded, there was a significant focus on **socio-economic problems** facing the marginalised communities living on and around these farms. Alcohol and drug abuse were mentioned by the majority of interviewees, many of whom also referred to problems of hunger and food security in communities. Jonker expressed his fears for children without access to high school, whose problems 'are exponentially worse', before noting that the problems of addiction, lack of role models, teenage pregnancy and sexual abuse are not only unique to his community.

I think the root of most of our problems in South Africa is a lack of self-worth and what people think about themselves and how they limit themselves in their mind. It's not the environment, it's not politics, it's not the economy . . . the problem is what they think. So we want to address that (Philip Jonker, Interview, April 2019).

The findings show that Heidi Newton-King spoke about issues in a more abstract manner to the other participants. Making explicit reference to the country's NDP she spoke broadly of the challenges her team has identified; namely lack of access to quality education, poor infrastructure, lack of jobs and access to jobs.

Gender was an unexpected theme which emerged strongly as the data collection period progressed. I expand upon my decisions to probe its significance later in this chapter. Likewise **familial** and **generational ownership** is expounded upon in more detail below. Data showed that all of the firms interviewed are family-owned, and the majority are family-managed.

Business diversity emerged in the findings as the participants grappled with the complexities of running a profitable business in an unfavourable climate. Although wine remained the primary commodity, participants raised a number of areas where they have diversified business operations.

Race proved a complex theme to interpret in the thematic framework; it was referred to obliquely, but rarely did a discussion centre solely on race. Perhaps adding to the complexity is that many farmworkers, particularly casual labourers, are migrant workers from the Eastern Cape, Lesotho and Zimbabwe. There are not only ethnic and cultural differences at play, but

also the risk of xenophobia. One notable exception in the analysis was Stubbs, who drew upon her lived experiences as a Coloured woman in the Cape, discussing coming up against racism from whites to her 'own people' ganging up against her. She made a point of saying how life is different today for her daughters who 'don't distinguish between Black and white. They've got [Coloured] friends and they got Xhosa friends and they've got white friends, or whatever... English speaking friends.' Given the complex racial politics within the industry, the relative silence around race as a topic of discussion is significant. Speaking more broadly about the **wine industry**, there was general recognition that it had gone through a period of immense change since the democratic transition; experiencing a boom in productivity around the turn of the millennium, but the economic downturn internationally and the drought in the Cape in recent years has left many farms struggling. To quote Clüver directly, 'if you go into industry statistics, you'll see that a large portion of the wine industry isn't profitable.'

The final three themes: **business as a role model**, **finance** and **apartheid** were mentioned less frequently, and as such will not be explored in further detail in this paper.

Five core themes

The analysis of all 19 themes allowed me to have a better handle on the data as a whole, resulting in a far more complete and complex analysis. However, because of the limited scope of the master's thesis, the decision was taken to limit exploration of the major findings to five themes, these being **skills; business responsibility; shareholdings; familial and generational ownership; and gender**. With regards to the first three, all have clear links to the research objectives. Yet over the course of the interview process it became apparent that the dynamics of family and multi-generational ownership warranted further exploration, as did the gendered experiences of women on wine farms. The first and largest part of this section unpacks skills and its five sub-themes. Following this, the notion of businesses taking responsibility for socio-economic problems is expounded upon. The third section explains how shareholdings and Black ownership has manifested in the industry. The fourth section discusses how family and multi-generational ownership shapes the dynamics of responsible business. The last part of the chapter places its focus on gender, specifically describing the advances made by women in decision-making positions in a post-apartheid environment. For further detail I include the thematic framework of the five central themes in Appendix 4.

Skills and skills development

Given the significance of this theme, five aspects of skills are elaborated upon; mentorship, low-skilled workers, organisational culture, external provision of skills development, and, in-house training. The section below examines what was said within these sub-themes. Firstly, mentoring as a vehicle for skills development was expressed by a number of participants and came across particularly distinctively from Ruthford; who has a mentor in Albie de Waal and is a mentor herself. In this case the circularity of mentoring was evident. Ruthford spoke of the gratitude she had for the opportunity to 'better herself', and of the priority she places on the upliftment and motivation of her staff, 'I have a team that can actually take responsibility.' Described by one participant as 'the best education you can get', the findings indicate that firms rely on mentorship as a system to guide employees and share expertise amongst the staff. However, the data fails to reveal how far down the skills and occupational hierarchy mentorship reaches; i.e. do labourers benefit from any form of mentoring?

Secondly, a number of participants drew upon the issue of low-skills, implying that the industry does have a skills problem. Recognising the benefits of skills training, Ruthford said that at Compagniesdrift 'we try to better their skills, because we know they have quite limited [skills].' Findings reveal an awareness that low-skills are not a proxy for incompetence: 'on the farm we don't have a lot of people with degrees, but that's not to say that they're not very capable people . . . they come from nothing.' In a further reference to low-skills, mention was made of the rural and urban skills gap. Bosman was clear in his assertion that investing in skills development helps business, stating 'if you're retaining skills . . . and investing in your staff, they should be able to do a better job and improve quality.' Sonnenberg discussed trying to appoint people 'with potential', who are not 'hugely developed', but those who could 'do the job at least as closely as the skilled white equivalent.'

Thirdly, participants alluded to organisational culture and people development in their companies, although they did not necessarily refer to them in these terms. For instance, Clüver described his wine estate as forming part of a 'larger holistic farming business.' In this way, De Rust shares commonalities with Spier, who aspire to 'a more whole person approach around

learning and development’, and perhaps more than the other firms, Spier evidently place a lot of focus into their organisational culture.

Fourthly, participants held a range of opinions on the external provision of skills training. Speaking from experience Stubbs was pointed in her criticism of Sector Education and Training Authorities (SETAs), condemning them for being a ‘waste of money’, and the inability of these learning programmes to grasp the value of ‘hands on experience.’ Her colleague Sonnenberg was more ambivalent on this point, stating the ‘jury’s out on how effectively [SETA] training schemes are administered.’ SETAs also came under fire from Newton-King, who labelled them as ‘energy-sucking’, before going on to say: ‘I don’t think they are in any way adding to the training and development landscape.’ A more exceptional viewpoint was in favour of SETAs, which have put workers through training, ‘there’s a lot of farm kids in training now due to SETA funds that we received.’ However, this opinion fails to take the standard of training provided into consideration. Even amongst the more negative views, the criticism levied was not that training is not taking place but rather at the quality or relevance of the training provided. Despite admitting that they are ‘complicated to work with’, Bosman felt that his farmworkers were ‘getting the benefits’, and their courses are empowering his employees.

Lastly, participants made frequent mention of their firms taking responsibility ‘in-house’ to develop, train and upskill their workers. By way of example, Stubbs recounted anecdotal evidence of workers who are progressing at Thokozani, thanks to in-house training and their working partnership with Diemersfontein. She said: ‘we utilise the winemaker, the accountant, the marketing person, which are all seniors and all white, with one condition - you need to have a person of colour to get to your level.’

Business responsibility

Firstly, across the board there was a rejection of conceptualising business ethics as CSR, and a clear avoidance of CSR terminology; the absence of which is worthy of analysis. Newton-King made the explicit point of saying ‘we don’t use language like CSR²⁰ anymore, we try to stay away from it.’ She also referred to Spier’s ethos and their focus on the ‘financial, people and

²⁰ It is unclear whether the participant referred to CSR to denote Corporate Sustainability and Responsibility, or, the more widely used Corporate Social Responsibility.

the environment.’ In the same vein, Clüver alluded to the quasi-triple bottom line at De Rust, this being ‘the people that work for us, the environment that we are in, and our product’. Secondly, the discussions around business responsibility tended to centre on moral principles, and how or why the participants governed their behaviour. This was particularly apparent with Jonker, who talked about being guided by his religious faith and principles. He continued:

In terms of the business I think we always had this intention to live a bigger calling than just one [of] business and money... We started in 2000 with our Worker Empowerment Trust, to empower them with a vineyard and some shares and so on, so they could build up a sort of joint asset and have a profit share every year (Philip Jonker, Interview, April 2019).

In discussing establishing the school to change his community for the better, Jonker returned to his personal principles, stating ‘this whole thing grabbed us by the heart.’ Thirdly, it became clear throughout discussions that atoning for the injustices of apartheid came into play. Talking on not just a personal level, but taking a more universal standpoint, Sonnenberg spoke of the reparative moral obligation that the industry has, believing the private sector as a whole has a ‘great role to play’ in South African developmental efforts.

The private sector historically has benefited whether we like to admit it or not from the oppression of apartheid . . . [and we] could have done more and should have done more, and we didn't and the whole world didn't (David Sonnenberg, Interview, April 2019).

Farmworker equity schemes

The data indicates variance in shareholdings, ranging from zero percent Black ownership to 100%. Likewise, the findings reveal a range in the number of shareholder beneficiaries; the smallest at 30, rising to 260 at Bosman. But these figures tell just one small part of the story. One strongly dismissive viewpoint of BEE farms to emerge was that a poorly-managed wine farm with 100% Black ownership is not a vehicle to lasting social change and empowerment. Black ownership was also linked to skills development. Stubbs highlighted that ‘ownership is not just a thing on a piece of paper; you need to upskill your people to work and understand.’ Whilst findings reveal a number of employee-based share schemes, analysis indicates that it remains uncommon to pay dividends to workers. Of the eight firms interviewed only two have regularly paid out dividends. Reflecting on the past ten years of dividend pay-outs Andreas said, ‘the people are part of the bigger picture now.’ She did however recognise the complications that come with dividends, ‘my people, when they hear the word dividend, they immediately see money and that isn’t the truth.’ This was a commonly held view; Stubbs also felt that her workers ‘don’t understand that dividends come from profits.’ Despite being the

initiator of one of the country's first BEE brands Clüver was forthright in his scepticism towards the efficacy of farmworker equity schemes, in particular firms who 'play at the bottom end of the market . . . not making a difference on anybody's lives.' He continued:

When you're talking empowerment, you're talking people or workers who have a share in the business or own the business. Okay? But then it has to be a profitable business, otherwise there's no point in owning it, so if you're owning it and you're playing at that [low-price] level then you're going to run into the kind of thing that Solms-Delta have run into (Paul Clüver, Interview, April 2019).

Clüver was not alone in raising misgivings about share schemes; another view held was that 'employee-based share schemes have not always been successful, and in many instances it's actually detrimental to the business.'

Familial and multi-generational ownership

Several of the participants had generational ties to farming. For instance, Bosman Family Vineyards is today in the hands of the farm's eighth generation of Bosmans. Petrus Bosman was emphatic to repudiate allegations made by the media concerning relationships between owner and farmworker, stating that in agriculture there is a 'massive amount of generational trust.' Trust was a cross-cutting theme for a number of other participants, including Andreas, who grew up on the Bosman farm as a 'labourer's child' and emphasised the multi-generational and long-term relationships that exist, and how these relationships between owners and workers interwove during the apartheid era.

I didn't know anything about apartheid. Because this [apartheid] was in the years of my grandpa and pa, but not me. I grew up here like with Jannie, we played together, Beatrice and Pieter, the other son. They were still kiddies when I grew up on the farm and this is what makes us so unique. We are a family; the Appolis family and the Bosman Family. And for each Bosman there was an Appolis. I'm the fifth generation and they're eight generations now on the farm so, and this makes our model so different from others (Rita Andreas, Interview, April 2019).

The findings of this study appear to suggest that the dynamics of family ownership blur the line between business and responsibility. The history of the industry reveals that the *paterfamilias* filled the role of looking after not just his own family, but also took responsibility for his workers. This responsibility and its relationship to latent paternalism is discussed in greater detail in the subsequent chapter. Within the dataset, the 'newest' family-owned farm is Spier, bought by the Enthoven family in 1993. Newton-King felt 'really lucky' that Spier is a family-owned business, believing this ownership enables the business to be a 'vehicle for . . . much broader impact.'

Gender

Providing historical social context, Ruthford referred to the hard lives experienced by women on farms; who were quite literally excluded from employment during apartheid, their role was to be 'mothers making babies, and cooking food.' Of the sample population interviewed, four of nine participants were female, which could be seen to be unusual in an industry described as 'quite white and quite male-dominated.' The majority of participants alluded to successes being made by women in the workplace and findings appear to show that there has been an increase in numbers of women in high-skilled occupations. Respondents listed several examples of high-achieving women with Sonnenberg highlighting that 'the people who've flourished here have largely been women and they've been very good and very effective.' Particular emphasis was given to women who have progressed in their careers, for example, Stubbs and Ruthford referred to several case studies of female upskilling; one starting work as a cleaner and becoming a hospitality assistant, the second from gate controller to marketing assistant, and the third from cellar worker to heading up the logistics department. Their pride in these women's professional successes was palpable. They saw themselves as mentors to these women, their role now was to step away and allow others to have success. Their mentorship is perhaps one way that other women are being supported to achieve in this male-dominated sphere. In spite of these individual successes recorded, the findings show that the gender divide and inequality across the industry remains problematic. Stubbs was of the opinion that 'male people in vineyards, they don't take you serious'. The richness of the narrative outlined in this section attempts to set out why I chose to include it in the analysis.

Conclusion

This chapter used descriptive analysis to present the overall findings, placing focus on five core emergent themes. The next and final chapter of this paper attempts to explain what these results mean by drawing out connections with the wider literature and existing research and theory, in addition to patterns revealed from my analysis.

Chapter Seven: Discussion and Conclusion

This thesis sought to explore perceptions of business responsibility in relation to its ability to generate lasting social change. It made use of a flexible qualitative research design aimed at the discovery of perceptions regarding CSR in the wine industry. The previous chapter outlined the study's findings and attempted to provide a comprehensive synthesised narrative that emerged from the analysis. Analysis of the data collected identified 19 broad themes but due to the relatively small scope of the thesis, the analysis predominantly addressed five central themes; business responsibility, skills development, shareholdings, familial ownership and gender. This chapter brings the paper to a close by unpacking the layered complexities of the participants' accounts and analysing their significance. I take an analytic approach to the discussions within the context of the literature studied. It turns out that there are no simple answers due to the complexity of the issues. Consequently, I raise a number of questions warranting further exploration. In concluding I consider the wider implications on completion of the study and identify a number of potential avenues for further research.

As stated, the findings show a common reluctance amongst participants to engage in any kind of business phraseology around CSR. This dismissal of the terminology could be interpreted as a rejection of CSR itself, or perhaps more plausibly as a reminder that participants hold different interpretations of the phenomena discussed. The findings show that no single wine estate has a specific CSR department, or staff member, solely responsible for business responsibility. Two important points flow from this. Firstly, this may suggest that the firms in the sample are too small to justify dedicated resource and responsibility for CSR. Secondly, seen through a holistic lens, this may indicate that these firms tend to view CSR as a collective responsibility as per Visser's CSR 2.0 conception. As they shift towards CSR 2.0 they are embracing the responsibility and sustainability dimensions as the 'way of doing business', not just as a 'marginal afterthought' (Visser, 2010:6-7). Viewing CSR as inherent to the business might explain the complexity of separating clear CSR findings in the thematic framework; business responsibility is invariably intertwined with other themes such as skills, social initiatives and education. Referring to private sector involvement in tackling societal ills, Sonnenberg's view was that it 'makes good sense in order to survive . . . for business survival and business expansion you need trained, motivated, full participants in the economy.' This

tension between a healthy society and a profitable business, as problematised by my research, is echoed in the literature particularly strongly by Mak'ochieng (2003:29), who offers a cogent argument for linking the two spheres as firms 'cannot hope to survive in the long-term if the society they are based in is not prosperous.' In line with Visser's Age of Responsibility (Table 1), several of the firms demonstrated commitment to using business creativity towards the country's most pressing needs and an awareness of being a net positive contributor to society. For instance, Newton-King discussed circularity at Spier, who recycle 100% of water and 95% of waste produced, drawing upon the 'closed-loop intervention' of 'Treepreneurs' which provides seedlings to poor communities to nurture and grow. Once big enough 'Treepreneurs' can exchange them for non-cash payment in the form of food vouchers, clothing, tools, bicycles, and support with education. This is a clear example of a company adding value to society whilst simultaneously helping to solve social and environmental challenges in that it contributes to livelihood support for the poor, raises environmental consciousness and has so far resulted in the planting of more than 25,000 indigenous trees in the province (Spier, 2019).

A further indication of systemic CSR is found in the discourse of compliance and legislation. Participants recognised that the environment in which they operate is continually shifting, and to keep pace with new regulations they must adapt their working practices; potential amendments to BEE codes may well affect business operations. Findings revealed widespread compliance amongst participating firms, but also that firms are feeling pressured to achieve higher BEE levels. For purposes of illustration when the interview at Compagniesdrift took place, it was a 50% Black-owned company, but in July 2019 it became 100% Black-owned. The reasons for the change were unambiguously in order to attain Level 1 BEE status, and so be eligible for increased funding. Ruthford felt that '[Compagniesdrift] was one of the few 50/50 Black empowerment partnerships and . . . government doesn't approve of it anymore because they want a company to be 100% Black-owned.' She expressed regret regarding the change; perhaps fearful of the loss of affiliation with the parent company, Meerlust. Explaining why the partnership between Compagniesdrift and Meerlust is successful, Ruthford continued:

It works because we rely on the mentorship, the financial [support] they give us, the financial backup . . . this partnership is so authentic, it's so pure. But this is not what the government want (Interview, Ilse Ruthford, April 2019).

Future research could build upon these findings by exploring whether the transformation agenda is failing to challenge racialised inequalities. One group of leading authors in this area is Du Toit, Kruger and Ponte (2008:7) who explore BEE in the South African wine industry and convincingly argue that the transformation agenda has been displaced in favour of a small number of Black entrepreneurs, serving only to fulfil government requirements. They pinpoint a time in the early 2000s when there was an ideological shift in agriculture away from redressing the 'harshly exploitative conditions of labour for Black workers' towards the ownership agenda (Du Toit *et al.*, 2008:16). Despite farmworker equity schemes in evidence in the dataset, it is problematic to equate these shareholdings structures with being responsible for creating meaningful change in the working or living conditions of farmworkers. My findings regarding ownership and BEE levels are mixed; within the dataset some participants were wary of shareholding schemes, not viewing them as any kind of vehicle for meaningful change.

Within the confines of this study it was not possible to assess the social impact of existing shareholding schemes and it is therefore unknown if changes in ownership is positively affecting the social upliftment of previously disadvantaged people. Recent literature may suggest otherwise. In an article published by the Institute for Poverty, Land and Agrarian Studies (PLAAS), Gumede and Ramantsima (2019) bring farmworkers' voices to the fore, laying bare their unfavourable experiences of equity schemes amid concerns that socio-economic conditions have not improved. The authors report that workers remain 'excluded from decision-making . . . have challenges with farmers and mentors' and they also find 'allegations of intimidation and victimisation of those who question these schemes' (Gumede & Ramantsima, 2019). The ANC's political and race rhetoric remains strongly in favour of increased Black ownership, as described in the BEE Charter. Yet my findings lead me to question whether this narrative is perhaps disguising the fact that the white elite are unwavering in their grip of control of the industry. Given that the percentage of Black-owned land and water in the wine industry is only at three percent, the hyperbole surrounding a handful of Black-owned wine farms does not reflect or speak to the persistent low numbers of Black ownership in the country (Vinpro, 2019). An email (J Isaacs 2019, personal communication, 30 August) confirmed that Black-empowerment projects consists of Black, Coloured, Indian and Asian racial groupings. My findings also suggest that BEE numbers are somewhat inflated and do not represent the true state of things; significantly Stubbs alluded

to 60 BEE wine brands but stated 'you wouldn't even know a quarter of them, because it's just a marketing name.' This perspective is confirmed in the literature by Herman (2014:1941) who disparages the BEE narrative for contributing to a diluted transformative agenda, where white power structures continue to exist and operate within the broader constraints of racial politics. Further research could usefully explore whether farmworker equity schemes are potentially masking multiple complex forms of deprivation and failing to improve the lives of a historically oppressed group. Seen through this lens, farmworkers appear to be subjects operating within the neo-paternalist paradigm and it is difficult to see how the current BEE agenda can generate lasting positive change. National pressures for firms to adopt BEE practices could in this context be exacerbating latent paternalism whilst maintaining the white hegemonic status quo.

In their historical analysis of the wine industry Ewert and Du Toit (2005:319) discuss the relationships between the farmer and his workers which have been shaped by discourses of paternalism. One interpretation of my findings is that the interplay between owner and farmworker has continued to operate in much the same way as it has for the past 300 years, whereby the owner acts upon his patriarchal responsibility to provide food and shelter for his workers; providing a quasi-social support net. Paternalistic relationships are a clear indication of CSR 1.0 and not the equal partnerships sought in systemic CSR. During the apartheid era it was by no means unusual for the white farmer to put a school on his plot of land, for the workers' children who otherwise would have nowhere else to go (Viall *et al.*, 2011:114). This was borne out in the data, for instance, Clüver's mother started a school on the estate in 1958 which today has developed into an agricultural focus school with over 1000 pupils. This way of working is seemingly deeply embedded into the industry; the findings provide widespread evidence of schooling provision for farmworkers' children. This raises intriguing questions regarding the nature and extent of paternalism in the industry, the context of which has been shaped by the slave and settler history. Viall *et al.* (2011:115) identify a 'new paternalism [which] has largely replaced the old form.' Whilst the farmer is no longer controlling his workers' lives, by investing in his workers' social and human development his influence upon their lives cannot be ignored. Seen through the lens of paternalism, CSR practices are failing to lead to radical societal change. Whilst the results show multiple instances of farms going above and beyond labour law to provide their workers with benefits, including fair remuneration and paying above market-related salaries, it is important to bear in mind the possible bias in these

responses, partly due to the research design which directed preference towards progressive farms known for their investment in the socio-economic welfare of their workers. Conversely, viewed through a holistic lens, the prevailing discourse of education represents a commitment towards tackling the root causes of social problems. Unfeigned concern for the next generation was particularly apparent throughout the interview with Jonker, who felt driven to address issues of low self-worth amongst young people via the creation of a school aimed squarely at students from 'broken backgrounds . . . [which is] a model to heal South Africa.' Jonker's views on the inadequacy of the country's education system parallels arguments made by Wilson and Cornell (2012), Spaul (2015) and Van der Berg and Gustafsson (2018), all of whom criticise the existing dysfunctional system. In the absence of radical improvement of the education system, businesses will remain under significant pressure to make new employees 'work-ready'.

Results did partially substantiate claims in the literature regarding skills shortages. In line with arguments made by Kraak (2005:66) and Mukora (2009:243-4), as summarised in Chapter Two, no single participant described the skills issue facing their company as a 'skills crisis', although shortages were commonly alluded to. There was general recognition that upskilling was crucial for the industry; participants reported that their workers' appropriate skills or work-related capabilities were 'quite limited.' On the basis of this study, it would appear that the supply-side argument, as referred to by Perold *et al.* (2012:2) and Kraak (2014:47), is a legitimate concern for these firms who report difficulties in recruiting well-prepared and experienced workers. The findings point to an indication that despite legislation and a national strategy which recognises the importance of upskilling the country's human resources, firms are taking upskilling into their own hands, providing on-the-job training to low-skilled workers. This could be interpreted as a criticism towards state-operated training providers, particularly training and learning programmes supplied by AgriSETA. As mentioned in the preceding chapter, a range of attitudes were held regarding the capacity of SETAs to bridge the skills-gap, and thus firm conclusions cannot be drawn regarding their effectiveness. Perhaps owing to the preference towards in-house training, the data collected reveals that workers at these firms are provided with opportunities to progress on a case-by-case basis, largely afforded to workers who demonstrate a willingness to learn, with the capacity for change, regardless of formal qualifications and prior learning. In the case of Thokozani the upskilling of the labour force is an integral component of their shareholders agreement. Stubbs related how she

'identified a few of the guys and said, "you need to do the following training . . . six training sessions in your own time over weekends; you need to upskill yourself in the process".' The preference for delivering training in-house could also be interpreted as a way to circumvent SETA training and develop effective skills throughout the workforce.

This research benefits from first-hand insight into skills development, in particular through the lived experiences of three participants in the dataset who now occupy senior professional positions. Their personal experiences of upskilling seemed to frame the way in which they perceived skills development; they reported feeling grateful for the opportunity to 'better' themselves. Broadly speaking participants were encouraged by the progress made by some of their employees, for example, Stubbs was described as 'a key role model in terms of somebody who can reach executive level.' Sonnenberg went on to describe how her 'growth and faculty [gave him] the encouragement' to continue upskilling his workers. Although caution must be applied due to the small sample size, training and upskilling employees is a clear priority for owners and management. This outcome is contrary to that of a study led by Ewert and Hamman (1999:214) who found that only 22% of their sample invested in training. A positive interpretation of these two findings is that there have been constructive changes in the industry over the past twenty years. Nevertheless, I am inclined to adopt a view consistent with Ewert and Hamman (1999), which is that as a whole, power relations on farms remain unequal.

Data analysis revealed tension in the relationship between the family-owned business and the employee. This provokes speculation that the familial and social context cannot be separated from the business, and, again, upholding Mak'ochieng's (2003:29) arguments, the line between business and responsibility becomes increasingly indiscernible. The findings demonstrate that long-term working relationships remain in evidence; in most cases farms have been under single-family ownership for several decades, and similarly, many farm employees spend entire lifetimes working for one owner. As a rule farms remain in family hands; passed down between generations. On one hand this suggests a stability within the industry; one participant referred to the fifth successive generation of workers as the farm's labour force. On the other hand, this reinforces the prospect that the coming years will not see a radical shift in terms of Black ownership as opportunities for widespread Black ownership to make any real footprint in the industry are kept in check. Rather, the Black labour force will

continue in its role as the proletariat, because in all probability, the asset will remain in the white farmer's hands. Sonnenberg raised a distinct point about Diemersfontein (and by association Thokozani). Bought by his grandfather in 1943, the farm is family-owned, however, unlike most other farms, they have no succession plan, thus differentiating themselves from other businesses. Of this he said, 'we might be different from other estates in that we can actually consider the staff becoming part of greater equity . . . it's embryonic at this stage but the intent is there.' Whilst the lack of a succession plan at Diemersfontein and Thokozani is an anomaly amongst my results, it does point towards different avenues for future shareholding structures. In contrast to the dominant narrative surrounding Black ownership, if the transformation focus were to be weighted more heavily towards training Black viticulturalists and winemakers, this may well be better for the strength of the industry over the long-term.

The prevailing discourse around ethos and morality proved an interesting finding, one which suggests that participants felt that it was their duty to run a responsible business. One clear example is in Sonnenberg's appreciation of his responsibilities as a third generation owner and his assertions that he returned to South Africa after twenty years away 'with the assumption and the condition that we could use Diemersfontein as a vehicle for becoming, if you like, one of the more enlightened growers of the area.' Other participants also referred to a changing mindset, for instance referring back to 2008, the year that Bosman Family Vineyards entered into their first BEE deal, Andreas said 'for the farmer himself . . . I believe there must be a heart-changing from the farmer's side.' Jonker alluded to his faith and feeling compelled to make a difference in his community. He stated, 'this whole thing sort of grabbed us by the heart.' I am prompted to draw upon Senge (2006:13) who labels this awakening as *metanoia*, which he views as necessary for existence in a sustainable world. The findings point to an indication that there has been a shift in thinking or consciousness amongst some of the participants, although the study in all likelihood is too small to confirm whether this has occurred at scale.

Significance of the research

This paper has attempted to examine a new conceptualisation of CSR, paying explicit attention to what Moura-Leite and Padgett (2011:536) term the 'social side' of the relationship, and what Visser (2011:19) labels the 'macro-level system'; that is, innovative business models which positively impact our larger human and ecological system. Whichever wording is

preferred, both have been sorely neglected in academic and corporate research. It has also sought to fill a gap in the literature by conducting research within a context specific to the developing world. As uncovered in Chapter Three, CSR scholarship remains dominated by theory and practice in Europe and North America, despite acute social and environmental challenges facing the developing world.

Limitations of the research

One clear limitation of this study is that the research design was not devised to include interviews with farmworkers and beneficiaries. As such, this research makes no attempt to make workers' voices heard. Some interesting research has been done in this framework, notably the Brown *et al.* (2004) audit of working and living conditions on farms in the Western Cape. For the most part literature in this area remains sparse and further research would greatly benefit from a dialogue with lesser heard voices. Farm evictions is a prevalent topic in South Africa, one which is not only confined to academic press, but routinely reported upon in national media. Yet the omission in the interviews of any discussion of evictions or forced removals is telling and can likely be attributed to the sample selection. Secondly, data collection generated a considerable amount of analysis. One drawback of operating through the systems perspective is the recognition that everything is interconnected and shaped by the bigger picture; one cannot take various aspects of CSR in isolation without considering their place as part of the whole. However, the scope of this paper makes it difficult to go into sufficient analytical depth on every interconnecting topic. Thirdly, as indicated in the methodology, the research was designed so as to gather rich evidence from wine estates which are seen to be progressive vis-à-vis inclusive business practices. Therefore I hesitate before submitting the conclusion that these trends are as prevalent across farms in the Western Cape.

The need for future research

This research has uncovered several questions in need of further investigation. Whilst the scope of this study did not allow for an in-depth examination into BEE and race more generally, discourses of empowerment and farmworker equity schemes in the industry are complex. Seemingly a lack of consensus is held as to the merit of both BEE and shareholdings schemes. Considerably more work is needed to determine the legitimacy of empowerment projects in the industry and whether the AgriBEE codes are effective in their aims to enable meaningful

and substantial change, or, whether they have been reduced to a pseudo-accountability mechanism. As discussed, gender emerged as a defining theme and has the potential to provide grounds for original future research, particularly the way in which gender intersects with skills development in a male-dominated industry. Whilst this study does not empirically prove that there has been an increase in the numbers of women in high-skilled occupations, there are signs that point to this. Power structures are significantly gendered on wine farms and it remains somewhat exceptional for women to hold highly-skilled jobs in this industry. This is despite findings which reveal admiration amongst participants towards women farmworkers particularly with regards to their work ethic, attitudes and drive. The findings reveal anecdotal evidence chronicling the individual successes of women, particularly those who hold executive or management positions, which points towards a further avenue of research regarding women's role in business transformation in the sector.

Conclusion

This thesis has deliberately avoided making the business case for CSR, which dominates much of the CSR management scholarship. By contrast it has been primarily concerned with exploring CSR from a macro-perspective; how a firm contributes to social well-being in our ecosystem. It must be emphasised that the metrics of social dynamics of change are arguably more difficult to measure than profit-share. In light of this, research methods were designed so as to draw out the perceptions and beliefs of decision-makers in the wine industry, in relation to social responsibility. As per Visser's conceptualisation, the focus has positioned itself within a systemic CSR framework, analysing CSR which tackles underlying problems and the root causes of poverty and inequality. Whilst the findings evidence systemic CSR on occasion, they are by no means universal. Examples of CSR 2.0 in the dataset include the explicit emphasis on training and skills development, and people-led organisations taking collective responsibility for solving social problems. Findings revealed that farmworker equity schemes are a credible example of using business creativity for good and may have the potential to create lasting social change. However, these findings are contradicted in the literature by Du Toit *et al.* (2008) and Herman (2014) who indicate that the shift in transformation discourse towards ownership and management, is a distraction from other more pressing needs and is failing to challenge widespread poverty on farms.

It would be remiss to not mention data generated which found a number of instances where social initiatives, using Visser's model, largely equate to charitable CSR in the Age of Philanthropy, whereby community groups are empowered through donations and specific benevolent projects (Table 1). A further piece of empirical research might usefully explore the grounds for this philanthropic focus and question whether the fifth stage of CSR (systemic) is less apposite within a developing country context. Or, are all five of Visser's Ages and Stages wholly inapplicable to the developing country context? Or, looking specifically at South African agri-business, is the prominence of philanthropic CSR due to the entrenched power imbalance in existence from slavery, through colonialism and apartheid, to today's constitutional democracy era? The transformation of the Cape wine industry, as referred to in Chapter Two of this exposition, adds complexity to the socio-economic landscape and in grappling with the transformation agenda, this thesis has shed some light on the complex racial politics at play within the industry.

This study has shown that CSR in its current manifestation does not seem a substitute for broader structural reform, but rather a mutation or reformation of paternalistic behaviours. This paper has argued that to effect change at scale, a structural and systemic approach is required, and at present there is partial evidence of this. Returning to Senge's learning organisation, he contends that the central tenet of systems thinking lies in our actions creating our reality, which he views as problematic as it is 'prone to evoking defensiveness' (Senge, 2006:220). By addressing problems within our communities and society systemically, we are admitting that we are part of the problem. This carries weight with CSR 2.0 as we cannot tackle societal problems in isolation, especially when the issues in question are systemic and deep-rooted. According to Senge (2006:356), 'you will know you are starting to see the system when people begin to move beyond blame to recognise that we are all part of the problem.' The discourse of blame is particularly pertinent in the post-apartheid context, in an industry that remains dominated by white ownership and management. Taking a holistic view, by operating a business as a living organism we are working together for a greater purpose, which raises further questions as to the macro-perspective. It is not yet certain if the commitment of a progressive few and the actions of individual estate owners can generate lasting societal change.

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Appendix One: Information Sheet



University of Cape Town Faculty of Humanities Information sheet about the research project

Overview of research project

I [Abigail Deffee] am a master's student at the University of Cape Town. This year I am conducting research on companies operating in the Western Cape that are demonstrating an exemplary commitment to corporate sustainability and responsibility (CSR). Notwithstanding an increase into CSR studies globally, there remains comparatively little research done in the context of emerging economies. Together with a more specific link into the relationship between enterprise, skills development and CSR, the number of published studies falls further.

In my research project, I am interested in learning more about how the company you represent. In particular I would like to learn about the ownership and management of the firm, and decisions taken concerning social initiatives. I would like to discuss how or if the social initiatives led by the company lead to real and lasting impact on the ground and throughout the community. I would also like to delve deeper into skills development at the company, exploring whether the company takes steps to train skilled labour for the economy, and if so, how this training manifests. I would like to understand how you view the successes and challenges of CSR and responsible business, and how you view enterprise as a real solution to some of South Africa's more pressing problems.

The interview process

The interview will last up to one hour. The researcher will guide the conversation by asking a number of questions related to the topic at hand. However, these questions are only intended as a guide and you are encouraged to bring your own voice and opinions to the conversation.

Participation in the interview

Your participation in this study is entirely voluntary. Should you wish to withdraw from the study at any stage, for any reason, you have the right to do so without prejudice. If you agree to go through with the interview, the interview should not take more than one hour. I will be recording this interview, so that no information is lost.

This research has been approved by the Faculty of Humanities Research Ethics Committee at the University of Cape Town.

Appendix Two: Participant Consent Form



University of Cape Town
Faculty of Humanities
Consent Form

Title of Research Project: 'CSR 2.0: A shift towards systemic CSR to address skills development in South Africa'

Name of principal researcher: Abigail Deffee

Telephone: [REDACTED]

Email: [REDACTED]@myuct.ac.za

Department Address: Department of Sociology
University of Cape Town
Room 4.35
Leslie Social Sciences Building
Private Bag – Rondebosch 7701

Name of participant: _____

- I understand that I am under no obligation to take part in this research and I have the right to withdraw from this project at any stage
- I understand what is involved in the research
- I have been provided with an information sheet and consent form and have had the opportunity to ask questions
- I agree to my responses being used for academic purposes on condition my privacy is respected, subject to the following:

- I understand that my personal details (name and name of company) may be included in this research / used in aggregate form only, so that I will/will not be personally identifiable (*delete as appropriate*)
- I understand that the interview will be recorded
- I understand that, as dissertation research, the final document will be available in electronic form on the University's institutional repository, Open UCT

Signature of participant:

Date:

Signature of principal researcher:

Date:

Additional contact information

This research has been reviewed and approved by the University of Cape Town Research Ethics Committee. If you have any further questions or concerns about this study, please contact Abigail Deffee's supervisor:

Emeritus Professor Johann Maree,

Department of Sociology,

Leslie Social Sciences Building Private Bag – Rondebosch 7701

Tel: [REDACTED]

E-mail: [REDACTED]@uct.ac.za

Appendix Three: Interview Guide

This appendix presents five of the initial broader themes discussed and probed in the semi-structured interviews. The right-hand column of the table displays some example questions that were asked where necessary, in order to guide the conversation.

<p>Social initiatives</p>	<ul style="list-style-type: none"> - Can you tell me about some of the social initiatives in place here – ones that benefit the workers and the wider community? - How do these initiatives create lasting impact on the ground and throughout the community? - How does this business contribute to society? What are the life chances and opportunities for the majority of young unemployed people in this area? - To what extent are the social initiatives in evidence attributable to the business proprietor?
<p>Skills and skills development</p>	<ul style="list-style-type: none"> - How does this enterprise develop the skills of its human resources? - Do you think that the private sector should assist in training skilled labour for the economy?
<p>Shareholdings</p>	<ul style="list-style-type: none"> - Can you help me to understand the company structure; the ownership and shareholdings of this business? - What do you think about farmworker shareholding schemes as a way to address inequalities in South Africa?
<p>Responsibility</p>	<ul style="list-style-type: none"> - What links do you see between how this company is run as a business and its CSR practices? - How does the business model impact on wider socio-economic issues that this country is facing?
<p>The future</p>	<ul style="list-style-type: none"> - How do you see the successes made here being taken to scale? - How do you see this model being replicated more widely? - What are your thoughts as to the future of business in this sector in the Cape?

Appendix Four: Thematic Framework

This appendix presents a snapshot of the analytic process. Containing some of the core themes, the table below is sorted thematically. To keep detail some statements are presented verbatim, as expressed by the participants, others are presented in summary form.

	<u>Compagniesdrift</u>	<u>Meerlust</u>	<u>Bosman Vineyards</u>	<u>Bosman Vineyards</u>	<u>Diemersfontein</u>	<u>Thokozani</u>	<u>Paul Clüver at De Rust</u>	<u>Weltevrede</u>	<u>Spier Wine Estate</u>
Business Responsibility	<p>Responsibility to do more. Ethos.</p> <p>Increased opportunities – like social and cultural opportunities – going to Newlands, Baxter, Spur etc.</p> <p>Give a big amount of money through the year but each parent must also give an allowance so that they take responsibility and know that that have to pay for something.</p>	<p>Morality - we have to do something. The ‘new’ society. Business responsibility. Shift in goalposts.</p> <p>Social and political landscape.</p> <p>Thought that we should try and do things earlier than later. From the trustees perspective – a moral thing.</p> <p>Charity begins at home.</p> <p>Community responsibility should maybe be in the area of training and development of people.</p> <p>If you start having positive cash flow you can start doing things.</p>	<p>If you stabilise the community then you get benefits. It’s a mentality.</p> <p>Vision is to improve the quality of life of all of them. Can’t have a good quality of life if they don’t have so I think we need to improve the quality, and then everyone can be happy, you can’t have one party in a small community.</p> <p>If you have a business and you’re looking for a partner, the first thing is you want someone you can trust. And second is someone who can add value.</p> <p>Trust: employee and employer there is a massive amount of generational trust.</p> <p>When you add skills development, you add opportunity, you suddenly add value, people that can do more than they normally can, so that for me is the perfect mix. It works. But you need to believe in it as well and it’s a definite management style and mentality.</p>	<p>Morality/ethos ‘heart-changing’ (of Mr Bosman).</p> <p>Proud to tell the story because it’s a real story.</p>	<p>Concentrate primarily on the interests of your staff, you will do better. Responsibilities as a third generation owner. We were taking a lead. Wanting to make sure that we did it genuinely – developing the people. Core business is about getting on and building the business.</p> <p>Cannot create stability of employment when you don’t have profit, that’s the bottom line. Vehicle for one of the more enlightened growers of the area. Private sector has a great role to play. Reparative moral obligation.</p> <p>Private sector needs to be protected from punitive, vindictive, retroactive penalties. Business has to be aware of its responsibilities. Get a balance between what it can do for its own survival and what contributions it can make generally. Trying to steer a path between pragmatist and ideologue. Flexibility and sense of reasonableness.</p>	<p>Mindset of owners changed - became hands-on, more involved. David started engaging with people and listening.</p> <p>They won so many accolades but we don’t put it out there, we’re also very much reserved when it comes to these things because society can damage them also.</p> <p>I must say we look after the people they are happy. You won’t find one person here less than 8 years.</p> <p>Responsibility is spread through the company, so people have agency and take ownership.</p>	<p>Waitrose Foundation, CSR model. Commitment by the business. There’s a commitment. Waitrose philosophy is completely different.</p> <p>If you want to make money for poor people you mustn’t add costs, you must add more value.</p> <p>We care about three things which are people that work for us, the environment that we are in, and our product. I think we are fairly open to people and we believe in long term relationships.</p>	<p>Intention to live a bigger calling that just business and money. Money is not everything in life. Even if you gain the whole world eventually, you’ll feel dissatisfied if there’s not a bigger calling. Partners sharing the same values.</p> <p>This whole thing grabbed us by the heart. Nehemiah story in the Bible – similar experience of compassion. We’ve grown up here, we knew the situation, it wasn’t new to us.</p> <p>Holism – going to find a vision which is bigger than any individual around this table and bigger than the sum total of us all. Going to pray about a vision that is bigger than all of us. Timeline, money etc but if we run out of unity that’s the end of the vision.</p> <p>Business got involved (in the school), the whole community got involved, we take ownership of all our kids. Vision is to heal our community.</p>	<p>Everyone who works at Spier is an agent of change. Role business plays in society is not just about business strategy and how you do business, it’s about every employee and how things translate into what we do at home. It’s about financial, people and the environment.</p> <p>Custodianship has been part of the language and is deeply embedded. Responsibility around business in the community in which we operate. Community starts with employees. Strong focus on locality. Don’t use language like CSR anymore, we try to stay away from it. Shared value opportunities, impact spaces are a part of how we do business.</p> <p>We move from term to term in terms of what’s popular to describe something. Agency. Lots that government needs to do, things that business needs to do, but lot I need to do, as an individual. Addressing problems collectively.</p>

	<u>Compagniesdrift</u>	<u>Meerlust</u>	<u>Bosman Vineyards</u>	<u>Bosman Vineyards</u>	<u>Diemersfontein</u>	<u>Thokozani</u>	<u>Paul Clüver at De Rust</u>	<u>Weltevrede</u>	<u>Spier Wine Estate</u>
Skills and Skills Development	<p>Ilse was admin worker at Meerlust for 6 years, then had opportunity to become an MD of Compagniesdrift. Mentorship and mentor; biggest priority is the upliftment & motivation of staff. Believe if you motivate a person, they have a reason for getting up every morning, they have a responsibility. Staff have additional qualifications; financial manager who finished degree in finance and international accounting exam. Ilse was funded by Dept of Agriculture to do wine business course at UCT. Now health and safety. Skills training helps quite a lot – we try to better their skills, because we know they have limited [skills]. Training is a big expense, if we are in a better financial position, then I will support the private sector. Personal development. They want to better themselves; they want to work hard they want to do their best and that again rubs off onto the children. Rely on mentorship. National recognition. Team of workers. Confidence in them. I have a team that can actually take responsibility.</p>	<p>Training. They come from nothing. Training in house, through the system.</p> <p>It's changed in the last ten years because we have a much better financial position than ten years ago, when we started off. The family trust has limitations on what you can do on bursaries and things like that. But our operating company has made the decision that we will back anyone in the system that's got the capability.</p> <p>One lady with a degree, but then on the farm we don't have a lot of people with degrees but that's not to say that they're not very capable people.</p>	<p>When the business grew we could employ more people and more skilled people. 25 years down there is more skill out there so it's easier to find. And the winemakers and quality managers and skilled HR managers can do a good job and are qualified and even have experience, which wasn't the case 25 years ago, especially in rural areas. Some of them have excelled and others maybe not. We've got a very strong middle management of beneficiaries of this programme, (referring to the LRAT which led to the inclusive business model) where our employees own 26% of our business today. If you're retaining skill, low staff turnover, and investing in your staff, they should be able to do a better job and improve quality. Invested in leadership and business development. They share best practice – I think that is one of the most effective ways. The SETA programme is complicated to work but we are getting the benefits. Didn't work for first 8 years. We've got a skills plan, and then we apply for SETA grant support.</p>	<p>95 of the people got training in labour law.</p> <p>Had to do a lot of training for all the workers because they have to understand the whole issue.</p> <p>Potential. A lot of training. Training workers (who can't read or write). Training for the health clinic. Training 'without paying money'. SETA is working. We received SETA funds. Progress and changes in lives. I'm one of those guys that grabbed all the challenges I can see I can benefit from. Done a lot of short courses and training and things. Jannie Bosman saw potential in me.</p> <p>Health and safety is one of the specific ones that they have to do. They're busy now with the Workplace challenges for all workers on the farm now, some of them especially the management get some leadership training. And then there's lots of other things.</p> <p>There's a lot of farm kids in training now due to SETA funds that we received.</p>	<p>Long term transformation; this is a lifetime, it's generations to completely transform. Most of the training has been in-house, but a big proportion have had formal training. Reasonable share of external people on placement. Denise is a key role model in terms of reaching executive level. It does cost, it takes time to develop people. You could wash your hands of it, employ more skilled white people and not bother about it. I've taken a number of people some of whom were not hugely developed. I couldn't afford to have anybody who couldn't do the job as closely enough as the skilled white equivalent. We've appointed and still try to appoint people with potential. For business survival you need trained, motivated, full participants in the economy. Jury is out on how effectively (SETA) training schemes are administered. We've got a skilled multidisciplinary and multiracial team. If and when the white people retire, if there's a suitable Black person we'll probably try and find such a person.</p>	<p>Ownership is not just a thing on a piece of paper you need to upskill your people to work and understand. And we will upskill them. We identified a few of the guys and said six training sessions in your own time you need to upskill yourself in the process.</p> <p>SETAs – they came out with so much funding, syllabus, paperwork, and then they're gone. But nothing was left behind. SETAs waste of money. They got thousands of Rands out of us, but nothing is really showing yet.</p> <p>We use the seniors (which are all white) with one condition, you need to have a person of colour to get to your level. Trained up in house. SETAs don't understand that hands on experience and mentorship on farms is the best education you can get. Well we do learnerships for the government.</p> <p>Winemakers assistant (Jason) has finished 3 years in management training through the SETA.</p>	<p>We invest in people and we invest in the environment. Two thirds of the farm is under so-called stewardship – forever agreement with Cape Nature.</p> <p>Work with the school is part of upskilling people – the next generation.</p>	<p>Didn't know initially it was going to be a technical school plus a school of skills. There is dignity and with character building we focus a lot on restoring their identity. Teachers involved in upskilling students – surrogate mother or father to those kids. Focus on practical character strengths, building site because it's a technical school, and they see foundations. In South Africa, of all kids at school 40% make it to matric and 60% drop out on the way, no qualification probably subjects didn't give them skills. Forced to become manual labourers or be on grants. Skills shortage at Weltevrede. We see 2019 as a new chapter for Weltevrede as well. We can't change all our facilities and not change our people. So, this is our priority, to create a new culture of training and development. Want each division to become a leader in innovation and studies and development - I want trainees in every part of my business, because it brings something to a business as well.</p>	<p>Need to register with the SETAs and we're compliant in that we submit our report, but I don't think they are in any way adding to the training and development landscape. It's a compliance issue, so we work with them. I think they are always complicated and things are never simple, it is energy sucking. For us, we've taken the view that we want a more whole person approach around learning and development. Not everyone learns in the same way. Structured classroom style is pretty old school. We allocate an individual learning spend. Somebody motivates for how they would like to use their money. Diverse array of training opportunities – art courses, guitar lessons, anything that helps you feel more engaged. Even buckets to store water. Older employee can spend on child's education. Rely on staff mentors/management to help guide employees. Need to be adaptable and flexible in our thinking around growth and development.</p>

	<u>Compagniesdrift</u>	<u>Meerlust</u>	<u>Bosman Vineyards</u>	<u>Bosman Vineyards</u>	<u>Diemersfontein</u>	<u>Thokozani</u>	<u>Paul Clüver at De Rust</u>	<u>Weltevrede</u>	<u>Spier Wine Estate</u>
Shareholdings and equity share schemes	<p>72 shareholders, looking at changing trust deed because of long waiting list. Would love everyone at Meerlust and Compagniesdrift to be a part of this project from the start. Want to give the workers at Compagniesdrift the opportunity to become shareholders.</p> <p>No dividends yet. 50/50 partnership, soon 100%.</p>	<p>50/50 family and empowerment.</p> <p>We have 72 people and we think they should stay 72. Close to paying dividends. We think our problems will start when we start paying dividends.</p>	<p>26% Black owners.</p> <p>What are the challenges? How to manage 250 beneficiaries, that is not easy, people move and pass away, and the company is not set up to buy back its own capital – you kill it if you take the cash out or if you need to buy back its own equity. Dividend pay outs from the start. We have a constant dividend and obviously it fluctuates a bit in good and bad years, and also working with [people who are] uneducated financially it's changed a lot. But it helped to budget for dividends.</p> <p>We employ 450 – you can nearly say 500 permanently and then it goes up to 750 seasonally. I think up to 1000 this year because of the berries.</p>	<p>In 2007 Mr Bosman and his three sons came to the workers committee, said they wanted them to be part of the whole bigger company, they want to give them some shares if they're interested. So the committee decided to give it a chance. When they hear the word dividend, they immediately see money and that isn't the truth.</p> <p>Shareholdings are best models.</p> <p>Dividend payment. Every year since 2009. 260 beneficiaries. And we started in 2008</p> <p>Buying shares back. Sweat equity.</p> <p>Since we get paid out this dividend the people are part of the bigger picture now. They are beneficiaries or shareholders – we can see an improvement in their lives as well the changes you can see. – Debonairs progress example.</p>	<p>60 or 70 shareholders, all Black employees who have been here longer than a certain period as soon as we can find them shares. Created a company within a company. Thokozani now owns 80 and I own 20. Thokozani doesn't own anything of Diemersfontein. Will contemplate more equity or ownership because of mutual confidence built. It's a business within a business but it's free to fly (Business association, parent company) They are structurally a holding company. We've created something that has a certain level of genuine and sustainable surviving ability like shares in all of these bits. Sweat equity component. Equity is currently in a Pty as opposed to a Trust. There's a sustainable aspect of this, we are now grappling with this. The issue of buying people out at commercial value we have to build into your shareholders agreement. Government doesn't like trusts because they think it's an old employer's manipulation. But if you give shares in a company the exit is all important.</p>	<p>We got the people's buy in to change the shareholding model. Getting farmworkers to understand shareholdings. You need to pay 2% of your salary if you want a piece... if you allocate 2% of your salary, you're getting more shares and your return on investment is bigger in the long run. So, it took two years trust was there, belief we can. It was first 60 and 40 and today it's 80 and 20. Today I'm 35% shareholder in 80%, and it was my sweat equity in the business, and none of our other shareholders have... it's like 10000 shares. The feedback is they would like dividends. They don't understand that dividends come from profits.</p>	<p>When you're talking empowerment you're talking people who have a share in the business or own the business. But then it has to be a profitable business, otherwise there's no point owning it, and you run into the kind of thing that Solms Delta have run into.</p> <p>When SAFCO got out their shares went to the workers.</p> <p>Moratorium on trading shares for first 5 years, so they didn't just cash out and buy a TV.</p> <p>Some of the ladies have now bought shares and they are now the biggest shareholders.</p> <p>We're (family) still a minority shareholder.</p> <p>We don't really do dividends, we pay people market related salaries.</p>	<p>2000 started with our worker empowerment Trust to empower them with a vineyard and some shares to build up joint asset and profit share every year. 30 staff employed here.</p>	<p>Employ between 400 and 500 depending on time of year</p> <p>Have been discussions around ownership and shareholdings over the years. Difficult topic largely because particularly employee based share schemes have not always been successful and in many instances is actually detrimental to the business.</p> <p>We have some interesting new thinking. Potentially will be a unique approach, maybe even share scheme might not be the definer. Have looked at share schemes, maybe it's more about financial inclusivity than share schemes.</p>

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Family & generational ownership		<p>Family business. Trustees, morality. Family crisis.... They thought I could help them – My expertise is in management. Business background. No sons.</p>	<p>If it's a family business I think sustainability is important. 8th generation on this family farm. Family leadership. Great grandfather liberal progressive. There is a massive amount of generational trust. Father = trust.</p> <p>Big owners of 15 farms.</p>	<p>Generations, grandparents, children of workers get education.</p> <p>Communication, trust 'nothing to hide'.</p> <p>Eighth generation Bosman, 5th generation Appolis. I grew up on the farm with my grandma and grandpa. I was raised on the farm. Went to school but I didn't finish matric. I started on the farm as a general worker.</p> <p>There are still relationships between the farmers and workers on the farm. I grew up here like with Jannie, we played together, Beatrice and Pieter, the other son. They were still kiddies when I grew up on the farm and this is what makes us so unique. We are a family, the Appolis family and the Bosman family.</p>	<p>Grandfather's farm, bought in 1943. Grandfather reasonably progressive – social roots.</p> <p>What differentiates us is that we don't have a family succession plan.... And so... we can actually consider the staff becoming part of greater equity but it's embryonic at this stage.</p>	<p>Grew up as a labourer's child. Mum and dad worked in the vineyards. I worked in the factory sorting fruit... in the middle of the DOP system.</p>	<p>We believe in long term relationships. People working for us who are the 3rd generation. So also the school there is a trust relationship, otherwise it wouldn't work. Life is about relationships. Family business – obviously you are reinvesting in the business and not taking money, or taking a minimal amount of money. I have three daughters working here and a son and a son in law. So it's obviously a family business. Property bought by my great grandfather in 1896. I stopped medicine in 1989 and moved from Cape Town.</p>	<p>The 4th generation. 'We' = a core of three friends eventually. Wilhelm de Wet, actuary, Curran Kuhn, electrical engineer, and 12 other community people to help give vision shape. Team representative of WC - geographically, culturally, male, female, young, old, a real 'smartiebox'.</p> <p>We do represent a lot of other people, we have unique relationship. I'm not here because I am a businessman or I am a commercial farmer or I am white or I am male. I'm taking off that cap.</p> <p>It's amazing how this group grew together, like a family. Process of creating the school totally reshapes the way we get along in our community.</p>	<p>We are really lucky we're a family owned business. And remain family owned so our shareholders have always operated in the space that business can be a vehicle for having much broader impact.</p>

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Gender:	<p>Women on farms have hard lives. Mothers making babies and cooking food. Self-sufficient leaders. Very hardworking and bright. They feel that they are somebody, they earn their own money.</p> <p>Examples of women who have achieved a lot. E.g. cleaner to logistics department; gate controller to marketing assistant, cellar worker to heading up logistics department.</p>	Success with girls.	<p>Initially with the land reform Rita was the first chairman – she’s now not involved anymore she moved to local government. She’s still on the board but not an executive position.</p> <p>She was really strong at keeping everyone in the right direction.</p> <p>New women leaders – Jolie, Julianne, Elizabeth, and I must say a lot of women.</p>		<p>The people who flourished here have largely been women and they’ve been very good and very effective. It’s not that there’s no men that flourish but the women are perhaps more vocal and more accomplished. The women have seized the opportunity and risen to the top. They have emerged without any help from me and that’s in a way quite lekker, quite great.</p> <p>Were Black men more damaged by apartheid and their capacity to rehabilitate and things than Black women? Black women here are more articulate, more emotional, more expressive, all the usual clichés.</p> <p>Tholene – a woman farmworker who sort of risen through the ranks. She has the personality, the driver, the guts. The men, some of them are great but they don’t have the same drive.</p> <p>Denise: huge drive, passion, angry, passionate, fantastic role model and leader.</p>	<p>I just finished my international entrepreneurs diploma, the African Women entrepreneurs Council.</p> <p>Even here at Diemersfontein, women are really taking control. Tholene example. ‘Now she is getting more confident’.</p> <p>Philida – a cleaner she’s now becoming an assistant in the hospitality team. Tammy on our farm she was the receptionist, she’s the head of hospitality today. I can go on like that, we’ve got a few solid women in the farm.</p> <p>Male people in vineyards they don’t take you serious.</p>	Some of the ladies have now bought shares and they are now the biggest shareholders		