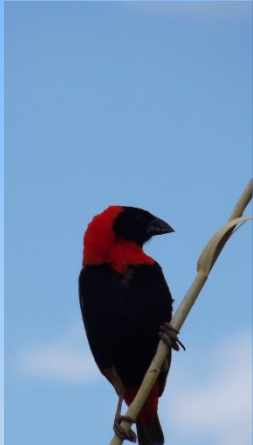


# Fairtrade in Eksteenskuil



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# Personal Observations

- A Big **Thank You** to all those who have helped
- Take pride in Eksteenskuil!!



## Introducing our Project

‘Ethical Production in South Africa: Advancing a Cultural Economy Approach’,  
*funded by the Leverhulme Trust*

### Case studies:

- Sustainable wild flower harvesting on the Agulhas Plain.
- Eksteenskuil Agricultural Co-operative, Fairtrade raisin producers



## Aims of Presentation

- Outline the impacts of Fairtrade within Eksteenskuil
- Make recommendations for improving the way that Fairtrade works
- Make recommendations for improving the ways that the Co-op works

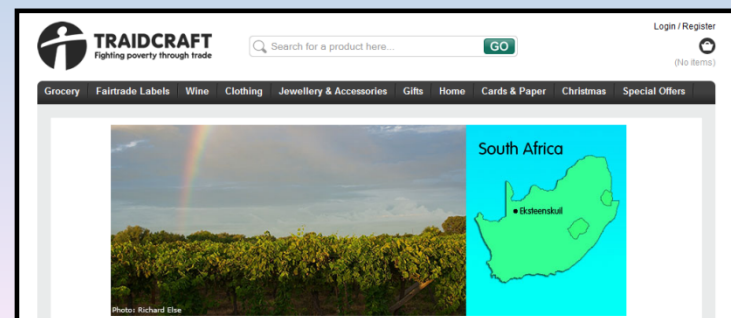
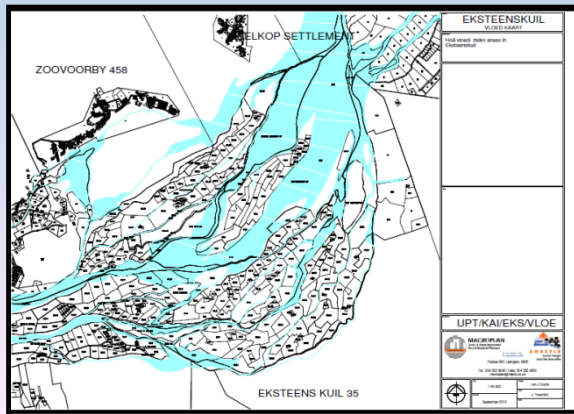
## Methodology

- 89 interviews conducted in relation to Eksteenskuil including 44 people from 27 households



# Why is Eksteenskuiil interesting?

- World's first Fairtrade raisin supplier
- One of only 3 smallholder FT producers in SA
- Unique history and geography
- Produce in a marginal environment
- Linked to UK market
- Focus for development efforts from Traidcraft



# History and Geography of the Community

- Community from diverse backgrounds
- Post World War 2 resettlement programme
- White farmers moved elsewhere and people from places such as Kakamas, Poffadder, Namibia came to Eksteenskuil
- However, farmers allocated small plots and no deeds
- Multi-island community based around North, Middle and South Islands
- Infrastructure poor and some areas very 'remote'.



# Hazardous environment

- **Floods, hail, rainfall variations, frost, fire, monkeys and other pests:**
  - ‘Every year more hailstorms, more frosts and black frosts are more prevalent too’.
  - ‘But as a result of the 2002 hailstorm they had to sell all their animals to have cash, so no cows for milk during the floods of 2011’.
  - ‘Need capital, you need to be financially strong. Even if you get a loan from the Land Bank it is not a good way to start. You are still dependent on nature.’
  - ‘Every fifth year there has been some sort of a flood. It is a risky place.’



## Livelihood stability/survival

- Household wealth seems to be dependent upon interplay of factors such as: amount of land, productivity of vines, localised risks, number of dependants, opportunities for diversifying income.
- Diverse livelihood strategies – many people have multiple income earning strategies, some can be uplifting, whilst others just enable survival (i.e. renting land out, working as a casual farm worker).
- High dependency levels in many households. Three or more generations all depending upon farm income.





## Land ownership issues

- **Many families still do not have deeds to their land:**
  - ‘We also do not have our title deeds. It is almost impossible for us to get a loan at the bank, our age counts against us.’
  - ‘We are patient people, don’t feel it is our place to ask. We will get a letter saying where we are on the list. You have to be patient with government’.
- **This is a major impediment to economic progress, causes local disputes and a sense of disempowerment**
- **Requires co-ordinated action to rectify the situation:**
  - ‘Land ownership is an on-going battle with the government. Once again if the guys can all get together, that’s part of it. They need some expertise, the smaller ones are struggling ones. To give them ownership will give them some pride.’

## Attachment to the land

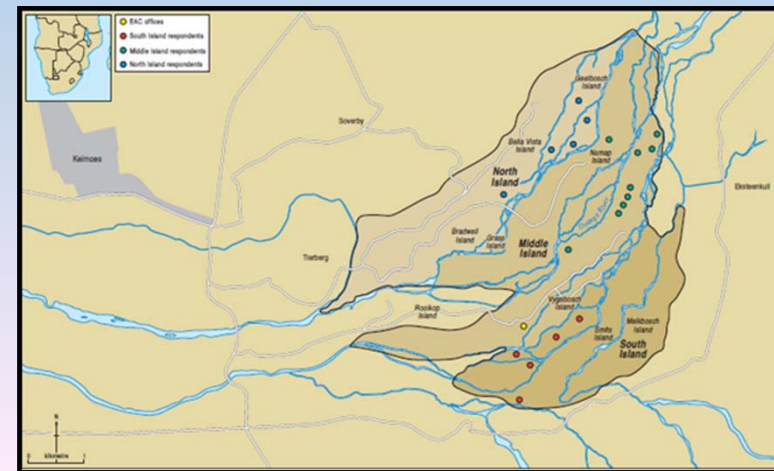
- **Polarised views of (farming) life in Eksteenskuil:**
  - 'I love farming and I love the land. My father gave me the opportunity to be in farming and I want to give the same opportunity to my kids'.
  - 'I love my surroundings and being surrounded by nature'.
  - 'I love this place, very much. When my son wakes up in the morning he says 'Pa we must get to work', it makes me very nostalgic'.



- 'My children have already said that their hearts are not in farming and they would rather not farm'.
- 'Farming at Eksteenskuil is like a slow death'.
- 'But if my son does not have a love for farming, how can I expect him to farm?'

# Social and Community Issues

- **A lack of community spirit and divisions between the islands?**
  - ‘In the old days the community was very close and everybody helped each other. Now it is a very different story’.
  - ‘People usually give emotional support but not financial or physically’.
  - ‘That’s how people are on the island, not very committed to helping each other, greediness and things like that. People do not give their co-operation freely. People’s attitudes have changed and they seem less concerned about their neighbour or the other person. So you end up trying to look after yourself.’



## Social and Community Issues

- **Alcohol abuse is seen as an increasing problem:**
  - ‘Some of the farmers are too irresponsible, linked to alcohol. That’s why you cannot depend on a lot of farmers. It is especially prevalent on North Island. Each island has its own culture’.
  - ‘Even in this hard time people would use what money they had to buy alcohol. They would go through the water. The Police Forum is hopeless. You cannot rely on them.’



# Benefits of Fairtrade 1

- **Members mention various benefits: Implements, higher income, ability to take out loans...**
  - 'That's where our lives started, the exporting of the raisins to overseas. We were available to pay off loans and debts and things like that, made life financially easier. Our lifestyle has definitely improved.'
  - 'We are quite satisfied with the Co-op, the benefits are quite good, they can explore overseas markets. Better price than before joined. One great benefit is that we can borrow implements.'
  - **Through Fairtrade the Co-op structure has been set up**
  - 'It is much easier to speak for 100 people than standing there and representing yourself. That makes a big difference especially if you are into this Fairtrade thing'.



# Challenges of FT and the market

- **There is little extra value for fairly traded commodities:**
  - ‘They are all keen to buy the (Fairtrade) tonnes but they are not keen to pay.’
  - ‘The expectation is that this will change their lives around but this is not the right model. So you will always have that frustration.’
- **This story is replicated across virtually all Fairtrade and ethical trade markets:**
  - ‘it’s good to sit in a boardroom in Germany or wherever saying these guys have to be part of the supply chain and that all these guys are stealing their money, that’s fine and well. But that’s a quick solution to feel better again. You are not really addressing the problem, just the symptom.’
- **Costs of compliance:**
  - ‘And the paperwork! I had a guy who probably worked on this for a week full time, just the auditing. It is just a nightmare to work through. It is a cumbersome process to comply.’



# Does Fairtrade deliver as much as it promises?

- ‘It is a bit frustrating as although we know that we are paying a Premium and it is just going to the farmers and they are just fighting and struggling to survive. It’s not like we are creating a fund to plant more or build new schools. Everyone wants to help but are we really making a difference?’



- **There is confusion over the price structure – especially the Social Premium and the ‘Premi’. Confusion leads to misunderstandings, which leads to disenchantment.**
- **Very low local awareness of EAC’s Fairtrade status.**

## Comments about the Fairtrade System

- **Too much emphasis on raisins and value chain control, not enough on potential benefits of diversification and benefits to be gained through leveraging support from external stakeholders**
- **Co-operative model does not fit easily with local context**
- **Costs of managing Co-op are prohibitive**
- **Social standards may not meet expectations of consumers, especially around seasonal workers**
- **Environmental standards are not necessarily appropriate for a location such as Eksteenskuil.**



# Effectiveness of the Co-op

- **Communication Problems:**

- 'A lot of misunderstandings and confusion that is why people do not participate fully'.
- 'I have stopped going to meetings as they are just confrontational...back and forth, back and forth. Lots of misunderstandings, decisions or priorities that differ. So people argue and disagree.'



- **Project Management Problems:**

- 'The fig project...first they bought the wrong variety, then it is not being properly managed'.
- 'I do not understand where all the investments done years ago have gone now - projects that were not sustainable and have not become something.'

# Relationships with External Stakeholders 1

- **Lack of awareness amongst members of different organisations and the roles they play:**
  - ‘If Traidcraft were not there, where would we go? Could we sell to Fairtrade?’



- **A lot of engagement in Eksteenskuil, but stakeholders lack awareness of each other ⇒ duplication, lack of synergies and frustration:**
- ‘...there is more than one funder for this project, which Traidcraft was not aware of.’



## Relations with External Stakeholders 2

- **Lots of opportunity and goodwill – government and private sector have mandates to support communities like Eksteenskui:**
  - ‘The resources are there and they must tap into them’.
  - ‘They have a good ear with government but don’t realise it’.
  - ‘Don’t bite the hand that feeds, some times you have to stand back and play the game. When dealing with government you can easily be left out. There is no point making enemies’.
  - **But EAC has a reputation for being difficult to work with:**
  - ‘Some of those guys have semi-political agendas and they try to push for that. But on the other side are good farmers, good producers who with a little bit of help can push further.’
  - ‘Even if you give them help, then help becomes a reason for conflict’.



# Thought Provoking Comments

- 'You must seek out the bigger picture there is more to the future than raisins and premiums, they will not save the day.'
- 'If you look at the way forward, the amount of money you need to invest to get them up to 30 to 40 tonnes and how much land you need. Because you can do a maximum of 5 tonnes of raisins per hectare and with prices, even as they are now there is no way you will survive. You can do a whole calculation to see what size of land you need against yield then you can say **what is viable?** and work from there'.
- 'you have to ask if this area the best suited for vines? Is it not better suited for cash crops? It is not an emotional issue, it must **make economic sense**. You cannot have a project that you know from the start will not be a success. How will that influence other people?'
- 'there needs to **be realism** about the potential of some areas and that it is pointless and wrong-minded to encourage people to farm in the more marginal areas, where the productive resource is poorer and the costs and risks are higher'.

# What is the future for the Co-op?

- **Clarifying the purpose of EAC?**

- 'The Co-op has not reached its potential, not where it wants to be. They should think ahead more'.
- 'I see the co-op not as a community outreach support organisation but as a business'.
- 'There is a need for training on how a Co-op works. It is almost a stigma carried over from the old regime and that definitely needs to be changed'.
- 'Unrealistic expectations were set from EFA, they set a lot of expectations. The co-op is established and they cannot deliver'.

# Recommendations

- **Clarify EAC's core objectives**
- **Identify precisely what EAC is trying to achieve – what is the 'Vision'?**
- **Strengthen relationships with external organisations**
- **Strengthen relationships within the community**
- **Prioritise resolution of land ownership issues**
- **Be realistic about 'forces of nature', 'forces of economics' and 'social forces'**

**Thank You!**

