

Lemons or Lemonade?

Examining the economic and social outcomes of engaging in the export-driven citrus value chain of South Africa for selected commercial citrus farmers and farm workers in the Raymond Mhlaba Municipal District, Eastern Cape

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ACRONYMS

GCC	Global Commodity Chain
GVC	Global Value Chain
GPN	Global Production Network
IMF	International Monetary Fund
CGA	Citrus Growers Association of Southern Africa
ILO	International Labour Organisation
LPT	Labour Process Theory
FAWU	Food and Allied Workers Union
SAFPRO	South African Fruit Promoters
EASSE	Eden Agri Safpro Support Enterprise
DALRRD	Department of Agriculture, Land Reform and Rural Development
ITO	International Trade Organisation
GATT	General Agreement on Tariffs and Trade
WTO	World Trade Organisation

ABSTRACT

This study examines the economic and social outcomes of participating in a global citrus value chain for selected commercial farmers and farm workers in Raymond Mhlaba Municipal District in the Eastern Cape, South Africa. A global chain refers to international production sharing through cross-border trade. Multilateral organizations (and some prominent global chain scholars) that support neoliberal economic globalization perceive global chains as ideal channels of economic and social upgrading for participants, particularly those from the global South. From the abovementioned perspective, global chains enhance efficiency through inter-firm relations that promote the distribution of technology and access to capital, thus leading to economic and social upgrading in developing countries. Economic upgrading, on the one hand, can briefly be described as the movement of supplier firms from lower to higher-value activities in global chains. Social upgrading, on the other hand, is the improvement of employment conditions and outcomes of workers employed by supplier firms at the production node of global chains. This study adopts the dual theoretical framework (Global Chain Framework and Labour Process Theory) proposed by Newsome, Taylor, Bair and Rainnie (2015) in their seminal book *'Putting Labour in its Place: Labour Process Analysis and Global Value Chains'*. This dual framework is ideal because it conceptualizes the spheres of trade exchange and production, which are the primary research sites of this study. Qualitative research methods were adopted and utilized to collect and analyse data in this study. These methods were ideal for this study, as they captured the subjective accounts of the selected commercial citrus farmers and farm workers in the Raymond Mhlaba Municipal District in the Eastern Cape, South Africa. The findings in this study showed that the outcomes of these selected commercial citrus farmers and farm workers in this region are variegated, meaning that, there is evidence of economic upgrading, social upgrading and social downgrading as well. Amongst farm workers in the region, only a small group of (mostly older male) farm workers enjoyed social upgrading, whilst the majority of seasonal (mostly female) farm workers experiences social downgrading. The findings in this study showed that the variegated economic and social outcomes of the selected commercial farmers and farm workers were primarily determined by their economic class and position within the citrus value chain of South Africa. These findings highlight the importance of positionality in determining the fate of participants in global chains.

CHAPTER 1:

INTRODUCTION

1.1 INTRODUCTION

This study critically analyses the outcomes and experiences of selected commercial citrus farmers and farmworkers (from the Raymond Mhlaba municipal District, Eastern Cape) in the global citrus value chain in South Africa. This study critically analyses the assumptions made by neoliberal institutions such as the World Bank, that integrating to global chains leads to economic and social upgrading for participants, particularly those from the global South. This chapter covers the following areas: an overview of the context of the study; the goals and objectives of the research; the research methods adopted and utilized in the collection and analysis of data; and a brief overview of the ensuing chapters in this thesis.

1.2 CONTEXT OF THE RESEARCH

Global chains have been investigated and explained from several different yet interrelated analytical frameworks; the frameworks all seek to provide explanations (from different perspectives) of the concept of globalisation. Globalisation is the integration of global economies (through people, companies and governments) through cross-border trade of goods, services and capital (Sturgeon, 2009:4). Thus, a global chain describes all the cross-border trading activities that firms engage in to bring a product to the market (Ellwood, 2006). Neoliberal-inspired institutions such as the World Bank and the International Monetary Fund (IMF) (and some prominent global chain scholars), promote the integration of global economies (through global chains), as they are believed to facilitate development (Bhagwati and Srinivasan, 2002; Gereffi, 2001; Özalp, 2021). As such, these scholars and multilateral institutions promote neoliberal/export-oriented economic strategies, wherein price controls are eliminated, capital markets are deregulated, and trade barriers are minimized, in order to facilitate contemporary economic globalization (Özalp, 2021; Maswood, 2018). Neoliberal institutions such as the World Bank and IMF (and some prominent global chain scholars) assert that global chains facilitate economic and social upgrading (Gereffi, 2001; Maswood, 2018). Proponents of this assertion believe that deregulated international trade through global chains is the panacea to the underdevelopment in the Global South (Gereffi, 2001). These scholars contend that lead firms provide support and insights into production processes, which promotes economic upgrading in developing countries (Gereffi, 2001; Giuliani *et al.*, 2005).

Economic upgrading can briefly be described as the movement of producer firms from lower to higher-value activities in global chains (Gereffi, 1999). Humphrey and Schmitz (2002) identify four types of economic upgrading in global chains: process upgrading (development of technological productive systems); product upgrading (development of product varieties); functional upgrading (adoption of higher-value activities up the value chain); and intersectoral upgrading (entering new value chain from previous value chain). Another core assumption of global chain discourse is that economic upgrading results in social upgrading, as the benefits reaped by the producer firms trickle down to the workers in the global chain (Selwyn, 2013). Social upgrading is the improvement of working conditions and employment outcomes of workers employed by supplier firms at the production node of global chains (Selwyn, 2013).

The social upgrading notion stems from the ILO's 'Decent Work Agenda' which rests on four key pillars: employment creation; rights at work; social dialogue; and social security/protection. To critically analyse these economic and social upgrading assertions, this study makes use of the Global Chain Framework and the Labour Process Theory. This study uses the term 'Global Chain Framework' to refer to a trilogy (GCC, GVC and GPN) of analytical frameworks which originated from a single framework (GCC) but later evolved (to GVC and GPN) due to shifts in the global economy (Bair, 2009). The GCC framework originated from the Dependency and World-Systems schools of thought, which argue that Capitalism, together with globalisation, produces and reinforces global inequalities (Binns *et al.*, 2018). From this perspective, countries in the Global South were (and still are) used as sites for resource (natural and human) extraction (Binns *et al.*, 2018). However, the discourse around GCCs would change after the events of the 'East Asian Miracle'.

The neoliberal World Bank coined the term 'East Asian Miracle' to describe the rapid economic growth of Asian countries that adopted export-oriented industrialisation policies, which advocated for deregulated trade through GVCs (Maswood, 2018; World Bank, 1993). This position (neoliberal economic globalization) has become the dominant voice in global chain discourse, as it shares allegiance with the globally dominant neoliberal trading framework of deregulated global trade (Gereffi, 1994). Global chain (GCC and GVC) literature focuses on the role that leading firms play in certain industries, arguing that global integration is mutually beneficial for trading partners (World Bank, 2020). Using the analytical perspectives provided by the various Global Chain Frameworks, one aspect of this study interrogates whether the selected citrus farms experienced any form of economic upgrading in the global citrus chain.

Moreover, to determine whether economic upgrading is unilateral across the citrus value chain, the study interrogates the conditions necessary for a farmer to achieve economic upgrading. By doing this, the study critically analyses the mainstream (GCC and GVC) global chain hypothesis i.e., integrating into global chains results in economic upgrading. Notably, although the Global Chain Framework provides insights into the contemporary globalised economy, it does not situate labour within global chains (Rainnie *et al.*, 2011). Moreover, there are several global chain scholars who are critical of the contemporary neoliberal globalised economy (Newsome *et al.*, 2015; Barrientos *et al.*, 2011; Werner, 2012). The global chain literature (particularly the GCC and GVC scholars) portrays global integration as mutually beneficial for capital and labour, but ignores the exploitation and inequality created by these value chains (Selwyn, 2017).

The GPN Framework attempts to address this omission (and others) by paying attention to the role of non-firm actors who influence the structure and function of global chains (Hess, 2016). Moreover, there is also a group of emerging GPN scholars who are highlighting the perpetual inequality created by global chains (Coe & Yeung, 2015; Yeung, 2016). It is for this reason that the study merges the Global Chain Framework with the Labour Process Theory, to critically analyse the labour processes that characterise the production node of the Raymond Mhlaba citrus industry. The LPT argues that work under a capitalist mode of production is characterised by the exploitation of labour by capital to produce surplus value (Marx, 1967). Employers in a capitalist mode of production employ managerial control strategies that ensure profit maximisation, often at the expense of workers (Marx, 1967).

Capitalists use two methods to control the exploitation/surplus value rate: absolute and relative surplus-value extraction (Cole, 2018). Each method has distinct effects on the labour process, but both are geared towards maximising profits. Braverman (1974) builds on Marx's theory, arguing that the value-creation process informs the separation of conception from execution in the capitalist production process. Braverman (1974) refers to this as the destruction of craftsmanship, which results in work degradation for the working class. Another aspect of this study interrogates whether (and to what extent) farm workers employed in exporting citrus farms have experienced social upgrading since being employed on farms integrated into the global citrus chain. This research makes use of the LPT to critically analyse the labour processes that characterise the production node of the Raymond Mhlaba citrus industry.

Using the pillars of the Decent Work Agenda, the researcher explores the farmworkers' experiences to interrogate whether the integration into the global citrus chain has resulted in social upgrading. The South African citrus industry has significant linkages to the broader global economy, exporting 2,729,158 tons of citrus products in the 2018/19 production season (DALRRD, 2020). The Eastern Cape is the second largest production region in the country, producing 26% (23 020 ha) of citrus (DALRRD, 2020). The citrus industry is also labour-intensive, employing workers across different activities in the value chain, from growing to packhouses, marketing and logistics, and other input supply (DALRRD, 2020; Chisoro-Dube and Roberts, 2021). Chisoro-Dube and Roberts (2021) estimate that the citrus value chain accounted for more than 250 000 jobs in 2020. It is also estimated that more than a million households depend on the SA citrus industry for their livelihood (DALRRD, 2020).

In this light, the South African citrus industry is suitable to interrogate economic and social upgrading within global chains, as the sector is big enough to facilitate development (economic and social) within the country. In the Raymond Mhlaba municipal region, the local economy can only create jobs for around 3.5% of the population (Khowa and Mukasi, 2021; Stats SA, 2016). Farming plays an integral part in Raymond Mhlaba's local economy, as the citrus industry is the leading employer in the region (Municipalities of South Africa, 2022). The local economy is driven by the agricultural sector, which consists of citrus cultivation, forestry, and crop production (Khowa and Mukasi, 2021). As such, this region is a suitable site for interrogating the concept of social upgrading. The region is characterised by a high unemployment rate, low-income levels, and a citrus industry that employs most of the population. Thus, the Raymond Mhlaba citrus industry allows for the interrogation of social upgrading among workers located in the production node of the value chain. The interrogation will enable the study to provide a critical analysis of the global chain hypothesis i.e., integrating into global chains results in social upgrading.

1.3 RESEARCH GOALS AND OBJECTIVES

The primary goal of this research is to provide a critical analysis of the production node of the citrus value chain located in the Raymond Mhlaba region, focusing on the local farmers' farming activities and the farm workers' employment conditions. The secondary objectives include:

1. Examining the governance structure of the global citrus value chain in South Africa

2. Examining the power relations between the stakeholders in the production node of the chain to understand the consequences of these relations on the farmers
3. Examining the successes and challenges of farmers due to integrating into the citrus value chain
4. Examining the living and working conditions of the farm workers, including wages, social protection, employment contracts, rights at work, workplace health and safety, and social dialogue in the workplace
5. Examining whether the farm workers' lives have improved since being integrated into a global chain.

1.4 THESIS OUTLINE

Chapter 2 of this thesis unpacks the study's theoretical frameworks, particularly the Global Chain Framework and the Labour Process Theory, which will be used as a lens to analyse and interrogate economic and social upgrading in the Raymond Mhlaba citrus industry. The third chapter starts by discussing the evolution of the global trading system to understand the foundations and dynamics that characterise the current global chains that we see today. To interrogate economic and social upgrading in the global citrus value chain, the second section of the third chapter situates the South African citrus industry (in particular, the Raymond Mhlaba Citrus Industry in the Eastern Cape) within the global citrus value chain. Chapter 4 discusses the qualitative research design applied to explore and understand the lived experiences (relating to economic and social upgrading) of the citrus farmers and farm workers. Chapters 5 and 6 are the data analysis chapters, wherein the research objectives of this study are addressed.

In Chapter 5, the first three secondary objectives and part of the primary goal of this study (see section 1.3 above) are addressed. To address these objectives, the study explores the outcomes and experiences of selected commercial citrus farmers (from Raymond Mhlaba Municipality) in the global citrus value chain in South Africa. Chapter 6 addresses the last two secondary objectives, and part of the main objective (see section 1.3 above). To do this, the study uses the ILO's Decent Work Agenda to interrogate the employment conditions of citrus farm workers. Moreover, the study examines the living conditions of the farmworkers to determine whether their lives have improved since joining the production node of the citrus value chain of South Africa. Lastly, Chapter 7 concludes the study, providing the main findings concerning economic and social upgrading and stating the limitations and recommendations for future research.

CHAPTER 2:

THEORISING GLOBAL CHAINS

2.1 INTRODUCTION

Since the 1980s, the international trade of fruit and vegetables has been characterised by high levels of growth (Fernandez-Stark *et al.*, 2011:1). The export growth has significantly surpassed the increase in production, with global trade doubling between 2000 and 2018 (Fernandez-Stark *et al.*, 2011:1). The trading/exporting of agricultural production occurs through 'global chains', which are cross-border trading activities firms engage in to bring a product to the market. Within contemporary global chain discourse, these chains are viewed as vehicles for development and proponents of this position believe that free, deregulated international trade results in economic and social development for countries in the Global South. This chapter contextualises the study using literature on global chains to understand the realities of farmers and farmworkers in citrus value chains. This study is informed by the Global Chain Framework and Labour Process Theory, which (together) provide a lens to critically analyse and interrogate the position of farmers and farmworkers in the citrus value chain of South Africa.

2.2 THE 'GLOBAL CHAIN' FRAMEWORK

2.2.1 The Global Commodity Chains

The 'Global Chain' Framework covers a trio of interrelated theoretical frameworks, which include Global Commodity Chains (GCC), Global Value Chains (GVC), and Global Production Networks (GPN) Frameworks (Bair, 2009). The trilogy stems from a single framework but later evolved due to shifts in the global economy, which resulted in the splitting of approaches within the field of global chain research (Bair, 2009:7). The field of global chains is connected to the study of economic globalisation, which refers to the integration of global economies through cross-border trade of goods, services and capital (Sturgeon, 2009:4). Thus, a global chain describes cross-border trading activities that firms engage in to bring a product to the market. The first Global Chain Framework was known as the GCC Framework, and it originated from the Dependency and World Systems' schools of thought (Bair, 2009:7).

A GCC can be described as a system of labour and production processes that produce a finished product/commodity (Bair, 2009; Hopkins & Wallerstein, 1986). Informed by the Dependency and World Systems traditions, the GCC Framework argued that global capitalist trade produced and reinforced global inequality (Binns *et al.*, 2018). As such, the GCC Framework seeks to understand and interrogate the unequal trading relations and development that exist between different countries that make up the global economy (Harrison, 1988:86). According to the World Systems school of thought, the global economy is made up of the core, periphery, and semi-periphery nations. The core nations are considered to be the developed countries, with ascendancy over the periphery/developing countries, enforcing unequal exchange relations that produce and reproduce global inequality (Harrison, 1988:86).

On the other hand, semi-periphery countries are considered to be in the middle, where the core exploits them but also participates in the exploitation of the periphery (Harrison, 1988:86). As such, it can be argued that semi-periphery countries also play a role in the perpetuation of the global inequality. The GCC Framework focuses on class contestations both on a local and international level, attempting to explain how and why these unequal relations exist. Inspired by the Dependency school of thought, developing countries in Latin America introduced Import Substitution Industrialization (ISI) policy frameworks to protect themselves from exploitation by powerful multinational companies (Maswood, 2018:115). ISI promotes protectionist policies such as high tariffs, which protect infant industries from competition in foreign markets (Maswood, 2018: 116).

The focus in global chain discourse soon changed after the events of the 'East Asian Miracle' took place, as global chains were no longer viewed as polarising the global economy but were now viewed as vehicles for development (referring to economic and social upgrading) (Gereffi, 2001; Maswood, 2018). The World Bank coined the term 'East Asian Miracle' to describe the rapid economic growth of Asian countries that had adopted Export Oriented Industrialization (EOI) policies, which advocate for free deregulated trade through global chains (World Bank, 1993:37). The advancement of this position has become the dominant voice in global chain literature. This position shares a synergy with the globally dominant neoliberal trading framework in which deregulated global trade (through global chains) is presented as the panacea to underdevelopment in the global South (Gereffi and Korzeniewicz, 1994:98). As such, global chain literature has been pre-occupied with the developmental prospects offered by multinational companies or lead-firms to emerging economies.

This shift in GCC research saw a growing pre-occupation with the role that lead-firms play within specific industries; as such Gereffi (2001:32) identified two kinds of value chains, those led either by buyers or producers (Gereffi, 2001:32). Producer-Driven Commodity Chains (PDCCs) are controlled by powerful transnational manufacturers who coordinate production networks, while influential retailers control Buyer-Driven Commodity Chains (BDCCs), marketers, or branded manufacturers who determine production networks in manufacturing countries (Gereffi, 2001:32). Advocates for this integration argue that lead-firms in chains will provide support and insights into production, leading to improved technology, knowledge, skills, and wages in developing countries, i.e., economic upgrading (Giuliani *et al.*, 2005:552). Economic upgrading in global chains can be collectively described as an advancement of firms from low-value activities to high-value activities within a value chain. Giuliani *et al.* (2005:552) identify four types of economic upgrading that take place in global chains, namely: *process* (advancement of production process via technology and work organisational methods); *product* (improving product quality and range); *functional* (adoption of more profitable activities higher up in the value chain); and *intersectoral* (using expertise gained in one chain in another value chain). As highlighted above, upgrading is considered a means by which developing country industries can respond to the obstacles of globalisation and competition. Of concern, from a labour perspective, the framework does not interrogate the social reproduction of work and labour standards within commodity chains (Selwyn, 2013:77). No attention is paid to the relationship between labour and capital, that is, the framework fails to situate the aspects of labour and working conditions of labourers, which form part of the actual commodity in commodity chains (Selwyn, 2013:77).

2.2.2 Global Value Chains

Notably, Gereffi's (2001) dual-governance model (buyer and producer-driven) was later criticised for not capturing the complex dynamics of global trade. The GVC Framework replaced the GCC Framework, as the GVC Framework was argued to be more inclusive of the full range of chain activities and end products (Bair, 2009:12). Unlike the GCC Framework, the GVC approach identifies three forms of chain coordination, that is, *market* (coordinated according to price and quality), *network* (coordinated through sharing of risks, and tacit information and general interdependence) and *hierarchical governance* (coordinated through extreme monitoring of suppliers by lead-firms) (Sturgeon, 2009:10). The GVC Framework focuses on the relationships that exist between firms at different segments of the value chain. It also analyses how industries are organised, coordinated, and governed throughout the chain.

Gereffi and Lee (2016:26) argue that GVCs are essential for economic development and job creation in the global economy, where competition is rife and production is fragmented. Although the GVC Framework is valuable in providing insights into the contemporary globalised economy, like the GCC approach, it fails to situate labour within value chains (Rainnie *et al.*, 2011:155). Labour remains marginalised within GCC and GVC Frameworks and is not viewed as an active agent capable of shaping and influencing the structures of global chains (Rainnie *et al.*, 2011:155). Moreover, some global chain scholars are also sceptical about the claims made by GVC scholars that the integration into global chains will lead to economic and social gains for developing countries in the global South (Newsome *et al.*, 2015; Barrientos *et al.*, 2011; Werner, 2012). Of concern, the global chain theses fail to account for the role of power and class and how these dynamics create unequal development within global chains.

Global chain literature focuses on inter-firm relations by examining the vertical relationships between buyers and suppliers. By doing so, the global chain multi-scaler analysis focuses on developments such as the East Asian Miracle. Therefore, the literature can claim that countries that integrate into global chains get the gist of how global chains function, thus achieving economic upgrading and development (Özalp, 2021:2579). As Selwyn and Leyden (2022) points out, capitalism's core social relations - labour exploitation by capital and endless competition between firms - reproduce inequality and poverty. The global chain literature portrays global integration as mutually beneficial for capital and labour, but ignores the exploitation and inequality created by these value chains (Selwyn, 2017: 6).

This narrative rationalises oppression and exploitation of developing countries, under the guise of helping them (Selwyn, 2017:6). Suwandi (cited in Özalp, 2021:2578) takes this analysis to another dimension, calling it a new kind of imperialism, wherein surplus value is transferred from developing countries to developed countries. Suwandi *et al.* (2019) highlight how companies such as Nike and Apple from the United States offshore their production to subcontractors mainly found in periphery countries, with production carried out to their exact digital specifications - what is referred to above as market coordination. Large multinational corporations are at the centre of these relations, and the offshoring of production is closely related to foreign direct investment in low-wage countries in the periphery of the global economy (Suwandi, 2019).

Thus, at the heart of the global chains, the issue is how global monopolies capture the value generated by labour in the periphery through unequal exchange - this is also referred to as

global labour arbitrage (Suwandi, 2019). Export industries in developing countries are dominated by predatory lead-firms, which leave them with no option but to transfer that pressure to their workers, undermining the prospects of any social upgrading (Suwandi, 2019). As such, the idea promoted by scholars in Global Chain circles (Gereffi and Lee, 2016:35), that upgrading will automatically lead to social upgrading for workers, must be questioned. It must also be questioned who along global chains experiences economic upgrading, how they achieve it, and who loses out. Multilateral institutions such as the World Bank (and some prominent contemporary GCC and GVC scholars) predict mutual gains between trading partners in global chains (Selwyn and Leyden, 2022). However, its core assumptions are incompatible with the realities of global value chains, in which (mostly Northern) oligopolistic lead-firms capture value from (primarily Southern) suppliers and workers (Selwyn and Leyden, 2022). Selwyn and Leyden (2022) argue that some of the mainstream global chains discourse conceals the power dynamics and forces that drive extreme wealth, poverty, and exploitation concurrently.

2.2.3 Global Production Networks

The third approach under the trilogy of the Global Chain Framework is the GPN approach. The GPN analysis transcends the GCC and GVC Frameworks (though with similar limitations), as it looks at the role of non-firm actors within global chains (Hess, 2016; Rainnie *et al.*, 2011). This framework rests on three areas of analysis, namely, *value* (how its created, advanced, and rewarded), *power* (private, corporate, and state), and *embeddedness* (territorial) (Hess, 2016:2). The GPN Framework argues that production networks are embedded in broader, multi-scaler structures and institutions of the global economy; as such, a production network is shaped by social, economic and political features of different regions (Selwyn, 2013:77). As such, the GPN Framework attributes inequality and exploitation in global chains to the problem of governance dissonance, that is, the private, public and social stakeholders not working together to achieve economic upgrading (Gereffi and Lee, 2016). Recently, however, a group of GPN scholars, known as GPN 2.0, are beginning to ask questions about the growing inequality (wealth and poverty) created by global chains (Coe and Yeung, 2015; Yeung, 2016). Some of these questions are connected to the core concerns of Dependency and World systems thinking. These scholars do not deny the upgrading prospects offered by global chains; however, they highlight the polarising impact of the capitalist power contestations in global chains. The GPN 2.0 also focuses on how firms in developing countries can use strategic coupling to gain higher rents in the global chains. A major weakness in the GPN Framework as a whole is its weak

interrogation of the role of class and inequality in global chains. That said, the GPN does broaden the global chain discourse to interrogate the role of non-firm actors such as government, labour and civil society. This study seeks to examine the role of issues such as class in determining the economic and social outcomes of selected commercial citrus farmers and farm workers in the Raymond Mhlaba Municipality, Eastern Cape.

2.2.4 Social Upgrading in Global Chains

The GPN Framework also attempts to include labour in its fold, as the GCC and GVC Frameworks have previously ignored labour as a valuable stakeholder in global chains. One of the core assumptions of the mainstream Global Chain (mostly the contemporary GCC and GVC) Frameworks is that economic upgrading (as a result of engaging in global chains) will also lead to social upgrading for the employees of supplier firms in the global south (Barrientos *et al.*, 2011:6). The concept of social upgrading refers to the improvement of workers' conditions of employment (Selwyn, 2013:79). The concept stems from International Labour Organization's (ILOs) 'Decent Work Agenda', which is comprised of four aspects/pillars of work: employment, social protection, workers' rights and social dialogue (Selwyn, 2013:79).

The 'Decent Work Agenda' promotes work performed under working conditions characterised by freedom, equity, security, human dignity, adequate remuneration, and social coverage protection (Selwyn, 2013: 80). The Global Chain Framework assumes that these conditions automatically follow due to economic upgrading, which is achieved by integrating into the global economy. However, scholars (such as Newsome *et al.*, 2015; Barrientos *et al.*, 2011; Werner, 2012) are critical of this hypothesis. Instead, they problematise how economic and social upgrading are portrayed as mutually beneficial processes and outcomes, where firms and workers gain from the integration into global chains (Newsome *et al.*, 2015; Werner, 2012). These concerns are validated by a growing number of case studies that show how firms ensure that they remain competitive within global chains. For example, a case study by Selwyn (2016) in iPhone factories in China found that Apple achieved economic upgrading at the expense of low-paid Chinese workers who were required to work up to 60 hours per week.

Similar to the economic upgrading hypothesis, the concept of social upgrading lacks a class analysis. The antagonistic relationship between 'capital' and 'labour' shapes the production process and the division of labour at the production node of an industry (Marx, 1976). However, the Global Chain (especially the GCC and GVC) Framework does not explore this

chain segment, as it is more concerned with structure, coordination, and governance, while neglecting the production node of the chain. The neglecting of the production node of the chain leaves a gap for a theoretical framework that can conceptualise the class dynamics at the production node of global chains. Considering this observation, it is crucial to introduce the second theoretical framework that informs this study: the Labour Process Theory (LPT).

2.3 THE LABOUR PROCESS THEORY

2.3.1 Work under a Capitalist mode of Production

The LPT is rooted in a Marxist understanding of work. According to Marx (cited in Cole, 2018: 23), work under a capitalist mode of production is characterised by labour exploitation by capital to produce surplus value or profit. Surplus value is generated through the extraction of more labour time compared to the purchased labour power from workers (Marx, 1976: 129). Surplus value is achieved by ensuring that the total amount of labour contained in the commodity exceeds the total amount of paid labour to produce the commodity. The level of exploitation is determined by three factors: 1) the length of the working day; 2) labour intensity; and 3) the productivity of labour (Marx, 1976: 655). Using one or a combination of these factors, capitalists can generate surplus value/profit, where the commodity's use value is above its production cost.

Given that Capitalism is a profit-driven economic system characterised by the desire to maximise surplus value through labour exploitation, the Marxist-inspired LPT is essential to interrogating social upgrading within global chains. To remain competitive or even upgrade, firms (including farmers, exporters and retailers) must maintain profitability or be forced out of the chain. This pressure, coupled with the pressure farmers receive from global supermarkets, is often transferred onto the farm workers, undermining their social upgrading prospects (Cole, 2018; Selwyn, 2016). Capitalists use two methods to control the rate of exploitation. Each method has specific effects on the labour process and employment relations between workers and employers (Cole, 2018: 32).

The first method is through the production of absolute surplus value, which is achieved by expanding surplus labour through the extension of the working day (Cole, 2018:32). By extending the working day, employers can generate more significant outputs (which mean greater profits) in a shorter period. Alternatively, capitalists can use the second method, the production of relative surplus value. Relative surplus value is generated through technological

advancements, which increase work intensity and production, allowing for more commodities to be produced within the same labour time (Cole, 2018:33). Workers are pressured to work faster to keep up with the rate of production set by machinery. However, the working day remains the same and so do wages. The nature of capitalists is to always ensure a competitive advantage over each other to generate greater profits, even if it means reducing wages below the average (Cole, 2018:33).

The extraction of surplus value through various systems of exploitation keeps the capitalist's mode of production thriving. Using Marx's conception of labour and an analysis of the historical emergence of Taylorist scientific management, Braverman (1974) builds on the theory and argues that the capitalist labour process is the merging of the production and value-creation processes (Cole, 2018:35). The value-creation process is what capitalists are most concerned with, as this process shapes the whole nature and organisation of labour processes within capitalist modes of production (Cole, 2018:35). As such, Braverman's (1974:37) primary focus is the specific nature of labour processes dominated and shaped by the desire to accumulate capital.

Braverman's (1974: 94) main argument is that the value-creation process informs the separation from conception to execution in the capitalist production process. The separation from conception to execution is also referred to as the destruction of craftsmanship, which results in work degradation for the working class (Braverman, 1974: 94). Capitalism alters the nature of skills to meet the needs of the value-creation process, illustrating that Capitalism systematically demolishes all-round skills and substitutes them with skills and jobs that will yield more value for capitalists (Braverman, 1974: 57). The abovementioned capitalist organisation of production and labour processes also resembles Fordism, which is often used synonymously with Taylorism's scientific management (Adam Smith Institute, 2008). Henry Ford adopted scientific management techniques of separating conception from execution in conjunction with machinery to assist production (Annavajhula, 2021).

Fordism refers to assembly line production, wherein work components are simplified and divided into several parts executed by different workers in an assembly line (Annavajhula, 2021). Under a Fordist mode of production, all production processes constantly flow from one stage to another, promoting mass production and consumption (Annavajhula, 2021). While Taylorism fragments tasks and assigns them to individual workers, Fordism amalgamates tasks by connecting individual workers through assembly lines. However, both production processes

are geared towards strengthening managerial control in the workplace. Moreover, both production processes result in the deskilling of workers and an equalised workforce that can be adapted to fragmented work with specialised machine operations; in this context, management has access to workers that can be used interchangeably (Annavajhula, 2021).

The Taylorist (and Fordist) systems are both nurtured by neoliberal market capitalism, wherein the maximisation of returns (i.e., profit) for the owners of capital informs the decisions made regarding the production processes adopted in the workplace (Annavajhula, 2021). As such, capitalist modes of production will coordinate complex divisions of labour that will require new technologies of control (Cole, 2018: 37). Key to this are capitalists ensuring control over the production and value-creation processes by removing any possibility of opposition to this reorganised production process (Cole, 2018:37). By destructing craftsmanship through substituting complex with simple labour, managers can bring production back under their control. Destruction of craftsmanship leaves workers vulnerable, as the various surplus value extraction methods such as work intensification, technological advancements, or working day extensions are all attempts to minimise labour costs.

Global chains are not immune to these working arrangements, as firms are also looking to remain competitive and upgrade within their respective chains (Newsome *et al.*, 2015). As such, the prospects of social upgrading become increasingly diminished as workers in global chains constantly face the challenges of profit-maximising firms/employers (Selwyn, 2016). For purposes of this study, the researcher bases the analysis of the labour processes within global chains on Marx and Braverman's account of the creation of surplus value. The research makes use of the LPT to critically analyse the labour/work processes that characterise the production node of the Raymond Mhlaba citrus industry. The pillars of ILO's Decent Work Agenda are (if implemented) within the production node of the chain, as this is where the workers are situated. Using the Marxist-inspired LPT, the study can interrogate the implementation of the pillars of 'decent work'. To do this, the researcher explores the experiences of the farm workers to interrogate whether participating in the global citrus chain has resulted in social upgrading.

2.4 MERGING THE GLOBAL CHAIN FRAMEWORK WITH THE LABOUR PROCESS THEORY

One of the weaknesses of the LPT is the issue of connectivity. The theory fails to articulate how mechanisms of control and workplace transformation are related and influenced by the broad political economy (Newsome *et al*, 2015:3). The exploration of this relationship is integral to understanding the power, inequalities, and coordination within and across global chains (Newsome *et al*, 2015:3). Thompson (2010) highlights that LPT emphasises on the point of production which means that theory is limited to answering questions on labour processes that exist only in the sphere of production. Thus, the LPT is limited to explaining the labour processes at the point of production yet has little explanatory power regarding processes outside the workplace. For this reason, this study merges the LPT with the Global Chain Framework to make sense of the global chain dynamics that result in the kinds of working conditions that workers experience. The GPN Framework, in particular, prioritises territorial embeddedness, which opens up the analysis to the social sphere of production (that is, the home and social institutions) that contribute to reproducing the labour power of workers engaged in global chains (Hess, 2016:2). This is important as some of the core labour processes can be and are affected by factors embedded outside the workplace, i.e., global political economy (Newsome *et al*, 2015:4).

2.5 CONCLUSION

In seeking to interrogate whether farmers and farm workers have experienced economic and social upgrading by integrating into the global citrus value chain, this chapter outlined the theoretical frameworks used in this study to provide a critical analysis of the production node of the citrus value chain located in the Raymond Mhlaba region. One of the theoretical frameworks outlined in this chapter is the Global Chain Framework, which is used to analyse and interrogate the nature of the citrus value chain, and the experiences (in relation to economic upgrading) of the citrus farmers located in the Raymond Mhlaba region. The second theoretical framework outlined in this chapter is the Labour Process Theory, which is used to analyse and interrogate the working conditions (in relation to the pillars of the Decent Work Agenda i.e., social upgrading) on the citrus farms.

These two theoretical frameworks are a suitable choice for this study, as the former focuses on the global political economy while neglecting the production node, which is where the workers are situated, and the latter focuses on the production node while neglecting processes in the

broader global political economy, which influence producer outcomes. Therefore, the use of both the [Global Chain Framework] and the LTP as theoretical frameworks to interrogate economic upgrading and whether it leads to social upgrading, covers all eventualities, with the focus of the one covering the shortcomings of the other.

CHAPTER 3:

SITUATING THE CITRUS VALUE CHAIN OF SOUTH AFRICA WITHIN A GLOBAL TRADING SYSTEM

3.1 INTRODUCTION

The field of 'global chains' is connected to the study of economic globalisation which refers to the integration of global economies. To interrogate economic and social upgrading through global chains, it is crucial to situate global chains within the global trading system in which they exist. This chapter outlines the evolution of the global trading system to understand the foundations and dynamics of the current global economic system in which global chains operate today. This chapter opens with an overview of the global trading system, starting from the nineteenth-century up to the current trading system. Thereafter, the following section situates South Africa within the evolution of the trading system, highlighting the structure and functioning of the agricultural sector pre-1994 and post-1994. After that, this chapter narrows the focus down to the global fruit and vegetable value chain, analysing economic and social upgrading within the chain. Lastly, the chapter unpacks the South African citrus industry as a whole before describing the Raymond Mhlaba Local Municipal District which is the central research site.

3.2 THE LIBERAL TRADING REGIME

3.2.1 Nineteenth-century liberal trade

Nineteenth-century liberal trade was introduced when Britain unilaterally revoked the Corn Laws, which were a series of protectionist legislations aimed at protecting British farmers from cheap continental imports (Maswood, 2018:15). The repeal of the Corn Laws marked Britain as the first country to embrace free trade, representing a conversion towards the logic and dictates of free trade inspired by Adam Smith (Harley, 1994:314). Liberal economic theory assumes that free trade is a rational policy choice for every country; however, it seems that it is only rewarding when a single hegemonic power assumes responsibility for leading other countries to subscribe to liberal trade (Maswood, 2018:14). That is to say, liberal trade requires state-driven policies that will instigate international trade and integration of economic markets.

Britain was the leading manufacturing centre during this period, and the policy shift towards trade liberalism was self-interested in benefiting its manufacturers (Maswood, 2018:13). As the leading producer and exporter of manufactured goods, it could not have been possible for Britain to continue exporting manufactured goods without importing agricultural products. Britain understood that this exchange was necessary for other European countries to acquire British pounds to finance their imports of British manufactured products (Maswood, 2018:15). The industrialists of Britain understood the link between exports and imports and that import liberalisation was integral to ensuring export success for the British industry. Championed by Britain, European countries adopted liberal trade in the following decades, and this resulted in a long period of trade growth and prosperity (Trésor-Economics, 2011:2–3). As consumption patterns became increasingly globalised, trade flourished even with distant countries; tea from India, silk from China, and spices from the East Indies were available in European countries (Maswood, 2018:17).

However, it is essential to note that although trade liberalisation had a positive impact on economic growth and industrialization, there were no immediate benefits for the working class (Maswood, 2018:17). Capitalism and trade liberalisation enriched a few but left the vast majority in continued poverty, as a few profited rapidly while many waited a lifetime before any returns were realised (Pamuk and van Zanden, 2010:219). Following a long period of peace and prosperity in the nineteenth century, the first half of the twentieth century saw the turmoil of two world wars, a Great Depression, and 'beggar thy neighbor' economic policies in Europe and America, which rescinded all the gains of the past 50 years (Maswood, 2018:18). These events hindered the trade-peace ideals which characterised trade liberalisation in the nineteenth century, triggering a global slide back to the protectionist path (Maswood, 2018:18). However, this crisis did not last as the United States of America (USA) saw this as an opportunity to re-establish the liberal trading system, where they would now be the leading superpower within the trading regime.

3.2.2 Neoliberal multilateral trading regime: From ITO to WTO

The USA was determined to re-establish liberal trade on the principle of reciprocity, as opposed to British unilateralism (Maswood, 2018:19). It also opted to take an institutional approach to trade liberalisation, wherein the international community would have to commit to rule-governed behavior that would be embedded and enforced through a multilateral institution (Maswood, 2018:19).

As the architects of the post-war trade order, America was looking for a framework that would facilitate the pursuit of the corporate capital interest in an orderly global system (Shukler, 2000:4). Thus, it can be argued that the neoliberal multilateral trading regime was a capital accumulation strategy and reorganisation of capitalism after the liberal trading crisis period. Gürel (cited in Özalp, 2021:2578) refers to this regime as a superstructural policy change in the state that creates conditions for global capitalists to accumulate and sustain capital. Institutions such as the World Bank and IMF are used to spread neoliberalism worldwide by enforcing export-oriented strategies to replace import-substitution policies, especially in developing countries (Özalp, 2021:2578). The export-orientated strategies are to enable the penetration of capital into developing countries under the guise of competitiveness, poverty reduction, and development (Özalp, 2021:2580).

In pursuit of an institutional framework, the American government negotiated the Havana Charter in 1948 to establish an International Trade Organization (ITO) to facilitate trade expansion (Zeiler, 1999:148). However, the institutional approach did not materialise immediately, as the American Congress decided against establishing a global trade organisation because it was an unconstitutional encroachment on domestic policy by foreigners (Zeiler, 1999:148). Instead of the ITO, the General Agreement on Tariffs and Trade (GATT) was established to fulfil the institutional void, and obtained a small secretariat in Geneva (Shukler, 2000:4). Though much smaller than the International Monetary Fund (IMF) and the World Bank, the GATT was effective in liberalising global trade, focusing on the trade of manufactured goods; the primary objective of GATT was to achieve tariff reduction (Shukler, 2000: 4).

3.2.3 The General Agreement on Tariffs and Trade (GATT)

From 1950, the following 50 years were an astonishing period of economic growth, with industrial/developed countries recording unprecedented growth (Shukler, 2000:5). This stimulus for growth can undoubtedly be attributed to the level of trade that was taking place during this period. The removal of exchange and trade barriers allowed for larger trade volumes and more efficient use of resources to be placed in bigger markets, exploiting the economies of scale (Shukler, 2000:6). This period came with many developments, such as: rapidly increasing international mobility of industrial capital between developed countries; rapid increase in intra-industry trade; oligopolistic organisation of industrial production; and intra-corporation of production processes (Tussie, 1987:5-6).

However, this growth was not inclusive, as the impacts of the principles of the GATT were not the same for developing countries as for developed countries. Decolonisation resulted in an increase in GATT membership, with the inclusion of 36 developing countries in the 1960s, and 16 joining in the 1970s and early 1980s (Shukler, 2000:7). The inclusion of developing countries in the ranks of GATT meant that there would have to be a change in GATT principles in order to cater for the specific problems that these countries faced (Shukler, 2000:7). Two initiatives followed; the first took place in 1954-55, which allowed developing countries to use import restrictions to protect their infant industries and help them achieve GATT objectives (Shukler, 2000:7). In the second initiative, in 1957, GATT commissioned an expert study by Mr. Haberler, on developing-country trade problems such as low export growth, fluctuating commodity prices and protectionist policies of the industrial countries on agriculture (Shukler, 2000:7).

The study found that the plight of the developing countries was partly due to the trade policies of the developed countries. Developing countries faced two barriers: industrial countries were not following specific GATT regulations affecting their areas of interest, and the basic GATT principles were weighted against them (Dam, 1970:229; Shukler, 2000:7-8). The abovementioned studies illustrate the power contestations that characterise these global chains. Although major powers within GATT advocated for deregulated free trade, they abandoned these principles regarding their areas of interest. For example, GATT had built-in systemic and chronic exceptions relating to agriculture, which is an area of interest to developing countries (Shukler, 2000:9). At the time of GATT's establishment, a built-in exception prohibiting quantitative restrictions existed, to ensure that the requirements of the American policy on domestic support to agriculture were not compromised (Shukler, 2000:9).

When the lack of quantitative restrictions failed to meet the needs of domestic agriculture, America obtained a very liberal waiver from GATT obligations, enabling it to continue with a range of agricultural protections (Shukler, 2000:9). GATT's agricultural regime was characterised by relaxed discipline on quotas, fewer bindings on tariffs, and little discipline on domestic support and subsidisation (Shukler, 2000:9). This compromised the trade prospects of efficient agricultural producers, including many developing countries. Developing countries had raised their concerns around the GATT principle of non-discrimination, which treats unequals equally. They had insisted that there be a legal basis to permit preferential treatment in favor of developing countries (Shukler, 2000:8). This was eventually granted, and industrial countries could extend preferences to developing countries.

However, this was eroded by 'graduation', a concept based on the idea that as the economies of the developing countries developed, they would have to participate more fully in GATT's rights and obligations (Shukler, 2000:8). Of concern, the discussions and mechanisms to be put in place were left to the discretion of the stronger parties, i.e., developed countries (Shukler, 2000:8). Exclusion remained the theme of these initiatives, as authority for reform negotiations was obtained by the American administration. America raised its concerns about the implications of the increasing membership of developing countries in GATT, proposing that trade reform should do away with the 'force-of-numbers' logic and keep the decision-making process under the control of the trading majors/industrialised countries (Shukler, 2000:11). The tendency of trading majors to limit decision-making and negotiations to a small group of industrial countries was no longer subtle, as outcomes were presented to members as done deeds (Shukler, 2000:12). Such exclusionary measures were to the detriment of developing countries; moreover, they violated GATT's basic principle of non-discrimination. The exclusionary measures reinforce the issues raised by the Dependency/World Systems theory and GPN 2.0 scholars (Coe and Yeung, 2015; Yeung, 2016), who question the growing inequality perpetuated by global chains. Similarly, the GATT principles do not facilitate inclusive development but only favor developed countries.

3.2.4 The World Trade Organization (WTO)

In 1994, there would be a paradigm shift within the global trading system as the World Trade Organization (WTO) replaced the GATT. GATT dealt with cross-border trade in manufactured goods and avoided involvement in domestic policymaking. Moreover, it conferred preferential treatment on its members regarding trading (Shukler, 2000:25). The WTO system (referring to agreements, declarations, decisions, and principles that make the WTO agreement) replaced both of these aspects. The WTO system is not confined to cross-border trade of manufactured goods; it extends to the trading of intangible goods such as services (Shukler, 2000:25). Moreover, it is not restricted to trade but also prescribes the criteria that determine acceptable policies and practices, which may restrict the production or trade options of investors (Shukler, 2000: 25). The WTO system creates its own rules relating to intra-border trading by providing norms and standards for member countries' domestic policies, making these enforceable by denying preferential privileges to those who fail to abide by the system (Shukler, 2000:25). In agriculture, the WTO system takes an integrated approach towards agricultural trade.

It attempts to decrease the trade-distorting effects of border protection, domestic support policies and export subsidies, and tries to subject the trade and domestic support regimes to strict GATT principles (Shukler, 2000:26). However, this approach to agriculture does not take into account the difference in the role played by agriculture in large countries such as India, compared to that in smaller non-temperate zones, including the underdeveloped countries in the Sub-Sahara (Shukler, 2000:26). In these countries, the agricultural sector is more critical for food security than it is for trade expansion; as such, the control and support of the sector is of the utmost importance (Shukler, 2000:26). The integration of these countries' agriculture into the trade-driven global system may result in a re-emergence and/or re-energised patterns of colonisation for agricultural production (Shukler, 2000:26). However, this should not come as a surprise because international institutions such as the World Bank or WTO are used as instruments to shape policies of other countries, using neoliberal policies that will replace import-substitution policies (Özalp, 2021:2578).

3.3 SITUATING SOUTH AFRICA IN THE GLOBAL TRADING SYSTEM

South Africa was a founding member of the GATT in 1947 and considered itself a developed country while also being treated as such by the major powers that made up GATT, even though most of the population was among the world's poorest (Kock, 1969:223). Apartheid South Africa positioned itself as a developed country in the GATT as this mirrored its interests within the Afrikaner and white population (Ismail, 2015:79). Moreover, it was cementing the 'collective self-concept' (established by Jan Smuts) of South Africa's place amongst the major global powers (Ruggie, 1994:555; Mazower, 2009:28-65). According to Ismail (2015:81), South Africa's perception of itself as a developed country in the GATT and its acknowledgement by other developed members as a developed country was rooted in its political perception of itself belonging to the civilised Western group of countries. The perception of apartheid South Africa amongst several developing countries was different, as countries such as India and other African countries were against the country's racial discrimination policies (Ismail, 2015:81). Nevertheless, the developed countries in the GATT maintained the proposition of the GATT being neutral and indifferent to the politics of its member countries (Ismail, 2015:81). However, unlike the other major powers, apartheid South Africa was far less industrialised than these advanced industrial countries and thus required a degree of flexibility to address its developmental needs (Ismail, 2015:86). The country used this flexibility to its maximum to show both its support for the GATT ideas and principles, and to digress from them in practice at the domestic level (Ismail, 2015:87).

Although the developed members of the GATT regarded South Africa as a developed country, they also recognised that, like Australia, New Zealand, and Canada, it had certain development features that required special treatment (Ismail, 2015:88). The GATT members realised that although these countries had a 'high' standard of living, they were still characterised by features of developing countries in their dependence on export of a small number of primary goods (Ismail, 2015:88). On a quest to continue the industrialisation process, countries such as Australia had grounds for implementing high tariffs to safeguard domestic infant industries (Kock, 1969:221). As such, these members (South Africa, Australia, New Zealand and Canada) were recognised as countries with unique trade structures, with whom negotiations relating to principles of reciprocity would attempt to achieve a balance of advantages based on trade concessions of equal value by them (Kock, 1969:106).

3.3.1 South Africa's agricultural sector during apartheid

South Africa was characterised by a racially oppressive social and political system during the colonial period, particularly in the agricultural and mining sectors (Atkinson, 2007:20-23). During the seventeenth and eighteenth centuries, European farming was made up of commercial and subsistence agriculture, with extensive use of land and recurrent trekking onto new farming land (Atkinson, 2007:23). The historical analysis of farm labour is made up of a mosaic of land, labour, exploitation, power, inequality and subservience (Atkinson, 2007:23). Indigenous people were dispossessed of their land as Europeans monopolised large portions of farmland, while the Khoikhoi, black Africans and other subordinate indigenous groups were given meagre landholdings with highly restrictive occupancy rights (Atkinson, 2007:21). On the other hand, these indigenous groups were forced into a system of unfree labour which was characterised by contract work, slavery, and squatting (Greenberg, 1980:53). As such, when the apartheid government came into power, they did not create an entirely new system but concretised the foundations that previous colonial governments had laid down. State intervention was long established within the agricultural sector before the National Party came into power. During apartheid South Africa, the National Party implemented various protectionist measures within the agricultural sector to protect farmers from international competition (Visser, 2016; Vink and Van Rooyen, 2009). These measures were in the form of subsidies and policies that ensured that farmers were provided sufficient support to compete globally.

The Land Bank of South Africa, for example, provided subsidised financial services and credit to white farmers in order to help them fund their operations (Visser, 2016:3). Moreover, the Agricultural Credit board gave credit to farmers who did not qualify to borrow from the Land Bank (Visser, 2016:3). On the other hand, the state allowed for Marketing boards and single-channel marketing schemes to be established, which had the authority to set prices and control which goods would be exported (Williams *et al.*, 1998:70). These boards were a form of a protectionist measure for farmers, as they ensured that the sector was cushioned and that local farmers would have a more significant share of profits (Williams *et al.*, 1998:70). Cooperatives were also eminent in this period; their role was to collectively work in providing institutionalised support for the farmers and to in turn eliminate competition over prices (Visser, 2016:4).

The huge state-backing in the form of investment in sophisticated agricultural infrastructure ensured that the sector achieved process upgrading, as farmers were able to produce agricultural products more efficiently (Visser, 2016:16). The National Party also used its legislative power to ensure that cheap black labour was conveniently accessible to white farmers. Apartheid was characterised by legislation that confined the movement of labour, creating conditions that made black labour vulnerable and at the mercy of white farmers (Le Roux, 2002:6; Visser, 2016:5). The competition was thus eliminated for the domestic farmers and trade took place on terms set locally. These measures were inherently against the GATT principles; however, South Africa was permitted to implement them as the members of the GATT recognised the special needs the country had to protect its infant industries.

The strong support from the state meant that the agricultural chain was producer-driven, as these protectionist measures allowed farmers to be price-makers due to their strong bargaining power within the chain (Barrientos and Visser, 2012). Farmworker conditions included receiving housing, water, and electricity, in exchange for low wages, labour repression, no unionisation, and generally cruel working conditions (Ponte & Ewert, 2009:8). This was the case even with permanently employed workers, where housing was tied with employment and loans would be provided to them to buy food that would be provided by the very same farmer (Ponte & Ewert, 2009:8). Moreover, work contracts did not exist during this period, even the permanent workers who lived on the farms were used flexibly as and when they were needed. They could not refuse as they were at the farmers' disposal since they resided on the farms (Levy, 1976:31).

By creating this dependency syndrome, farmers could ensure that workers remained indebted to them. Though cruel, these working arrangements benefitted the farmers as they cut input costs, enabling them to compete with foreign markets. Contrary to the global chain literature claims, integrating the agricultural sector into the global chain did not result in social upgrading for farmworkers in the agri-business chain of apartheid South Africa (Visser, 2016:5-8). Instead, farmworkers were exploited and subjected to poor working conditions to ensure that farmers achieved a more significant share of surplus value.

3.3.2 South Africa's agricultural sector post-apartheid

The introduction of neoliberal policies post-1994 saw the withdrawal of state support, resulting in the ascendancy of supermarkets in the Global North to lead-firm status in the global agri-food chains (Mather and Greenberg, 2003). The state withdrew from the agricultural sector, which also meant that state subsidies no longer existed, nor did marketing boards and single-channel marketing schemes (Visser, 2015: 37). The elected African National Congress (ANC) was on a mission to transform the South African economy through the Reconstruction and Development Programme (RDP), which required the abolishment of controls and levies, including the unsustainable subsidies that were previously provided to large-scale white farmers (Visser, 2015:38). Labour legislations in the form of the Labour Relations Act and the Basic Conditions of Employment Act were also introduced to protect workers against poor wages and working conditions (Visser, 2015:38).

The shift in the approach to trade, specifically in the agricultural sector, meant that the playing fields against major powers were levelled, as farmers no longer enjoyed the support provided by the state. Supermarkets in the Global North have consolidated and integrated into global chains, shifting the bargaining power in their favour (Visser 2016:13). As such, the agri-business global chain is now buyer-driven, making the capacity for domestic farmers to bargain weaker, as they now have to compete against one another to produce goods most efficiently whilst still maintaining the standards requested by the global buyers (Visser 2016:13; Barrientos and Visser, 2012). However, this has led to process and product upgrading. Farmers are now forced to meet global standards/requirements, stipulating the extent to which products are processed, stored, and packaged. So, although farmers have been left vulnerable by the state, they have no choice but to upgrade or fail to meet the buyers' standards. However, a few questions come to mind in this regard: how have these measures affected the workers on the

farms? How has the labour process been restructured to meet all the global buyer demands? Have workers experienced social upgrading or downgrading due to these pressures? South African farmers have responded to these pressures in global agri-food chains through the following methods: exiting the sector, consolidation, mechanisation, and labour restructuring (Visser, 2016; Visser & Ferrer, 2015). The withdrawal of the state in the agricultural sector resulted in some of the farmers responding through capital flight, exiting the sector altogether, while some cooperatives converted to private companies (Visser, 2016:16). On the other hand, other farmers and agri-businesses have consolidated to expand and intensify production, which was arguably successful as the power in numbers assisted them in meeting global demands (Visser, 2016:16).

Other farmers have mechanised in order to cut labour costs; the farming sector is characterised by labour-augmenting technologies such as pre-cutters, which replace parts of the work that farmworkers would do (Visser, 2016:17). The farming sector has also seen a high level of labour restructuring as a means of cutting input costs, since permanent labour costs more than casual or seasonal labour. Thus, farmers have casualised their workforce through the use of non-standard work or short-term contracts (Visser, 2016:18). Externalisation is also a method used, where farmers make use of labour brokers who provide workers for them without the farmer having to enter into contracts with workers (Visser, 2016:18). In this case, farmers pay the labour broker the agreed price and do not have to worry about worker demands, wages or benefits. These are some of the measures farmers use to cope with the demands of the global agricultural chain, which is buyer-driven and characterised by high demands and high competition over price. It is important to note that none of the abovementioned measures have resulted in social upgrading for workers; instead, measures such as labour restructuring affect workers negatively, as they are casualised and inevitably earn less. Thus, it is fair to deduce that farmers have relieved some of their global pressures to the detriment of their workers.

3.4 THE GLOBAL FRUIT AND VEGETABLES VALUE CHAINS

Since the 1980s, the international trade of fruit and vegetables has been characterised by high levels of growth, influenced by the increase in incomes and the expansion of the middle class around the globe (Fernandez-Stark *et al.*, 2011:1). At the beginning of the 21st century, the global agri-business industry accounted for \$56.2 billion; by 2008, exports had more than doubled that value at \$139.6 billion (Fernandez-Stark *et al.*, 2011:1). According to FOSTAT (cited in FAO, 2020:35), the international trade of fresh fruit and vegetables represents around

7-8% of total global production, but still ranks among the most valuable crop commodity goods.

Exports are the driving force behind the expansion of the fruit and vegetable sector, stimulating domestic production and as well as markets (FAO, 2020:35). The growth in exports has significantly surpassed the increase in production, with global trade doubling between 2000 and 2018 (FAO, 2020:35). Latin America, the Caribbeans and Asia have emerged as the regions with the highest exports, where the trade of fruit and vegetables has generated meaningful foreign exchange that many low and middle-income countries have been able to use to import food and other items (FAO, 2020:36). The high levels of growth within the global fruit and vegetable value chain makes for a perfect site for interrogation of economic and social upgrading, it enables the study examine how (and to what extent) is been achieved in global chains.

3.4.1 Economic and Social Upgrading in the fruit value chain

Several basic conditions must be met before a country can enter the fruit and vegetable global value chain. As a result of the adoption of rigorous standards within the industry, the conditions for entry have changed drastically; entry is much more difficult for newcomers than it was for suppliers such as Chile and Kenya – these countries began exporting in the late 1980s and early 1990s (Fernandez-Stark *et al.*, 2011:3). Only countries that can comply with these high standards can gain entry into the global chains; conversely, countries who fail to meet these standards cannot enter the export market (Fernandez-Stark *et al.*, 2011:3). The global fruit and vegetable value chains are buyer-driven with market forms of coordination (Gereffi, 2001:32), requiring maintenance of open lines of communication regarding demand, preferences in products, quality, and packing in all stages of the value chain (Fernandez-Stark *et al.*, 2011:3).

Access to finance is a long-established challenge for small farmers and agri-businesses, as it inhibits innovation, growth and employment creation and constrains the industry's capacity to reduce poverty (Beck and Cull, 2014; Fjose *et al.*, 2010; OECD, 2017). A class element (in the form of financial capital) is required to participate and upgrade within global chains, a phenomenon that global chain discourse fails to unpack. That is, simply integrating into global chains will not automatically result in economic upgrading, as a sizeable amount of capital is required to not only participate but upgrade in the value chain. The difficulty for some firms

from developing countries in upgrading is due to their low-income status, as crop production requires high levels of capital, which would enable the fulfilment of the stringent requirements (Fernandez-Stark *et al.*, 2011:3).

The lead-firm requirements and standards have resulted in the restructuring of the supply chains in developing countries, rewarding mid-scale and large-scale producers and exporters who can meet all existing and any new demands introduced within the chain (Fernandez-Stark *et al.*, 2011:4). This brings to question the claims made by global chain scholars such as Gereffi (2001), who portray global chains as vehicles for development in developing countries, since literature on global fruit trade seems to paint a different picture. Moreover, the concerns raised by GPN 2.0 scholars (Coe and Yeung, 2015; Yeung, 2016) are warranted, as global fruit and vegetable chains benefit mid-scale and large-scale farmers while excluding small-sized farmers, thus reproducing global inequality (Fernandez-Stark *et al.*, 2011:4). As such, in the case of the global fruit and vegetable trade, the Dependency/World System theory is correct in viewing capitalism and globalisation as producers and reinforcers of global inequality (Binns *et al.*, 2018).

Nevertheless, some developing countries have actively pursued the production and export of high-value agricultural industries and have successfully integrated and captured portions of the horticulture markets (Fernandez-Stark *et al.*, 2011: 1). The agricultural export industry is a crucial source of employment for these developing countries, as the cultivation of fruit and vegetables is labour-intensive. However, even in the event of these developing countries integrating and capturing specific agricultural markets, workers have hardly seen any development as agriculture typically employs workers from rural areas with minimum levels of education (Fernandez-Stark *et al.*, 2011: 1). This reality contradicts the claims made by the Global Chain Frameworks (GCC and GVC), as they argue that economic upgrading will automatically result in social upgrading.

Within global chain discourse, economic and social upgrading are portrayed as mutually beneficial process and outcomes where firms and workers gain from the integration into global chains (Selwyn, 2017: 6). However, as can be seen in the global fruit and vegetable value chain, this could not be farther from reality. The fruit value chain also allows for contract farming as a way for small farmers to address their challenges relating to technical assistance, inputs, credit, insurance, and market information (FAO, 2015). Contract farming is an agreement

between one or more farmers and contractors for the production and supply of agreed-upon products at predetermined prices (Eaton and Shepard, 2001). The contract may stipulate the quantity, quality, timing, crop variety, production methods (including agrochemicals to be used), packaging, and other details agreed upon by the farmers and the buyer (FAO, 2020: 37). Ideally, this is meant to be a win-win for both sides: the farmer has a guaranteed market and income, while the buyer has a reliable supply of a quality product. However, there are risks for both sides: the buyer is in a position to impose very stringent demands; on the other hand, the farmer may not deliver on the contracted volume or quality or may side-sell to buyers offering a higher price (FAO, 2020:38). Nevertheless, contract farming allows for processors, exporters and other mid-stream actors to integrate small farmers into high-value global value chains. For example, in South Africa, citrus growers have contracts with exporters and juice processors, receiving financial and technical support from these actors (FAO, 2020:38). Although contract farming assists small farmers, the arrangement also illustrates that class (in the form of access to capital) determines whether and to what extent a farmer can successfully participate in an integrated global chain.

3.5 THE SOUTH AFRICAN CITRUS INDUSTRY

3.5.1 The South African Citrus Industry - Pre-1994

While this research focuses on the post-apartheid era, it is important to briefly discuss the citrus industry's development during the apartheid era, due to its bearing on the industry's current organisational and institutional structure. The current structure of the citrus industry is a result of an evolutionary process that began in 1907, which dates the first exports made to Britain (Chisoro-Dube and Roberts, 2021:5). During this period, the industry was represented by the South African Cooperative Citrus Exchange which was made up of cooperatives organised around packhouses (Mather and Greenberg, 2003; Mather, 1999). The packhouses were owned and run by cooperatives of the farmers under the apartheid government that established control boards (Chisoro-Dube and Roberts, 2021:5). This means that the industry was historically producer-driven, as the farmers had a lot of bargaining power within the chain due to the power held by the control boards. The surfacing of World War II in 1939 resulted in the country's citrus industry experiencing difficulties with exporting citrus to its main markets in Britain (Mather, 1999). As such, under the Marketing Act of 1937, single-channel marketing was permitted, which gave the Citrus Board the power to control the distribution, marketing, and prices of citrus in the country and abroad (Chisoro-Dube and Roberts, 2021:5). The Citrus

Board elected Outspan as the marketing and distribution agent abroad, meaning that all citrus in the country was marketed under the Outspan brand (Chisoro-Dube and Roberts, 2021:5). During the 1980s, Outspan was also able to secure bargaining power over shipping schedules and port facilities as considerable investments in the Durban and Port Elizabeth/Gqeberha ports were made by Outspan (Chisoro-Dube and Roberts, 2021:6).

3.5.2 The South African Citrus Industry - Post-Apartheid

In 1997, all fruit and vegetable industries in the country were deregulated in terms of the new Marketing of Agricultural Products Act of 1996 (Chisoro-Dube and Roberts, 2021:6). The Act laid down the dissolving of control boards along with single-channel marketing arrangements in almost all agricultural produce (Sandrey and Vink, 2008; Mather and Greenberg, 2003). The deregulation of the citrus industry led to the scrapping of the Citrus Board and the restructuring of cooperatives into privately owned companies (Chisoro-Dube and Roberts, 2021:6). The immediate and most substantial effects of deregulation in the industry were: grower levies were no longer compulsory; multi-channel exports replaced single-channel exports; and industrial structures and services were restructured (Chisoro-Dube and Roberts, 2021:6). The citrus industry is now buyer-driven with market forms of governance. Through increased concentration and consolidation, global retailers have increased buying power in the industry, allowing them to impose stringent requirements when determining conditions of production and distribution (DALRRD, 2020: 93).

Supermarkets demand higher volumes, improved quality, and lower prices - meeting all these requirements requires systems, administration, and capital (Chisoro-Dube and Roberts, 2021:31). In 2020, in terms of gross value, the citrus industry was the third largest horticultural industry after deciduous fruits and vegetables (DALRRD, 2020:5). In the 2018/19 production season, the industry contributed R16.2bn to the total gross value of agricultural production, representing 21% of the total gross value (R77.9bn) of horticulture during that season (DALRRD, 2020:5). The total gross value is driven by, among other things, the volume of production, volume of exports, exchange rate, and international prices (DALRRD, 2020:5). The industry is a crucial foreign exchange earner, comprising of four broad categories, namely oranges, soft citrus, grapefruit, and lemons and limes (DALRRD, 2020:5). In 2019, the country exported a total combined volume of 2 729 158 tons of citrus products, a 27% increase on the volume exported in 2018 (DALRRD, 2020:26).

The most significant contributor to the total volume of citrus was oranges, which contributed 65% (1186 400 tons), followed by lemons and limes at 19% (349 842 tons) and soft citrus and grapefruit at 14% and 12% respectively (DALRRD, 2020:26). The citrus industry is labour intensive, employing workers across different activities in the value chain from growing, packhouses, marketing and logistics, and other input supply spheres (DALRRD, 2020:19; Chisoro-Dube and Roberts, 2021:7). In 2019, the growing and packhouse activities employed an estimated 112 000 workers, with an additional 1 650 workers employed in the nursery level contributing around 12% to the total employment in the agricultural sector (Chisoro-Dube and Roberts, 2021:13). Over the past decade, the estimated employment in citrus production has grown by more than 50%. Taking this into account, Chisoro-Dube and Roberts (2021:13) estimate that the value chain accounted for more than 250 000 jobs in 2020. It is also estimated that more than a million households depend on the SA citrus industry for their livelihood (DALRRD, 2020:19). Thus, the participation of the South African citrus industry in the global citrus value chain makes the industry a suitable site to interrogate economic and social upgrading.

3.6 RAYMOND MHLABA LOCAL MUNICIPALITY DISTRICT

The Raymond Mhlaba local municipality is the second biggest local municipality in the Eastern Cape, constituting 18% of the surface area of the Amathole District Municipality (Khowa and Mukasi, 2021:1). The region is situated in the Winterland of the Eastern Cape, where farming plays a significant role in the economic growth of the region; the citrus industry is the largest of the employers in the region (Khowa and Mukasi, 2021:2; Municipalities of South Africa, 2022). The region has an estimated population of 156 000, with 41 900 households comprised of 91.3% black people, 6.2% coloured people, 2% white people, and 0.4% Asian (Stats SA, 2016). In this region, 72% of the population lives in villages around the region, 20% reside on farms and scattered informal settlements, while 19% reside in urban settlements in Alice and Fort Beaufort, which are the main business hubs (Khowa and Mukasi, 2021:2). The Raymond Mhlaba economy is only able to create jobs for around 3.5% of the population, with extremely low-income levels, which consist of 6531 people earning between R401-R800 whilst 74% of the population does not earn an income at all (The Nkonkobe Local Municipality, 2016). Considering the region's profile and the concept of social upgrading, the case of Raymond Mhlaba Local municipality is a perfect site for the study.

The region is characterised by a high unemployment rate, low-income levels, and a citrus industry that employs most of the population. In this context, an interrogation of social upgrading among workers in the Raymond Mhlaba citrus industry can be pursued, which enables the study to provide a critical analysis of the global chain hypothesis i.e., does integrating into global chains result in social upgrading. The local economy is driven by the agricultural sector, which consists of citrus cultivation, forestry, and crop production (Khowa and Mukasi, 2021:2). Some of the region's major challenges include a lack of infrastructure, high rates of unemployment, and poverty. Thus, with agriculture being the leading employment creator, the sector should be enhanced in ways that will transform and revitalise the sector to create employment and improve rural development within the region (Khowa and Mukasi, 2021:2). Agriculture provides various employment opportunities for low-skilled and unskilled people, giving it a great potential to enable the desperately poor to survive, alleviate poverty, and contribute to economic growth, especially in rural communities (Khowa and Mukasi, 2021:2). In this regard, Khowa and Mukasi (2021:3) raise a critical issue: agriculture is of utmost importance and is believed to be the primary tool for poverty reduction in rural areas, yet poverty remains prevalent within these areas. The above-mentioned issue informs the motivation of this study, to evaluate how and to what extent the integration of Raymond Mhlaba citrus farmers into the global citrus chain has resulted in social upgrading.

3.7 CONCLUSION

From this chapter, it can be established that the global citrus value chain is buyer-driven with market forms of coordination. Historically, the citrus value chain has seen various forms of economic upgrading; however, unlike what the neoliberal multilateral institutions such as the World Bank (and some of the prominent GCC and GVC scholars) claim, the gains within the citrus value chain have not been unilateral. The global economy has been (historically and currently) structured in such a way that developed countries have ascendancy over developing countries. Moreover, the developed countries benefit from a deregulated global economy as they have more bargaining power within value chains, allowing them to gain a greater share of surplus value within the global chains. The South African citrus industry has historically benefitted white citrus farmers integrated into the global citrus value chain due to protectionist measures employed by the apartheid government, which ensured that the farmers had control within the citrus value chain. The working conditions for farmworkers were generally poor and had characteristics of slavery.

However, the introduction of neoliberal policies post-apartheid resulted in South African citrus farmers losing their power within the citrus value chain, and having to adhere to standards set by global supermarkets. The ascendancy of global supermarkets has brought adverse effects on the workers as well, as citrus farmers transfer the pressures they receive from the supermarkets onto their workers. Global chain discourse portrays economic and social upgrading as mutually beneficial processes and outcomes, where producers and workers gain from participating in a global value chain. However, the context outlined in this chapter suggests that global chains do not facilitate equal gains, as there are unequal distributions of gains within these chains.

CHAPTER 4:

RESEARCH DESIGN

4.1 INTRODUCTION

This chapter outlines the research methods used to critically analyse the production node of the citrus value chain of South Africa, more specifically in the Raymond Mhlaba Local Municipality in the Eastern Cape. The chapter describes and justifies the usage of a qualitative research design that was chosen to meet this study's primary and secondary objectives (see section 1.3). The research methods used to collect data are also described, and the researcher outlines the procedures, such as data analysis methods, followed in carrying out this study. This chapter also provides information about the participants, that is, the criteria used to select participants, who the participants are, and how they were sampled. Lastly, all ethical protocols followed during data collection stage of the research are also discussed in this chapter.

4.2 QUALITATIVE RESEARCH METHODOLOGY

This study adopted a qualitative research methodology to critically analyse the experiences of selected commercial citrus farmers and farmworkers from the Raymond Mhlaba municipal region, which forms part of the global citrus value chain in South Africa. Rooted in interpretivism, a qualitative research design enabled the researcher to understand the lived experiences of the farmers and farmworkers, which is integral to interrogating economic and social upgrading within the citrus industry of the Raymond Mhlaba municipal region (Schwandt, 1994:225). This study used one-on-one semi-structured interviews and focus groups. Semi-structured interviews contain elements of both structured and unstructured interviews, as they resemble everyday conversations, which allows a researcher to prompt certain aspects of the 'conversation' towards a specific direction (Bricki & Green, 2007). For the selected citrus farmers, the questions sought to explore the governance structure and trading relations with global supermarkets and whether local farmers benefit from these relations (see Appendix A). In the case of the farmworkers, the researcher relied on the pillars (full and productive employment, social protection, workers' rights, and social dialogue) of the Decent Work Agenda to interrogate whether workers experienced social upgrading and to what extent (see Appendix B).

The semi-structured interviews were the most suitable for this study, as they allowed the researcher to ask open-ended questions about economic and social upgrading. Moreover, the interviews also allowed the researcher to ask follow-up questions and use prompts to ensure that the data generated relates to the study's research goals. However, due to time constraints which are as a result of the researchers degree being by coursework and thesis, the researcher had limited time to conduct the semi-structured interviews. Moreover, some of the identified farmers in the region committed to taking part in the study but would continuously reschedule closer agreed date, while others were suspicious of the researcher during the recruitment stage. As such, to counter the abovementioned challenges, the researcher also used secondary data available on farmers from the Raymond Mhlaba municipal region. Secondary data refers to data that has already been collected and compiled, which the researcher analyses to answer a question or questions within their research (Alchemata, 2021).

Most of the secondary data analysed in this study are in the form of personal interviews conducted by the Citrus Growers Association (CGA) of South Africa. In this publication, Brodie (2021), on behalf of the CGA, compiled a collection of interviews with citrus farmers around South Africa. Additionally, the researcher analysed newspaper articles and reviewed farmers' websites from the region. This data was suitable for this study as it explored the farming trajectories (successes and challenges, i.e., economic upgrading) of citrus farmers in South Africa, including farmers in the Raymond Mhlaba municipal region. Through this data, the researcher determined which kinds of economic upgrading (process, product, functional, and intersectoral) had been experienced by farmers in the region.

The data generated from the semi-structured interviews and secondary documents were analysed using thematic analysis, which required the researcher to analyse and interpret the different patterns of meaning that emerged from the interviews (Nowell *et al.*, 2017:2). In the case of the farmers, the researcher firstly reviewed global chain literature and identified the patterns relating to economic upgrading; thereafter, the researcher conducted interviews and reviewed secondary data to compare the experiences of the farmers with what was claimed by the global chain literature. In the case of the farmworkers, the researcher used the pillars of Decent Work as themes for social upgrading. Using these themes, the researcher compared the realities of farmworkers to what is prescribed in the Decent Work Agenda. This analysis method was suitable as it enabled the researcher to analyse the different patterns of meaning relating to economic and social upgrading.

In doing so, the researcher was able to interrogate and determine whether (and to what extent) workers experience social upgrading in the production node of the export-driven citrus industry of the Raymond Mhlaba municipal region.

4.3 SAMPLING

In conducting the interviews, the researcher used a combination of purposive and snowball sampling to conduct a total of fourteen interviews. The interviews consist of ten one-on-one semi-structured interviews and two focus groups consisting of two participants each. Purposive sampling is a non-probability sampling method whereby the researcher relies on their judgment to select respondents for the study (Black, 2010). Purposive sampling is used when a specific or limited number of primary data sources can contribute to the study. For this study, the citrus farmers and farmworkers were the identified primary data sources that could contribute to the interrogation of economic and social upgrading in the citrus industry of the Raymond Mhlaba municipal region. Exploring the farmer's and farmworker's experiences within the citrus value chain assists in determining whether global chains offer economic and social benefits to developing countries. In the case of the first two interviewed farmers, the researcher was referred to them by family friends who knew the farmers, and from there, the researcher was referred to other farmers. This method of recruitment is known as snowball sampling, which is respondent-driven and requires participants to lead the researcher to other potential respondents (Kielman *et al*, 2012:21). Similarly, in the case of the farmworkers, the researcher was guided by a resident from the Raymond Mhlaba area, who directed the researcher to the citrus farmworkers in the region. After each interview, farmworkers were asked to refer the researcher to other workers on citrus farms in the area.

Table 4.1: Basic Demographic Information

Name	Age	Population	Gender	Nationality	Marital Status	Position	Employment status
1. Aya	28	Black	Male	South African	Single	Picker	Seasonal
2. Mbu	49	Black	Male	South African	Married	Supervisor/driver	Permanent
3. Nkosi	42	Black	Female	South African	Married	General Worker	Seasonal
4. Khaya	43	Black	Female	South African	Single	Sorter	Seasonal
5. Lulu	41	Black	Female	South African	Single	General Worker /Driver	Casual
6. Siphe	29	Black	Male	South African	Single	Packhouse Palletizer	Seasonal
7. Siya	38	Black	Male	South African	Single	Picker	Seasonal
8. Thando	22	Black	Female	South African	Single	Picker	Seasonal
9. Nosi	38	Black	Female	South African	Single	Sorter	Seasonal
10. Thulz	26	Black	Male	South African	Single	Picker	Seasonal
11. Vuyo	52	Black	Female	South African	Married	Packhouse Grader	Seasonal
12. Zamu	43	Black	Male	South African	Single	Supervisor	Permanent
13. Shepard	55	Black	Male	South African	Married	Farm Business Manager and Owner	Owner
14. Peter	54	White	Male	South African	Married	Packhouse Owner and Managing Director	Owner

The sample of farmworkers is made up of twelve South African nationals. There is an equal split between six males and six females, with two married females and one married male, while the rest of the sample is single. The researcher interviewed pickers, sorters, general workers, supervisors, drivers, a grader and a palletiser, to capture the different positions within the production node of this citrus industry. Although their positions are not the main focus of this study, they are integral to analysing the different experiences of different workers (referring to their positions and employment statuses) within the industry. The majority (ten out of twelve respondents) of the sample comprises seasonal workers because the production node or the bottom end of the citrus industry comprises non-standard forms of work.

For this study, nine seasonal workers, one casual worker and two supervisors, who were permanent workers, were interviewed. Seasonal workers work throughout the year but cannot be classified as permanent unless they have signed a permanent contract. All these interviews were conducted face-to-face with the respondents, in the comfort of their homes or just outside in their yards. The researcher also conducted two one-on-one semi-structured interviews with citrus producers from the area. Due to time constraints, both of these interviews were conducted telephonically and recorded using a recording device. One of the interviewed citrus farmers, Peter (28/11/22), is an owner and managing director of a packhouse and is responsible for arranging or liaising with farms regarding packing their citrus fruits. Peter is a 54-year-old white South African male born in Fort Beaufort. He has a Bachelor of Science degree in agriculture and is a horticulturist by training. Prior to Peter building his packhouse, he worked for a leading global distributor, marketer, and producer of fresh fruit produce.

The second citrus farmer, Shepard (24/10/22), is an owner and business manager of an orchard, with his primary responsibility being attending to the farmworkers and outlining the daily operations such as irrigation, weeding, and spraying of pests. Shepard is a 55-year-old black South African male born and raised in Keiskammahoek, with an educational background in farm business management. Before acquiring his farm through the privatisation scheme instituted by the former Ciskei government, Shepard worked in the Department of Agriculture in the Eastern Cape as a cultural extension officer. These two respondents (Peter and Shepard) were both suitable for this study as they both produce citrus for the global market and thus provided the researcher with meaningful data about the governance of the citrus value chain and the trading relations with global buyers. As stated above, the other data on citrus farmers was gathered from a publication published by the CGA, newspaper articles, and various citrus farmer websites. From these publications, the researcher focused on Chief Siseko Maqoma of Gonzana Farm, Fly Mpukane Mphangeli of White's Farm, Headman Manyonta of Oakdene Farm, Eric Nohamba of Konzi Farm, and Clifford Dyonase of Letasfarm.

4.4 ETHICAL CONSIDERATIONS

The researcher carefully followed ethical protocols to ensure that the research did not harm anyone. Moreover, the researcher applied for ethical clearance from the Rhodes University Ethics Committee, which reviewed and accepted this study. The respondents were informed that their participation was voluntary and that they could recuse themselves at any point during the interview.

The respondents were provided with the full details of the study before the researcher requested their informed consent to participate in the study (see Appendix C and D). To ensure anonymity and confidentiality, the study uses pseudonyms to protect the respondents' identities. Moreover, none of the organisations the respondents work for are mentioned in the study, nor is there any information that can be linked to any respondents mentioned in the study. In the case of the farmworkers, all the interviews were conducted outside the workplace to ensure that no employer victimisation occurred.

4.5 CONCLUSION

This chapter outlined the qualitative research design used to critically analyse the production node of the citrus value chain of South Africa, specifically the citrus industry located in the Raymond Mhlaba Local Municipality in the Eastern Cape. This study made use of ten one-on-one semi-structured interviews and two focus groups to explore the lived experiences of farmers and farmworkers participating in the global citrus value chain. The semi-structured interviews were supplemented with document analyses of farmers' experiences within the citrus value chain. These qualitative methods enabled the researcher to interrogate whether farmers and farmworkers have experienced economic and social upgrading as a result of participating in the global citrus value chain.

CHAPTER 5:

POWER, POSITIONALITY AND ECONOMIC UPGRADING

5.1 INTRODUCTION

This chapter analyses the farming activities, successes, and challenges of selected citrus producers from the Raymond Mhlaba Municipal district who are participating in the citrus value chain of South Africa. This chapter also interrogates whether citrus producers in Raymond Mhlaba have experienced economic upgrading by participating in the citrus value chain of South Africa. Multilateral institutions such as the World Bank (and contemporary GCC and GVC scholars) hypothesise that integrating into global value chains provides economic and social upgrading prospects for participants from developing countries (Gereffi, 1994; World Bank, 1993). The GPN Framework focuses on three areas of analysis, namely: value (how it is created, advanced, and rewarded), power (private, public, and social), and embeddedness (territorial) (Hess, 2016:2). In this light, when considering the multifaceted nature of power and embeddedness, the role of class becomes a critical determinant to the outcomes of participants in global value chains.

This chapter observes how, in the sphere of this study, class and positionality can influence producers' outcomes. South Africa's agricultural sector is characterised by a historically racially oppressive social and political system (Atkinson, 2007:20-23). Indigenous people were dispossessed of their land when Europeans took over and occupied large portions of fertile land around South Africa. Native populations were driven to smaller portions of land, better known as 'homelands', and could only enter the white colony as labourers (Atkinson, 2007:21). As discussed in Chapter 3, during the apartheid era, the state played a significant role in the success of white farmers, implementing various protectionist measures within the agricultural sector to protect them from international competition (Visser, 2016; Vink and Van Rooyen, 2009). However, with the introduction of neoliberal policies post-1994, the state withdrew from the sector and deregulated trade, which meant that white farmers in the chain no longer benefitted from the state support and power that came with these measures (Mather and Greenberg, 2003).

In response to the deregulation of the agricultural sector of South Africa, white agri-businesses consolidated to expand and intensify production, in order to assist in meeting the global demands enforced by global supermarkets (Visser, 2016). The consolidation of white agri-businesses was pursued to mitigate the power imbalance between the producers and global supermarkets; as will be evidenced in this chapter, the consolidation of white farmers has assisted them in meeting global demands in the citrus value chain (Visser, 2016:16). In the case of this case study, there is a clear distinction of class and positionality between the white established citrus farmers and black emerging citrus farmers from the Raymond Mhlaba Municipal district. Black citrus farmers from this region occupy a more disadvantageous position due to the history of racially discriminative policies in South Africa pre-1994. This chapter illustrates how the class and positionality of the different farmers (white established citrus farmers and black emerging citrus farmers) has resulted in variegated economic outcomes between the two groups of citrus producers.

5.2 GOVERNANCE OF THE CITRUS VALUE CHAIN

Neoliberal multilateral institutions such as the World Bank (supported by some GCC and GVC scholars) argue that firms in developing countries have much to gain from integrating into global chains (Gereffi, 1994; World Bank, 1993; Giuliani *et al.*, 2005). The assumption supporting this line of thinking is that lead-firms will provide support and insights into production, leading to improved technology, knowledge, skills, and wages in developing countries, i.e., economic upgrading (Giuliani *et al.*, 2005:552). Against this background, this study explores the governance of the citrus value chain to investigate whether citrus producers in Raymond Mhlaba who integrated into the chain have achieved economic upgrading through the support of lead-firms in developed countries. Historically, the South African citrus industry was producer-driven as farmers maintained a high degree of control within the global citrus chain due to the control boards that were established during apartheid (Chisoro-Dube and Roberts, 2021:5). However, with the deregulation of the fruit and vegetable industries in 1997, the control boards were dissolved and producers lost the bargaining power that they had enjoyed under the apartheid government (Chisoro-Dube and Roberts, 2021:6). As such, farmers have been pressured to meet the global demands set by the buyers and have been forced to compete on quality to participate in the chain. On the contrary, multilateral institutions such as the World Bank (and some prominent contemporary GCC and GVC scholars) claim that firms will inevitably experience economic upgrading by plugging into global chains.

The literature ignores the power and class dynamics mentioned above, which influence the outcomes of participating in a global chain. In this light, analysing the governance of the citrus value chain and how it influences the outcomes for producers is integral to interrogating economic upgrading.

5.2.1 Governance structure of the citrus value chain

Both the citrus farmers who were interviewed confirmed that the citrus value chain is market-driven, meaning buyers determine which citrus produce to plant for export. The farmers get inputs from their marketing agents and various industry agents, such as the Citrus Growers Association of South Africa, who indicate in which direction the export market is moving. Additionally, the farmers are subjected to rigorous inspections locally and internationally before their produce is exported. According to Peter:

For the farmers to export to any market, they must first register their orchards or packhouses with the Department of Agriculture, Land Reform and Rural Development (28/11/22).

The Department of Agriculture, Land Reform and Rural Development inspects the farm facilities to ensure that farmers have complied with all the requirements for exporting their products abroad. Once the inspection is done, and the farm is deemed compliant, the farmer is issued a certificate of compliance with Global Good Agricultural Practice (Global GAP). When asked who determines what to produce, Peter had this to say:

We get our marketing agents to give us input. We get inputs from various people in the industry, the citrus growers association, our thoughts, and where the market is heading. It is market-driven to some extent, but I think where we find ourselves is challenging because everybody has done well in the citrus industry, and it is now difficult to decide what to plant (28/11/22).

As argued earlier, in Chapter 3, mainstream global chain (especially the contemporary GCC and GVC) literature claims that it is through this coordination that firms (such as Peter's and Shepard's citrus farms) can integrate into global chains and experience economic upgrading, through the assistance of lead-firms who govern the chain (Giuliani et al., 2005:552). However, as illustrated in the sections below, this chain coordination does not always benefit producers/suppliers from developing countries, as lead-firms can adopt predatory behaviour due to the imbalance of power between the producers and the global buyers.

5.2.2 Link to citrus value chain

The Global GAP sets international standards that ensure food security, health and safety for workers, animal welfare, and environmental protection (ASC Consultants, 2021). The standards aim to promote worldwide sustainable agriculture that assures retailers and consumers of standardised criteria for food security (ASC Consultants, 2021). After the farm has been inspected and cleared, more sanitary inspections are done on samples of the fruit in the pallets packed for export. There are also inspections carried out by the importing country, where they inspect samples of produce before it is sold to supermarkets. Peter explained what happens when fruit fails to meet the prescribed quality standards:

The fruit will be rejected for export. If the fruit is rejected onsite at the packhouse, we must repack our pallets which is not a significant issue as the costs involved are not significant. When you get a rejection once the fruit is taken into the port, you incur more costs, and it must be returned to the packhouse. That is more disruptive, and what happens is that the fruit is taken into cold storage, and in that case, you have a major problem with breaking the cold. The year before last, we had a major issue where we had a fruit intercepted, which had to be sold elsewhere or dumped because they found citrus black spots on arrival. That can be very disruptive and costly because there's not so much you can do about it (28/11/22).

Here it is apparent that positionality in the citrus chain affects producer outcomes. Since the chain is buyer-driven, producers are subjected to rigorous standards (which have cost implications) that they must adhere to. The integration into the citrus value chain depends on a producer's ability to meet the prescribed standards. As Peter (28/11/22) explained above, if a producer fails to meet prescribed standards, their produce is rejected, which can be financially disruptive for the producer. It is important to note that there are cost implications in meeting these standards, which means that class plays a role in the ability of a producer to meet all the prescribed requirements. Moreover, the producers incur more risks as they must ensure that their produce meets the desired standards. For example, in the case of intercepted fruit that was already on the shores of the global buyers, the farmers could not have possibly done anything to prevent the interception as it was beyond their control. As Saccaggi (2022) from Citrus Research International puts it, although imports/exports are subject to inspections, the sheer volume of agricultural imports/exports makes it impossible to inspect every single shipload.

Thus, the possibility of imports carrying unwanted pests into a country is always there. However, although this issue cannot be linked to either the buyers or the producers, the farmers are the ones who incur the losses while the buyers are unaffected. As such, it is evident that class and positionality inform the outcomes of producers in the citrus value chain in South Africa. Since the citrus producers in Raymond Mhlaba are participating in a buyer-driven citrus chain, their position is precarious, and they are vulnerable to sudden changes within the chain. Moreover, the buyer-driven chain illustrates the predatory behaviour that global supermarkets can enforce on producers in developing countries. The predatory behaviour adopted by global supermarkets is further illustrated by Peter's response when asked to describe the relationship between the buyers and sellers:

We use an export agent, and they stand between buyers and us. Generally, the export agents issue us with standards for the top-quality fruit that we mostly send to China. We are very aware of the standards; it is documented. The problem arises when sales are slower on the other side (referring to the supermarkets), and there is no fixed price when the citrus leaves here (South Africa). In that case, you have got no idea what the supermarkets are willing to pay (28/11/22).

As discussed in Chapter 2, this predatory behaviour by lead-firms pushes suppliers from developing countries to transfer the pressure onto their workers - undermining the prospects of any social upgrading (Suwandi *et al.*, 2019). The citrus industry in Raymond Mhlaba is not immune to this, as workers have expressed how farmers threaten to deduct losses/mistakes that occur on the citrus farms from the farmworkers' payslips. This issue will be unpacked fully in the next chapter; however, it illustrates that the unequal distribution of power and gains within global chains often affects employment outcomes, i.e., social upgrading for workers.

5.2.3 Relationship between citrus producers and global buyers

As discussed in Chapter 2, export industries in developing countries are dominated by predatory lead-firms which expect the highest quality of products for the lowest price (Suwandi *et al.*, 2019). The predatory behaviour is evidenced by the case mentioned above, where citrus left the shores of South Africa for the importing countries, yet the supermarkets had not confirmed how much they were willing to pay. Here we see the precise unequal distribution of power within the citrus value chain, as the producers located in the production node of the chain are vulnerable and at the mercy of the global supermarkets.

The fact that the producers agreed to their produce being shipped abroad without any agreement on price means that they are desperate for a market and will negotiate (if possible) from a position of weakness. Moreover, the fact that this phenomenon occurs when sales are slow for the supermarkets illustrates how the power and positionality of these supermarkets place them in a position where they can adjust the trading relations in such a way as to incur the least number of risks. Thus, the trading relations illustrate a clear power imbalance between the local citrus producers and global buyers, to the former's detriment. Contrary to what the global chain literature claims, it seems that lead-firms from developed countries use the firms from developing countries as sites of extraction instead of supporting them to achieve economic upgrading. Multilateral institutions such as the World Bank (and some prominent contemporary GCC and GVC scholars) assume that there are mutual gains between the trading partners in global chains. However, this is incompatible with the realities of the citrus value chain, wherein oligopolistic lead-firms capture value from suppliers in developing countries (Selwyn and Leyden, 2022).

The farmers who participated in this study were asked about the most significant challenges faced when producing for global buyers. Both farmers stated that competition was one of the challenges that they faced as citrus producers. The over-supply of citrus due to the industry's exponential growth has seen citrus farmers in South Africa compete with other local producers and producers from other countries. To compete, both farmers stated that producers must ensure the highest quality in their citrus. The farmers must ensure they have the most effective machinery to process the citrus. The over-supply of citrus works in favour of the global supermarkets as producers are forced to compete on quality (who produces the best quality citrus) and price (who sells at the lowest price). Competition inevitably introduces a class element which informs who participates and upgrades within the citrus value chain. Simply integrating into global chains will not automatically result in economic upgrading; a lot of capital is required to compete or upgrade within a chain. Shepard especially illustrates this:

You must improve. You must be keen on improving the quality of your production. I am referring to the internal quality of your fruit and the external quality of your fruit. Also, your fruit must look very clean with no scratches, and they like size, so you must improve your size because they like medium and large oranges. That is the only thing that you can do as a farmer (24/10/22).

However, in this very same context, it is important to note that although there is a clear power imbalance between the citrus producers and global buyers, the producers experience product and process upgrading. The stringent requirements imposed on the producers mean they have no choice but to improve their production processes to participate in the citrus value chain. In this way the local producers benefit from integrating into the global citrus chain. However, the distribution of benefits between the producers and the global supermarkets is unequal. The supermarkets incur fewer costs and risks and are in a more favourable position due to their bargaining power within the citrus value chain, and the competition between citrus producers worldwide.

5.3 ESTABLISHED WHITE CITRUS FARMERS IN RAYMOND MHLABA

5.3.1 Eden Agri Services

Eden Agri Services is a packhouse owned and run by Shaun Brown at Blinkwater, north of Fort Beaufort (Citrus Growers Association, 2022). The organisation provides packing services to a group of emerging citrus growers in the Raymond Mhlaba region and has contributed to the development of its growers over the past few years (CGA, 2022). Shaun developed a working relationship with these emerging growers while he was working as an Extension Officer for Capespan (a leading global distributor, marketer, and producer of fresh produce) (CGA, 2022). In 2009, after leaving his career in fruit export, Brown returned to his family farm in the Kat River Valley to focus on developing the family farm (Kriel, 2021). To assist their struggling farm and emerging growers in Kat River, Shaun started building a packhouse, which was completed in 2010 (Kriel, 2021).

The building of a packhouse illustrates the class advantage of Shaun, who has a family farm and the capacity to build a packhouse from scratch, identifying him as more privileged than the black farmers in the region. In 2010, in its first year of operation, Eden Agri Services packed and exported 110 000 cartons of citrus, with the first produce coming from his family farm, a leased farm, and a local farmer (Kriel, 2021). In 2011, the organisation was joined by five more citrus farmers, followed by three more farmers in 2014 and another five more in 2020 (Kriel, 2021). In 2018, five emerging black citrus farmers bought shares in the company and now hold a majority shareholding of 70% of Eden Agri Services (Jansen, 2018). The packhouse exports approximately 75% of its citrus, with the resources to pack avocados after the end of the citrus season (Jansen, 2018).

The main buyers of the organisation's citrus are in the UK, the Middle East and the Far East, with the organisation's citrus marketed by South African Fruit Promoters (SAFPRO) (CGA, 2022). Founded in 1997, when the South African fruit industry was deregulated, SAFPRO markets and distributes fresh fruit from selected farmers to a global network of buyers (SAFPRO, 2022). The organisation has a global network of buyers in Northern and Southern Europe, the United Kingdom, Southeast Asia, the Middle East and Far East, Canada, Russia, and many other smaller countries (SAFPRO, 2022). Eden Agri Services markets 90% of its produce with SAFPRO, which also provides the farmers with production finance (CGA, 2022). Craig Jenson, co-founder and director of SAFPRO, describes the partnership as a good business opportunity, as the Kat River area is known for producing excellent-quality soft citrus, and SAFPRO happens to have good marketing opportunities for the produce (Kriel, 2021). The partnership of Eden Agri Services with SAFPRO puts the organisation in a favourable position as the partnership ensures that the producer has a well-established global reach/market.

It is through these mergers/partnerships that established citrus producers can participate in global chains and remain competitive within the chain. It has already been established from the two interviews above that the citrus value chain is buyer-driven, with global supermarkets imposing stringent requirements on local producers. As stated earlier, the withdrawal of the state in the South African agricultural sector resulted in white farmers consolidating to mitigate the power imbalance between themselves as producers and global supermarkets as buyers (Visser, 2016). The partnership between Brown and SAFPRO is an example of such consolidation between white citrus producers, where producers merge to improve their positionality within the citrus value chain. Moreover, the partnership improves the producers' class position (and power) as they can now come together to participate and compete within the citrus value chain. Again, this illustrates the critical role that class (which brings power) and positionality play in a given global chain. As illustrated in the sections below, it is through these strategic partnerships that established white citrus producers in Raymond Mhlaba can successfully participate and compete in the global citrus value chain.

5.3.1.1 Economic upgrading at Eden Agri Services

By 2015 (five years after the establishment of the packhouse), Eden Agri Services was already able to export more than double (from 110 000 to 250 000 cartons) the amount of citrus it had exported in its first year of operation (CGA, 2022). Moreover, Brown (CGA, 2022) expects the packhouse to increase its packing volumes to 400 000 cartons per year in the next five years.

The packhouse recently unveiled its new four-lane pack line with an optic sorter that can double the organisation's current production rate (Jansen, 2018). Shaun attributes the success of the organisation to the partnership that he has formed with the black emerging farmers in the region (CGA, 2022). Besides mentoring, Eden Agri Services also provides administrative support (through its administrative staff) to emerging farmers, so as to have a centralised and standardised administrative service (CGA, 2022). By 2021, the packhouse was providing its services to 17 farmers, compared to the three farmers it initially started with in 2010 (Kriel, 2021). According to Brown (Kriel, 2021), the packhouse exported 110 000 15kg equivalent cartons in 2010 and was able to almost quadruple that volume by 2020, when it managed to export 430 000 cartons (Kriel, 2021).

The abovementioned case illustrates a clear case of process upgrading, as the packhouse has improved its processing methods by introducing new machinery, boosting the farm's production. Based on this context, the global chain assumptions regarding economic upgrading hold true, as Brown was able to build a packhouse from scratch and integrate it into the citrus value chain, resulting in economic upgrading of his farm. It is also equally important to consider Brown's class and positionality's role in achieving economic upgrading. Building a packhouse (which requires heavy machinery to process the produce) is very capital-intensive. However, due to Shaun's class advantage, he was able to not only successfully build the packhouse but also improve productivity and introduce more (efficient) machinery, thus resulting in process upgrading. As such, it is clear that class plays a critical role in a participant's ability to integrate and achieve economic upgrading in a global chain.

It is also important to note that the GPN Framework does not deny that the integration into global chains results in economic upgrading for supplier firms in developing countries. However, it highlights the power dynamics that result in uneven development in global chains. The uneven development will become clearer later in the chapter, where it is evident that not all citrus producers in Raymond Mhlaba experience the same upgrading trajectories that Eden Agri Services is achieving. There is a power/class (and racial) dynamic which influences the rate at which citrus producers in Raymond Mhlaba can upgrade. Eden Agri Services also forms part of a non-profit organisation called Eden Agri Safpro Support Enterprise (EASSE) (Kriel, 2021). EASSE consists of four directors representing the three stakeholders: two emerging farmers (Siseko and one other shareholder) from Eden Agri Citrus, Shaun Brown from Eden Agri Services, and Athol Trollip, who is the manager and representative of SAFPRO (Kriel, 2021).

According to Trollip (Kriel, 2021), EASSE provides emerging farmers with extension and production guidance, irrigation support, pest control and fertiliser programs, human resources, payroll administration, bookkeeping, and export compliance support (Kriel, 2021). Eden Agri maintains an 80% export pack-out, which illustrates the partnership's success (Kriel, 2021). According to Trollip, more growers are being attracted by the management style and commercial outcomes of Eden Agri (Kriel, 2021). Again, as argued earlier, these strategic partnerships contribute immensely to the organisation's success. The partnership with emerging growers and SAFPRO means that the packhouse is guaranteed supply from the growers and marketing from SAFPRO. The partnerships place the packhouse in a favourable position to experience product and process upgrading, as SAFPRO provides the organisation with guidance on what and how to produce for the global market. Moreover, the packhouse has a constant supply of citrus from its partners (emerging black citrus growers).

Although the black growers also benefit from the partnership, the benefits are unequal, as the growers must bear all the input costs (machinery, fertilisers, labour) associated with growing citrus while the packhouse processes the citrus. Eden Agri Services has positioned itself (by partnering with SAFPRO and emerging growers) in such a way that it can improve the quality of its citrus and meet all the various global demands while also ensuring a consistent supply of citrus. These partnerships show that the organisation understands the importance of positionality within the citrus value chain; the organisation would not have partnered with other stakeholders if it would not stand to benefit from the partnerships. Thus, the partnerships are intentionally pursued to ensure that the organisation is positioned so that economic upgrading is almost guaranteed. Once again, it is illustrated that economic upgrading relies heavily on a participant's position (and class) within a given value chain. Thus, the GPN argument holds true in the Raymond Mhlaba citrus industry, since power and class play a vital role in the success of Eden Agri Services.

5.3.2 Riverside Kat River Farm

Riverside was initially formed through an amalgamation between Baddaford farm and Riverside, with the first citrus trees planted on Baddaford farm in 1903 and the first export made in wooden crates in 1908 (Kriel, 2022). Errol Hewson, the director of Riverside Kat River Farm, manages 11 farms that make up 400 ha of land, stretching 20 km along the Kat River and producing approximately 14 000t of citrus per year (Kriel, 2022). Their cultivator portfolio consists of 53% soft citrus, 27% navels, and just below 20% lemons (Jansen, 2018).

The farms do not only produce citrus; old pecan orchards are also harvested for the local market, and avocados are sent to global retailers (Jansen, 2018). Already, it is evident that the farm has been able to achieve intersectoral upgrading as it does not solely produce citrus but also participates in other agricultural chains such as pecan nuts and avocados. The deregulation of the agricultural sector in 1996 resulted in the company investing in packing, de-greening, and cooling facilities to ensure the company moves upwards in the value chain (Lona, 2022). Riverside consists of its own nursery, research blocks and produce trees (Lona, 2022). These investments enabled the company to provide its client with packing, marketing, logistics, and administrative services (Lona, 2022). As mentioned above, Riverside also provides a range of services, such as financial and administration, technical, marketing, packing, joint buying, and skills transfer to previously disadvantaged/emerging farmers (Lona, 2022).

The well-established company has achieved numerous certifications, such as ISO 140001 (an internationally agreed standard that sets out the requirements for an environmental management system), Fair Trade certification, and Tesco's Natures Choice Gold Award accreditation (Lona, 2022). The company has also received global awards such as the 'Grower of the Year' and an award for 'Social Responsibility' by Tesco, which is the United Kingdom's largest retailer (Lona, 2022). Evidently, Riverside Kat River Farm has successfully established itself as a producer within the citrus value chain's different segments (planting, processing, exporting). The organisation participates in all the different value chain activities (from lower to higher), from conception to consumption. Based on the farm's performance, the global chain assumption that integrating into global chains results in economic upgrading holds true, as the farm has successfully captured value from all the different segments of the chain.

However, it is crucial to consider that the farm comprises an amalgamation of eleven farms and can expand faster than a producer operating independently. Moreover, the consolidation means that the farm has access to far more resources than a single producer, and that it successfully places the farm in a position to participate and compete within the citrus value chain. As such, although the farm has been able to achieve product, process, and functional upgrading, it must be considered that the farm is a consolidation of several farms, which increases its chances of achieving economic upgrading. The consolidation illustrates how positionality influences the outcomes of producers participating in a global chain. Firstly, Riverside has a long history of participating in the citrus value chain and has built its own 'manufacturing' hub with its own nursery and research centre and produces its own trees.

The positionality of the farm means that it effectively runs its own processes and can capture all the value created in the production node of the citrus value chain, giving the farm a class advantage over other citrus producers in the region, who may be operating on their own. This class advantage is illustrated by the farm offering financial and administration, technical, marketing, and packing services to emerging black farmers in the region. This illustrates the critical role that class and power play in global chains and how this influences a participating producer's outcomes.

5.3.2.1 Economic Upgrading at Riverside Kat River Farm

In 2012, one of the five biggest citrus product exporters in South Africa, the Lona Group, purchased Riverside and its neighbouring farms (Kriel, 2022; Lona, 2022). The Lona Group consists of several organisations in joint ventures that are integral to the agricultural development of South Africa through the production and export of citrus products (Lona, 2022). Lona is involved in activities from the production node of the value chain (farming and packing) up to the final stage (export), allowing for control and reliability in its internal activities and improving the synergies within the network of activities (Lona, 2022). Moreover, in each segment of the supply chain, Lona provides developed and specialised input aggregation, packhouses, cold storage, and marketing (Lona, 2022). The group operates internationally, exporting citrus to over 40 countries, including North America, Western and Eastern Europe, Russia, Central Asia, the Middle East and the Far East (including Japan) (Lona, 2022).

Lona's business model links growers with its experienced technical and financial advisors, including its extensive international client base, to ensure that growers succeed in their businesses (Lona, 2022). The purchasing of Riverside by Lona empowers the farm on many levels. Firstly, Lona is well-established and participates in all the citrus value chain activities. Thus, Lona can provide insights and support to the farm and ensure it is competitive in all the different segments of the citrus value chain. Riverside is subsequently elevated to a powerful position within the chain, as it can capture value from all the segments of the citrus chain, which improves its prospects of upgrading within the chain. Here it is illustrated that power and positionality (through Lona) have placed Riverside in a favourable position to achieve functional upgrading, as the farm can pursue higher-value activities within the citrus value chain.

In pursuit of turning Riverside into a leading citrus producer in the Eastern Cape, Lona focused on rejuvenating the production units through programs that focus on two areas: cultivar selection and water management (Kriel, 2022). Recently, Riverside embarked on a project of introducing a rare and challenging plant variety of mandarin called Orri, which is a late-ripening mandarin variety developed in Israel (Kriel, 2022). According to Hewson, a farm must produce the correct varieties sought by the market to be successful and sustainable, but timing is essential (Kriel, 2022). While Orri is not as prevalent as other late-mandarin varieties in South Africa, Hewson has shown a keen interest in this variety (Kriel, 2022). Other South African citrus producers are hesitant to pursue this cultivar because of its reputation for being difficult to produce (Kriel, 2022). Recently, Hewson travelled to Israel to see how they mitigate the challenges presented in growing these Orri mandarins (Kriel, 2022).

In 2015, Riverside produced between 15 t/ha and 20 t/ha of Orri, which increased to between 45t/ha and 65t/ha in 2020 (Kriel, 2022). The commercial appeal of Orri is that it does not fall in the same retail lines as the other late-mandarin varieties, which means that it has no competition with other late-mandarins (Kriel, 2022). Here it is clear that class and positionality have placed Riverside in a position to intentionally pursue product and process upgrading by improving its range of citrus products. The resources that Lona has access to has enabled Riverside to pursue citrus products that other citrus producers are avoiding. This illustrates how class (and access to financial capital) influences the prospects and type of upgrading that suppliers in developing countries can pursue. Moreover, it validates the claims made by GPN theorists, who argue that power is a crucial determinant of economic upgrading. Thus, although global chain scholars may be correct in their belief that global chains offer economic upgrading prospects for suppliers in developing countries, equal attention should be paid to the class dynamics that result in the type of economic upgrading that suppliers achieve.

5.4 THE CASE OF EMERGING BLACK CITRUS FARMERS IN RAYMOND MHLABA

Most of the emerging (black) citrus farmers in the Raymond Mhlaba region were able to own/run farms in the Kat River Valley through the Ciskei Agricultural Corporation (also known as Ulimicor), which was on a mission to transfer white farms to black beneficiaries in the 1980s (Cochet, 2015: 22). This was achieved through the South African government who purchased white-owned farms north of the Kat River Valley and surrendered them to Ulimicor, which was entrusted with the management of the farms (Cochet, 2015: 22).

Ulimicor renovated these citrus farms, implementing microjet irrigation systems, buying new equipment (such as tractors and sprayers) and planting new orange orchards (Cochet, 2015:22). In the late 1980s/early 1990s, these formerly white-owned farms were privatised, divided into economically viable plots, and awarded to twenty black farmers (Cochet, 2015:22). The newly-owned citrus farms were rented out for five years with an option to buy. Ulimicor also assisted the farmers by lending out equipment, providing technical assistance, and providing advances for chemicals at the beginning of a season (Cochet, 2015:22). Here it is evident that the emerging black farmers integrated into the global citrus value chain from a disadvantage, compared to the white citrus farmers in the region.

Unlike Eden Agri Services and Riverside, which the white citrus farmers have always owned, the black emerging farmers inherited their farms from the then government. As illustrated in the sections below, these black emerging farmers' disadvantaged position has influenced their economic upgrading outcomes. Moreover, it will become clear how positionality has resulted in unequal gains between the established white farmers and the emerging black farmers. As such, there is a need for class analysis in global chain discourse (as highlighted by the GPN approach) because power and class are key determinants of the outcomes that global chain participants experience. The benefits of participating in a global chain are not unilateral; class and power determine who benefits and how much they benefit from participating in the chain.

5.4.1 Historical Backgrounds

From the twenty black citrus farmers awarded farms in the Kat River Valley in Raymond Mhlaba, this study analyses six case studies of these emerging citrus farmers. The case studies are captured in a publication called 'Succession', authored by Louise Brodie (2021). In this publication, Brodie (2021), on behalf of the Citrus Growers Association (CGA) of Southern Africa, compiled a collection of interviews with citrus farmers in South Africa. The emerging black farmers analysed in this study are Chief Siseko Maqoma of Gonzana Farm, Fly Mpukane Mphangeli of White's Farm, Headman Manyonta of Oakdene Farm, Eric Nohamba of Konzi Farm, Clifford Dyonase of Letasfarm, and Shepard (Brodie, 2021:62-71). All of the emerging farmers, except for Siseko, analysed in this study have educational backgrounds in the agricultural sector, obtaining tertiary qualifications at Fort Cox Agricultural College (Brodie, 2021:62-71). For example, Eric completed a Diploma in Farm Business Management at Fort Cox, while Fly added an Agricultural Management course from the University of Stellenbosch to the training received at Fort Cox (Brodie, 2021:64,68).

All these farmers went on to work in different positions in the Ciskei Agricultural Corporation, such as citrus Farm Manager, Agricultural Extension Officer, and Cultural Extension Officer (Brodie, 2021:64,70). From this information, the privatisation scheme initiated by Ciskei Agricultural Corporation primarily benefited its employers because all (except for Siseko, who inherited Gonzana Farm) these farmers were working for the Ciskei government at the time they were allocated their farms (Brodie, 2021:68).

5.4.2 Challenges Faced by Emerging Black Citrus Farmers

Although these farmers were awarded citrus farms, these farms were not necessarily operational or in good condition (Brodie, 2021). The sizes of these farms also varied, with some being as small as 16.8ha, while others stretched up to 82ha (Brodie, 2021). It is also important to note that not all this land was arable; for example, Eric received a farm that was roughly 45ha in size but only had around 15ha of citrus on the property (Brodie, 2021:68). Similarly, Headman received a farm that had a total size of arable land of 16.8ha, but the trees were quite old, and the infrastructure was also debilitated (Brodie, 2021:66). The difficulty in upgrading faced by developing countries is their low-income status, as crop production and the fulfilment of the stringent export requirements requires high levels of capital (Fernandez-Stark *et al.*, 2011:3). To revitalise their newly-owned land and do all the necessary renovations on their farms, these farmers would require a large amount of capital; agriculture is known to be capital intensive.

To make matters worse, the privatisation scheme awarded some of these farmers land without title deeds. Only three (Fly, Clifford and Headman) of the emerging farmers in this study confirmed that they had received title deeds for their farms (Brodie, 2021). A title deed is necessary to apply for a loan with which to make improvements on a farm. However, as evidenced in the following section, their outcomes (referring to economic upgrading) in the citrus value chain were not distinct from the other emerging black citrus farmers, as they all still required assistance from the government and other agricultural stakeholders. The lack of title deeds is an ongoing issue for emerging farmers in the citrus industry in Raymond Mhlaba; Siseko highlights this as one of the main challenges to long-term farming security (Brodie, 2021:63). According to Siseko (Brodie, 2021:63), this issue of title deeds dates back to more than 20 years ago when the area was still part of the former Ciskei, wherein people were physically given farms, yet several farmers in the region still do not have title deeds to their farms.

This predicament has created obstacles for emerging farmers as they cannot secure loans without title deeds (Brodie, 2021). For most emerging black citrus farmers, operating these farms has been an uphill struggle as they need renovations and upgrades (Brodie, 2021). For example, when Clifford was awarded his 82ha farm in 1991, it was severely neglected and had ageing trees that were not producing much citrus, while the irrigation system was barely functional, and the infrastructure had deteriorated (Brodie, 2021: 70). As such, Clifford only managed to farm for five years (from 1991 to 1996) before being forced to seek alternative employment for the following 10 years, due to unavailability of funds to fix the infrastructure and replace the old trees (Brodie, 2021:70). For most of these farmers, capital to fund their farming operations has always been a struggle, particularly those without title deeds who cannot be granted loans (Brodie, 2021).

To make matters worse, the Ciskei Agricultural Corporation was liquidated in 1997, which meant that the funding and assistance that the parastatal was providing to the emerging farmers came to an end (Brodie, 2021:66). It is evident that the participation and the outcomes (referring to economic upgrading) of producers in the citrus industry in Raymond Mhlaba are not the same for all producers. Emerging farmers are disadvantaged as they are not in the same position as well-established producers such as Eden Agri Services and Riverside. Moreover, emerging citrus farmers in the region face more challenges (specifically capital-related) that become obstacles to their successful participation within the citrus value chain. As such, it again becomes clear that class (and access to different types of capital) play a vital role in the successful integration into the citrus value chain. The economic benefits experienced by the emerging black and white established farmers are uneven, with the established white farmers getting a much more significant share of the citrus market due to their positionality and partnerships within the citrus value chain.

5.4.3 Economic Upgrading Amongst the Emerging Black Citrus Farmers

Nevertheless, through the intervention and assistance of various well-established organisations and the government, emerging farmers were able to overcome some of their funding obstacles (Brodie, 2021). In the case of Siseko, Fly and Eric, they came together with two other emerging farmers and formed their own company called Eden Agri Citrus, with each farmer owning 20% of the company (Brodie, 2021: 63). This group of emerging farmers has also formed a relationship with local farmer Shaun Brown, who owns Eden Agri Services (Kriel, 2021).

Eden Agri Services does the packing for Siseko, Fly and Eric, with Shaun providing mentoring and working very closely with them to ensure their citrus meets the required standards (Brodie, 2021; Kriel, 2021). In 2017, Eden Agri Services instituted a process whereby emerging farmers can become shareholders in the packhouse (Kriel, 2021). Eden Agri Citrus, owned by the emerging farmers, bought a 70% share in Eden Agri Services, meaning that 70% of Eden Agri Services is owned by black emerging farmers (Brodie, 2021:63). The shareholding illustrates a case of process and functional upgrading on the side of the emerging farmers. These farmers were able to move up in the value chain activities from being citrus growers to also owning shares in a packhouse. From this perspective, it can be argued that the assumption that integrating into a global chain facilitates economic upgrading is valid. However, it is important to note that the GPN does not outright deny that global chains facilitate economic upgrading.

Instead, the GPN focuses on power and embeddedness and how these factors influence the outcomes of participating in global chains. Moreover, GPN highlights the issue of unequal distribution of power and gains within the chain (Coe and Yeung, 2015). For example, in the case of the emerging black farmers who now own a shareholding in a packhouse, it is crucial to consider their benefits relative to the owner (Shaun) of the packhouse. This disparity between the emerging black farmers and the established farmers can be attributed to the different class positions of the two groups. In this context, the concerns raised by GPN 2.0 scholars (Coe and Yeung, 2015; Yeung, 2016), that global chains perpetuate global inequality, are valid, as there is an unequal distribution of gains between emerging black citrus farmers and established white citrus farmers.

Although Siseko, Eric and Fly gained a 70% shareholding in Eden Agri Services, this is split between 5 emerging farmers, which effectively means that each farmer owns 14% of the packhouse. On the contrary, Shaun owns 30% of the packhouse, which means he is still the majority shareholder of the farm. According to Shaun, there is scope for these emerging farmers to improve their production, but the main obstacle is the issue of title deeds which hinders funding prospects (Kriel, 2021). Evidently, the claims made by the GPN scholars are valid, as power/class (i.e., funding) hinders the prospects or rate at which these black emerging farmers can upgrade their production processes and compete within the chain. It can thus be argued that, without access to power in the form of capital, a citrus producer cannot participate or upgrade within the citrus value chain.

Thus, the biggest challenge the emerging black farmers face in achieving the economic upgrading experienced by white established farmers is power and class. To find a solution to the lack of capital among emerging farmers, Shaun approached SAFPRO to discuss the challenges faced by the farmers (Kriel, 2021). The discussion instituted by Shaun resulted in a partnership between Eden Agri Citrus, Eden Agri Services, and SAFPRO, wherein the emerging farmers/growers (Eden Agri Citrus) pack with Eden Agri Services and are marketed by SAFPRO (Kriel, 2021). Moreover, SAFPRO provides affordable production finance (funding) that the farmers had struggled to obtain (Kriel, 2021). Since 2021, SAFPRO has issued around R25 million a year in production loans to the emerging farmers of Eden Agri Citrus (Kriel, 2021).

Through these strategic partnerships, the emerging farmers have grown their citrus production, with an improvement from 86ha to 175ha of citrus produced between 2010 and 2020 (Kriel, 2021). New orchards stretching over 89ha were established in the year 2021, and a further 70 ha still needs to be developed in the next few years before the farms can be considered fully developed (Kriel, 2021). Some emerging farmers have already bought additional farms that they are developing, which illustrates the growth of these emerging farmers (Kriel, 2021). The expansions illustrate product and process upgrading cases as the farmers have improved their work organisational methods and productivity. However, this was possible through the intervention and support of well-established organisations, which improved the farmers' production and processing methods.

Moreover, it is important to note that the emerging farmers' gains are marginal compared to Riverside and Eden Agri Services, as they lack the power and positionality these established citrus producers enjoy. If anything, the emerging black farmers are still trying to expand and develop more of their land, while Riverside, for example, is pursuing rare varieties of citrus. This highlights an uneven distribution of gains amongst the different citrus producers; emerging black citrus farmers are still trying to expand their production, while established white citrus farmers are finding innovative ways to improve the quality and range of their citrus produce. Contrary to Siseko, Eric and Fly, when Headman received his title deed in 2007, he joined a scheme implemented by the Riverside Kat River Farm (Brodie, 2021:67). Through this scheme, Riverside was able to negotiate a loan from the Industrial Development Corporation (IDC) on behalf of the emerging farmers, wherein Riverside set up a strategic partnership with the growers and administered their loans and finances for them (Brodie, 2021:67).

Through this partnership, Headman received a R1.3 million loan which enabled him to develop 28.6ha of different varieties of citrus (Brodie, 2021:67). Furthermore, in 2011, he sold shareholdings valued at R1 million to the IDC, which enabled him to develop a further 16ha of citrus (Brodie, 2021:67). He added that, during the past few years, the government has also assisted them (emerging farmers) by providing them with fertiliser annually (Brodie, 2021:67). Again, it is illustrated how class informs a producer's positionality and, in turn, their outcomes from participating in the global citrus chain. Due to its position in the citrus value chain, Riverside was able to negotiate a loan on behalf of Headman, which improved his class position within the chain. Through access to capital (which comes with power), Headman was able to develop 28.6ha of different varieties of citrus.

The development of different citrus varieties achieved by Headman is a case of product and process upgrading, which was made possible through improving his class position in the citrus chain. Moreover, the assistance of the government also played a role in the improvement of Headman's position within the chain. By providing him with fertiliser, Headman could redirect some of his funds to other aspects of the farm, ensuring that all his processes operate effectively. Similarly, Clifford had a breakthrough with the assistance of the government and Riverside. Through the intervention of the Minister of Rural Development and Land Reform Agriculture, emerging farmers such as Clifford were provided with grants amounting to R450 000, which enabled him to buy his farm (Brodie, 2021:70). Clifford also managed to get a loan from the IDC, which enabled him to plant new trees and install irrigation systems on his farm, but the loan was not enough for him to do all the repairs that were needed on the farm (Brodie, 2021:70).

At the time of receiving the government grant, Clifford had a strategic partnership with Riverside which did his packing and marketing and provided him with advisory services for ten years (Brodie, 2021:70). It is evident here how the different class positions of white and black farmers result in variegated outcomes (types of economic upgrading) for the different farmers. The white established farmers enjoy a historically (as discussed in Chapter 4) favourable class position and, as such, have achieved economic upgrading with much more ease than the emerging black citrus farmers. Again, this suggests that there is uneven development (due to class) within the citrus value chain, and a participant's prospects of economic upgrading are determined by their class and positionality. However, Clifford was unhappy with the partnership as the packing costs were very high.

The funding that the emerging farmers received from IDC was given to Riverside to administer as a pool of funds, so the farmers were not managing their own funds (Brodie, 2021:70). As such, the farmers lacked the capital to fund their input costs and infrastructure, which meant that they sometimes could not afford to spray their crops, nor did they have insurance to protect their crops from hail and frost (Brodie, 2021:70). Although Clifford achieved process upgrading through the intervention of the state and assistance from Riverside, it seems that the assistance came with challenges of its own. The nature of the relationships between emerging and established farmers (Riverside) is not a focal point of this study; however, the data suggests a need to interrogate these partnerships because they do not seem to always be mutually beneficial. In 2017, Clifford changed partners and moved from supplying to Riverside to supplying to Eden Agri Services (Brodie, 2021:71).

According to Clifford (Brodie, 2021:71), the partnership with Eden Agri Services is much better as he now feels like he owns his farm. He says that he is receiving much better returns on his citrus as the relationship is equal, and there is transparency when it comes to financial statements and finances (Brodie, 2021:71). Unlike Siseko, Fly and Eric, Clifford does not have shares in Eden Agri Services, and says he is not looking to get any yet (Brodie, 2021:71). However, Clifford does express the desire to own a packhouse one day as he feels that the packing costs would be cheaper if he ran a packing facility for his farm (Brodie, 2021:71). This again illustrates how power and class are determinants of economic upgrading. Although Clifford desires to move up to higher-value activities such as packing, unlike Shaun, he is not financially able to do so at this point. Evidently, economic upgrading does not happen by virtue of participating in a global chain; there is a class element to upgrading that mainstream (mostly GCC and GVC) global chain literature should pay attention to.

5.5 CONCLUSION

This chapter focused on one aspect of this study, which is analysing the farming activities, successes, and challenges of selected citrus producers from the Raymond Mhlaba Municipal district, who are participating in the citrus value chain of South Africa. To critically analyse the hypothesis made by some of the prominent GCC and GVC (including multilateral organisations) scholars, that integrating into global chains results in economic upgrading, this chapter interrogated whether citrus producers in Raymond Mhlaba have experienced economic upgrading in the citrus value chain.

This study found that citrus farmers in this region have been able to achieve various forms of economic upgrading since integrating into the global citrus value chain. However, the data suggests that power, class and positionality play a significant role in the kind of economic upgrading citrus producers achieve in the citrus value chain; simply integrating into the global citrus value chain does not guarantee economic upgrading. In other words, the outcomes (i.e., economic upgrading) achieved by citrus producers are variegated and informed by the different class positions that the different citrus producers enjoy. There is a clear distinction of class and positionality between the white established citrus farmers and the black emerging citrus farmers from the Raymond Mhlaba Municipal district. This argument is discussed more fully in the concluding chapter of this study.

CHAPTER 6:

SOCIAL UPGRADING OR DOWNGRADING ON THE CITRUS FARMS OF RAYMOND MHLABA?

6.1 INTRODUCTION

A key question addressed in this chapter is whether farmworkers employed on selected citrus farms in Raymond Mhlaba have experienced social upgrading as a result of participating in the export-driven citrus value chain of South Africa. This chapter focuses on the living and working conditions of workers employed on those selected citrus farms in the Raymond Mhlaba Municipal district that are participating in the citrus value chain of South Africa. Drawing on the four pillars of the ILO's Decent Work Agenda, this chapter interrogates the working conditions of farmworkers employed in the citrus orchards and packhouses in the region, to determine the extent to which these farmworkers experience social upgrading. The concept of social upgrading refers to the improvement of workers' conditions of employment (Selwyn, 2013:79). The notion of social upgrading stems from the Decent Work Agenda, which rests on four aspects/pillars of work: full and productive employment, social protection, workers' rights, and social dialogue (Selwyn, 2013:79).

The Decent Work Agenda promotes work that is performed under working conditions characterised by freedom, equity, security, human dignity, adequate remuneration, and social coverage protection (Selwyn, 2013:80). This chapter covers the following key areas: basic demographic information, historical backgrounds, employment backgrounds, employment conditions (workplace health and safety, wages, social security, and social dialogue), and current living conditions. By examining the employment conditions of the farmworkers, the study seeks to determine whether farmworkers in the production node of the export-driven citrus industry in Raymond Mhlaba Local Municipality experience social upgrading in their workplaces. Moreover, by examining the farmworkers' historical backgrounds and current living conditions, the study can determine whether the lives of the farmworkers have improved since integrating into a global chain.

6.2 HISTORICAL BACKGROUNDS

After establishing the demographical composition of the respondents (see Chapter 4), it is crucial to interrogate the historical backgrounds of the farmworkers.

This interrogation is significant for the study as it enables the examination of the conditions that influenced the educational and employment outcomes of the farmworkers who are part of this study. The socio-economic backgrounds of the farmworkers who participated in this study are similar in many ways. Half (six) of the respondents were raised by their grandparents, while the other half were raised by their parents or single mothers. The respondents were all born and raised in the townships and villages around Fort Beaufort in the Eastern Cape. The respondents either grew up in RDP houses or overpopulated mud houses, as they had big families. The respondents described the townships and villages of Fort Beaufort as crime-ridden with high levels of unemployment. The respondents revealed that the majority of people in Fort Beaufort are employed as seasonal workers in citrus orchards and packhouses in the region.

The respondents' accounts coincide with the data and literature on the region, as the Raymond Mhlaba economy can only create employment for 3.5% of the latest estimated population of 156 000 (Stats SA, 2016; The Nkonkobe Municipality, 2016). As such, it comes as no surprise that the respondents describe the area as characterised by high levels of unemployment. According to Khowa and Mukasi (2021:2), the citrus industry is the largest employer in the region; hence, most people are seasonal workers in orchards and packhouses. It is important to note that the high unemployment in the region induces desperation and vulnerability among the respondents, exacerbated by the low levels of education among the respondents. However, all the respondents had some level of education, but only one completed matric. The respondents' low levels of education mean they are limited in the kinds of employment they can look for, as other jobs in other industries may require specific skills and education.

However, this is not the case in the agricultural sector, as developing countries that have integrated into the global markets are known to employ workers from rural areas with minimum levels of education (Fernandez-Stark *et al.*, 2011:1). The issue of low levels of education coupled with the high unemployment rate in the region exacerbates the respondent's desperation and vulnerability within the citrus value chain. It means that the respondents are more likely to endure any kind of working conditions as their desperation and need to survive would exceed their expectations of a workplace that ensures that they receive decent work as outlined in the Decent Work Agenda. It is important to note that although these jobs provide workers with means (in the form of wages) to sustain themselves and their families, workers in the production node of agricultural industries around the world have seen minimal development (Fernandez-Stark *et al.*, 2011:1).

This is further illustrated by the living conditions described by the respondents in this study. As mentioned above, most participants grew up in overpopulated mud houses, as their guardians could not move out of the family household and build their own houses. Even though their guardians were employed on citrus farms, they could not afford housing of their own and had to stay in large families. As such, it can be argued that, historically, the agricultural industry failed to improve the lives of farmworkers, and that therefore the citrus global value chain has not resulted in economic upgrading, i.e., the improvement of the living conditions of citrus farmworkers in the Raymond Mhlaba region. In this context, the argument made by multilateral institutions such as the World Bank and GCC/GVC scholars, that economic upgrading will result in social upgrading for workers, does not hold (at least historically), as the lives of citrus farmworkers in the Raymond Mhlaba citrus industry did not improve after integrating into the citrus value chain.

6.3 EMPLOYMENT

This section analyses the farmworkers' employment conditions in the citrus industry's production node in Raymond Mhlaba Local Municipality. The section interrogates the following areas of employment: employment background, employment creation, productive employment conditions and rights at work, workplace health and safety, wages, social security, and social dialogue in the workplace. These are the key themes to interrogate social upgrading and are valuable in determining whether farmworkers in the Raymond Mhlaba citrus industry experience social upgrading or downgrading. The concept stems from the International Labour Organization's (ILO) 'Decent Work Agenda' which is comprised of four aspects/pillars of work: employment, social protection, workers' rights, and social dialogue (Selwyn, 2013:9). The 'Decent Work Agenda' promotes work that is performed under working conditions characterised by freedom, equity, security, human dignity, adequate remuneration, and social coverage protection (Selwyn, 2013: 80).

6.3.1 Employment Background

The majority (10 of the 12 respondents) of the respondents started working in their early twenties, with the youngest respondent starting at fifteen years old. The respondents provided diverse reasons for starting work at the ages noted above. The vast majority (9 of the 12 respondents) cite reasons related to having to support their children and families, while the rest dropped out of school to provide for themselves.

Evidently, for these selected farmworkers, getting employment in the citrus value chain was a means to improve their current living conditions. For one of the farmworkers, who started working as a picker at the tender age of fifteen, it was a matter of survival - when asked what influenced his decision to start working on the farm at such a young age, Thulz replied:

My mother, who was working on the farm, was no longer in good health and could no longer work on the farm, so she gave me her picking bag and said I should go and take her place on the farm (22/10/22).

Four of the respondents had previously worked in retail, bottle stores, as handymen, and in municipal projects such as roadworks. However, it is essential to note that these were all non-standard and informal forms of work. Their employment history can be attributed to their low levels of education, as these previous jobs required little to no education, as is the case with their current employment on the citrus farms in Fort Beaufort. On the other hand, for the other eight respondents, citrus farms were their first form of employment. Some of the respondents even started as early as their schooling days, working during school holidays. Most of the respondents working in the orchards were either referred or recruited by someone they knew or by their street ward committees. Some orchard workers approached the employer and were given a position on the spot. In the case of the packhouse workers, it is common knowledge in Fort Beaufort that one can queue outside the factory, and the employers come to pick people when there are vacancies. Lulu shared how she got her job on the citrus farm:

In the beginning, it started when we were on school holidays there on the farm. We, as school children, would be given available jobs there, which made us accustomed to the working environment there. As such, it was easy for us to return to the farm because they already knew us (22/10/22).

For the uneducated and low-skilled people, the agricultural sector provides various employment opportunities that can help the desperately poor survive, alleviate poverty, and contribute to economic growth, especially in rural communities (Khowa and Mukasi, 2021:2). The employment backgrounds of the respondents illustrate that their poor socio-economic backgrounds influenced their decisions to work in the production-node of the Raymond Mhlaba citrus industry. Their poor living conditions left them with no choice but to seek any employment that would alleviate their poverty and improve their living conditions. Moreover, their desperation to survive and support their families means they are vulnerable and would endure any working conditions they are subjected to.

This explains why it was not difficult for them to get employment in the citrus farms in the region, as educational qualifications are not a prerequisite for manual farm work. Although employment benefits the vulnerable as they can make a living, it benefits the employer more as the workers' vulnerability means that they are easier to exploit and more likely to endure any kind of adverse treatment from the employers. This is also illustrated by the historical analysis of farm labour in South Africa, which was characterised by exploitation, power, inequality, and subservience (Atkinson, 2007:23). Under such conditions the farmworkers experienced social downgrading, as their work was characterised by poor living and working conditions (Atkinson, 2007:23). As illustrated in the sections below, exploitation, power, inequality, and subservience remain central themes in the current employment relations between farmers and farmworkers in this study.

6.3.2 Employment conditions

All the farmworkers who took part in this study work on citrus farms (either orchards or packhouses) located in Fort Beaufort, Eastern Cape. These citrus farms are owned mainly by South Africans, except for one, where the respondent indicated that the farm is owned by a foreign national but is run by a South African (Thulz, 22/10/22). The pickers, sorters, drivers, general workers, and supervisors work on farms that employ more than 200 workers. These workers are part of the planting and harvesting processes, which end when the product is sold to the packhouses. The citrus farms where the graders and palletisers work employ more than 1000 workers, who receive and process the fruits before they are shipped to European markets. The main products produced and processed include oranges, lemons, naartjies and clementines.

6.3.2.1 Division of Labour

As mentioned above, this study's sample comprises pickers, sorters, general workers, supervisors, drivers, a grader, and a palletiser. The pickers are responsible for picking the fruits from the trees in the orchards and ensuring that the stems are removed before putting them into their picking bags and offloading them into the bins. The sorters have the task of sorting the fruit placed in the bin by the pickers and removing all the unwanted or damaged fruits from the bin. These two categories of farm workers are supervised by supervisors who ensure that the pickers and sorters perform their tasks properly. However, it is important to note that supervisors also take part in any farm work when they are required to by their managers. Once the citrus has been packed, the fruits are sent to the packhouses for sorting, packing and storage.

The packhouse graders are responsible for grading the citrus fruits, ensuring that there are no damaged or dirty fruits, as these do not form part of the first-class fruits sold abroad. The palletisers then receive these first-class fruits and load them onto pallets, which are loaded into trucks and sent to the harbour for export. The division of labour between the pickers, sorters, drivers, graders, and palletisers can be explained using the LPT. Braverman (1974:37) argues that labour processes within capitalist modes of production are informed by the desire to accumulate capital. In this context, this is achieved through Taylor's scientific management, which involves separation from conception to execution and dividing the execution segment of production into simplified tasks. The production process in the packhouse also has elements of Fordism, wherein workers are divided into different units that work individually but are connected by an assembly line.

As highlighted in Chapter 2, Fordism uses assembly lines where production constantly flows from one production unit to another, promoting mass production and consumption (Annavajhula, 2021). By separating the pickers from the sorters and the graders from the palletisers, the employers can maintain control over the production and value-creation processes, by removing any possibility of opposition to this organised production process (Cole, 2018:37). This destructs craftsmanship and substitutes complex with simple labour, thus ensuring that production is under the control of the farmers. This destruction of craftsmanship undermines social upgrading as it deliberately makes the work performed by the workers so menial/straightforward that anyone can perform it. Moreover, the Fordist introduction of specialised machinery in an assembly line (coupled with the destruction of craftsmanship) ensures that management has access to an equalised workforce that can be used interchangeably and replaced easily (Annavajhula, 2021).

The production processes (Taylorism with elements of Fordism) adopted in the packhouse are both informed by the capitalist desire to maximise profits, hence the complex divisions of labour and introduction of technologies of control (Annavajhula, 2021). Consequently, the prospects of being promoted into higher positions and possibly earning better wages are diminished because anyone can easily do the work. Moreover, the destruction of craftsmanship undermines the prospects of social upgrading for the farmworkers, depriving them of full and productive employment. Full and productive employment requires the employer to provide opportunities and pay workers adequate earnings as outlined in the ILO's Decent Work Agenda (Webster *et al.*, 2015:125).

However, considering the menial nature of the work executed by the farmworkers, prospects of employment opportunities in the form of promotions are diminished as the work can be done by anyone and requires little skill to execute effectively. The different workers/units have supervisors who inform them of their daily activities and targets, which means that the farmers determine the production rate and, ultimately, the amount of capital accumulated. The farmers are primarily concerned with accumulating capital and will design and shape labour processes to increase profits. This is also illustrated by the flexible duties assigned to the supervisors. Although they are employed permanently and given the title of 'supervisor', they are general workers who not only supervise workers but also take part in any work required on the citrus farms.

Flexible duties even existed historically, where supervisors were afforded permanent employment and housing on farms in exchange for working wherever they were needed by their employers (Levy, 1976:31). This phenomenon cannot be categorically defined as social upgrading or downgrading as it illustrates a case of labour restructuring which appears to be both empowering and flexible. However, what it does is assign more duties to an individual worker while maintaining the exact labour costs. One of the pillars of the Decent Work Agenda is full and productive employment, which provides employment opportunities and adequate earnings to workers (Webster *et al.*, 2015:125). By assigning more duties to a single worker (supervisor) instead of promoting other workers, farmers can keep their labour costs the same while overworking one worker. This is illustrated by one of the supervisors, Mbu, who said:

To be honest, on a farm, there are no specific positions, and you are basically a general worker. However, I mostly drive the tractors but also do other work such as spraying and planting. You do anything that has to be done regardless of your position or title (29/10/22).

Half of the respondents stated that they received training upon their arrival in the workplace, while the other half stated that they did not receive training and learnt on the job. The training (or lack thereof) illustrates how menial the work done by the workers is, which is part of Braverman's (1974) destruction of craftsmanship argument. As mentioned above, the work is divided into different units that do different jobs. However, the fact that these jobs can be learnt 'on the go' means that they have been simplified to such a point that minimal to no training is required.

Lack of training benefits capital as they save on training costs, and labour can start working effectively; it also means that anyone can do the job and labour is easily accessible and replaceable. Moreover, it also illustrates a case of separation between conception and execution, as the execution of tasks has been simplified into small minute tasks to de-skill the worker such that anyone can perform them regardless of their skills (Braverman, 1974). Whereas by separating the workers from conception and execution, the workers become stagnant in their positions as the work that they do is over-simplified. When asked about employment contracts, all the respondents signed written employment contracts with their employers. However, some of them stated that they did not even remember the contents of their employment contracts.

Considering that only one of these workers has a matric certificate, they should be sat down and thoroughly explained their contracts before signing. An employment contract is an essential document as it regulates the terms and conditions of employment between the employer and the employee. However, due to the poor socio-economic backgrounds and desperation of the workers, it seems that the employers do not take this process seriously, and the workers are more concerned with starting their employment. This has adverse effects on the workers because if they are not acquainted with the contents of their employment contracts, they cannot know their rights at work and what is expected of them. A lack of regard for human dignity on the part of the farmers, as they know that the workers are desperate, is also illustrated by the farmers' cavalier approach to their workers. When asked whether he has a written contract of employment, Siya, a citrus picker, said:

Yes, there is one that had things about uniforms, but I do not remember anymore. You do not even get the chance to read it because they are rushing you, and there is a lot of us, so they just make us sign it without sometimes reading it (21/10/22).

6.3.2.2 Working Hours

More than half of the workers work 8-hour shifts, with lunch (1 hour) and tea (30 minutes) breaks, from Monday to Friday. These workers do not typically work on weekends and public holidays, but when they are requested to work, they are paid double their regular rate. On the other hand, three seasonal workers in the orchards work 10-hour shifts from 7 am to 5 pm from Monday to Friday. The Sectoral Determination 13 states that an employer may not require a farmworker to work for more than 9 hours if the worker works for five days or less (South African Human Rights Commission, 2003).

In the case of these three farmworkers (a driver, a supervisor, and a general worker), who are expected to work 10-hour shifts from Monday to Friday (5 days), the extra hour constitutes overtime and should be paid at least one and a half times their standard hourly rate. Most of the seasonal farmworkers in the orchards (pickers, sorters, and general workers) do not get paid leave days, and if they miss work for any reason, they do not get paid. The Sectoral Determination 13 for agriculture states that every farmworker is entitled to one day's paid sick leave for every 26 days worked (SAHRC, 2003). Moreover, an employee that has been employed with an employer for longer than four months and works for at least four days a week is entitled to 3 days of paid family responsibility leave (Basic Conditions of Employment Act, 1997). All the seasonal workers fall into this category as they sign 5-month contracts and work a minimum of 5 days a week.

As such, it is evident that some of the seasonal farmworkers (pickers, sorters, and general workers) do not experience social upgrading as their rights at work are violated, which is one of the pillars (rights at work) of the Decent Work Agenda. On the contrary, the seasonal workers (graders and palletisers) in the packhouses get paid leave, which is calculated as one leave day after working 17 consecutive days. These packhouse workers are also given three days of paid leave for family responsibility. Similarly, the supervisors that participated in this study also got paid leave, illustrating that employment outcomes or Decent Work on the citrus farms in Raymond Mhlaba is variegated and determined by the worker's position and employment status. As discussed above, unlike the farmworkers in the orchards, the workers in the packhouses and supervisors are afforded their rights when it comes to leave days, suggesting that the employment outcomes of the citrus farmworkers are variegated and not all-inclusive.

According to Marx (1967:129), work under a capitalist mode of production is characterised by exploiting labour by capital to produce surplus value or profits, by extracting more labour time than the amount of labour-power purchased from the workers. Simply, this means getting the workers to work for more than they are paid. This phenomenon is accurately depicted by the 10-hour shift worked by some of the farmworkers in this study. As Marx (1967:655) puts it, the level of exploitation is determined by three factors: 1) the length of the working day, 2) labour intensity, and 3) the productivity of labour. In this case, the length of the working day is used to ensure that farmers boost productivity and their profits in a shorter period. By making the workers work longer hours and shorter days, the farmer can generate more profits in a shorter period. One of the farmworkers (Mbu) who works a 10-hour shift said:

We work five days; we do not work on weekends. When the farm was still run by the father (referring to the current owner's father), we used to work on weekends. However, it was agreed that the hours that would have been worked during the weekends would be added during the weekdays (29/10/22).

6.3.2.3 Challenges faced by farmworkers in the Raymond Mhlaba citrus industry

The workers were also asked to discuss the main challenges they encountered at their workplace. Most of the challenges raised by the workers in the orchards were related to conflicts between workers. For example, there were quarrels between the pickers and sorters regarding how people execute their duties. The sorters complained about how the pickers made their jobs difficult by not cutting the fruits correctly and not adequately filling the bins. These challenges create tension between the two groups of workers as the sorters are blamed for the fruits returned from the packhouse, and the farm owner threatens to deduct the losses from their payslips. The Basic Conditions of Employment Act, 1997, in section 43, states that an employer may not deduct from an employee's remuneration unless the employee agrees in writing to the deduction or the deduction is permitted in terms of a law, collective agreement, court order or arbitration. Thulz explains the dynamic:

When there is damage on the other side (referring to the packhouse that the farm produces for), the owner is negatively affected, and there are financial implications. The whole bin returns, which affects him negatively because he does not get money from that bin. He subtracts that loss from us (referring to the farmworkers), so we must listen to the sorters as it can affect their pay, and we should not be responsible for negatively affecting their livelihood (22/10/22).

Effectively deducting losses from farmworkers is illegal, as it violates the workers' rights as prescribed in the Basic Conditions of Employment Act 1997. In this context, it can be argued that farmworkers in the orchards are deprived of their rights at work, which is one of the pillars of Decent Work as outlined in the Decent Work Agenda. Furthermore, this issue can also be explained using Braverman's (1974) division of labour argument in the LPT. By dividing the workers into different units, the farmers can deter collective action, as the farmworkers have different goals and issues relating to their work even though they work on the same farm. Evidently, this is the case in the citrus orchards in Raymond Mhlaba, as the division of labour between the pickers and sorters has created tensions between the two groups.

Capitalists/farmers benefit from this division of labour as it diminishes the prospects of collective action, which could possibly threaten the farmers' profits. Another challenge raised by several pickers and sorters in the orchards and a grader in a packhouse is the volume and intensity of the work required to perform. One of the tractor drivers (Lulu, 22/10/22) stated that her biggest challenge when collecting damaged and fallen fruit was getting the workers to keep up with the pace of the tractor. Similarly, Vuyo (29/10/22), a packhouse grader, complained about how demanding the work is and how difficult it is to get up and continue working after lunch. The production node of the citrus industry is very labour-intensive as there are large volumes of fruits to be processed at high levels of intensity. As stated above, the level of exploitation is determined by three factors: 1) the length of the working day; 2) labour intensity; and 3) the productivity of labour (Marx, 1967: 655).

The data suggests that work in citrus orchards and packhouses is characterised by large volumes of fruits that must be produced and processed as quickly as possible, meaning that employers increase the labour intensity and productivity rate to ensure that they generate significant profits. Moreover, with the use of tractors and sprayers in the orchards and machinery in packhouses, the farmers increase work intensity and production, which allows for more outputs. As such, workers are pressured to work faster to keep up with the production rate set by the machinery, even though the working day and wages remain the same. Lulu, a tractor driver in an orchard, had to say:

Sometimes people are exhausted, and I give them a break, even if it means giving them a break during working hours and stealing the employer's time. However, sometimes you will find that the workers want to exceed the break I gave them (22/10/22).

Vuyo, who is a packhouse grader, shared a similar experience:

When we sit amongst ourselves as workers, we always complain about the amount of work we must do. The work we do is very demanding on the body, and we get so tired that when we must get up after lunch, it is hard to do so (29/10/22).

6.4 WORKPLACE HEALTH AND SAFETY

The Occupational Health and Safety Act (OHSA) of 1993 states that every employer should provide and maintain a safe working environment without risk to the health of their employees. Most of the workers in this study described their workplace as safe and hygienic, with access to clean water and functional toilets.

Additionally, most respondents said their employers provide them with safety and protective clothing. Most pickers and sorters in the orchards stated that they are provided with gloves, overalls, and gumboots for work, which are regularly changed. Similarly, the grader and palletiser in the packhouse stated that the packhouse is very strict regarding hygiene and safety because there are also forklifts driving through the packhouse while everyone is working. Some of the farmworkers in the orchards stated that, at times, someone from the packhouse that the farm produces for, comes and teaches them about cleanliness when handling the fruit. In this light, some farmers ensure compliance with the OHSA, as they ensure that their workers are provided with all the necessary safety clothing and clean, sanitary facilities. Nosi had this to say when asked about the safety and hygiene on the farm:

The farm provides us with all the necessary safety clothing, but unlike the pickers, we do not get gumboots as sorters because we do not need them. Otherwise, we are provided with new overalls and gloves monthly (22/10/22).

However, some of the pickers in the orchards raised concerns about hygiene and safety standards on their farms. Their issues related to lack of water and toilets and no protective clothing being provided. One of these workers is Siya, who said:

There are no toilets for us, and sometimes there is no water. Now you can imagine that when it is hot you need water, and they say that there is not any and we must get it at the river. When we need to use the toilet, we go into the bushes. Additionally, newcomers do not have protective clothing and wear their takkies; when it is raining, they do not even have raincoats (22/10/22).

Although most of the respondents who work in the orchards described their workplaces as clean and hygienic, it is evident that this is not the case in all the orchards in the Raymond Mhlaba region. The Facilities Regulations of the Occupational Health and Safety Act of 1993 requires every employer to provide sanitary facilities at the workplace. Section 2.3 of the regulation prescribes that every employer provides a toilet with a seat and provides toilet paper and soap for employees (OHSA, 1993). The lack of water and toilets illustrates a lack of regard for workers' rights and human dignity, as they are expected to use bushes as toilets. Moreover, the lack of protective clothing shows a lack of regard for the workers' health and well-being, a feature of Decent Work, illustrating social downgrading for the affected seasonal pickers, as the working conditions in the orchards subject them to poor hygienic and safety conditions. Moreover, it also illustrates the variegated employment outcomes regarding Decent Work.

Unlike the affected workers in the orchards, the workers in the packhouse are not subjected to poor safety and hygiene standards. On the contrary, when it comes to medical services, all the respondents stated that their work ensures that anyone injured is attended to. If someone falls ill or gets injured in the orchards, they are rushed to the nearest hospital. In the case of the workers in the packhouse, they stated that they have a clinic onsite at the packhouse. In addition to the medical assistance provided to workers, the respondents also stated that government labour inspectors visit their workplaces. According to the workers, these inspectors interrogate the working conditions in the orchards and packhouses and speak to the workers to interrogate the employment relationship between the owner and the workers. Some respondents also stated that they have inspectors from abroad who also interrogate workplace working and employment conditions.

The citrus value chain is buyer-driven, which means that the requirements to participate in the chain are set by the buyers, who choose the conditions under which the citrus ought to be produced and processed (Chisoro-Dube and Roberts, 2021:6). This means that the producers (orchards and packhouses) must adhere to strict hygiene standards that are set by the buyers, which leaves them with no choice but to maintain the standards described by the workers. Failure to adhere to these standards would mean that the producer would not have a market, as buyers would opt for producers who meet the hygiene standards required to sell citrus abroad. Therefore, inspectors from abroad come to the workplaces to ensure that the producers meet the required standards. The compliance from the producers illustrates that citrus farms in Raymond Mhlaba adhere to some of the governance standards set by the private, social, and public institutions.

6.5 WAGES

According to the National Minimum Wage Act, 2018, published under Government Notice No. 44136, the prescribed minimum wage for farmworkers is R23.19 per hour. This translates to R3710.40 per month as the workers work 8 hours a day and five days a week (without overtime). When the respondents were asked how much they were paid, the responses varied depending on the job title/position of the farmworker. Regarding the pickers on the farms, they all stated that their wages are calculated using a piece rate. A piece rate is calculated using a specific unit (e.g., the units of oranges picked) of work completed. As such, none of the pickers could confirm how much they get paid, as it changes every fortnight depending on how many oranges they pick and offload into the bins.

This makes it difficult to compare the picker's monthly wages against the national minimum wage. However, two of the pickers were able to make a rough estimate of between R1400 to R1600 that they get paid per fortnight, which translates to between R2800 to R3200 per month. Although these pickers cannot give an exact amount due to the use of the piece-rate system, their estimates still fall below the national minimum wage. This illustrates a violation of their rights and a lack of complete and productive work as outlined in the Decent Work Agenda. Full and productive work involves providing productive work opportunities and delivering an adequate income to workers (Webster *et al.*, 2015:125). In the case of the pickers in the orchards, it is evident that their earnings are not adequate, and as will be outlined below, these workers are not satisfied with their wages. Using a piece-rate system instead of a daily or hourly rate is a means for farmers to boost the workers' productivity.

If workers are paid based on how much they pick, it will force them to work harder and faster to maximise as many units as possible in a single day. For these workers, the more efficiently and faster they work, the more they will get paid. Considering the socio-economic backgrounds of these workers, they are inclined to pace themselves to earn as much as possible at the end of a fortnight. Marx's (1967) explanation of work under a capitalist mode of production explains this phenomenon, where capital's sole interest is to produce surplus value or profit. The employer benefits from this, as he/she can produce more outputs in a shorter period without necessarily paying the workers more than he/she usually would. Without realising it, the pickers become part of their exploitation because their desire to work faster and earn higher wages also results in the employer gaining a higher profit while keeping labour costs to a minimum. Siya describes this accurately:

The money we get paid is inconsistent; it depends on how we work. We work with kgs, so you take your tas (referring to the picking bag), and it gets placed on a scale and then offloaded it into the bin. The rates differ; sometimes they go up, and sometimes they go down. So, your payslip is never the same; it always depends. So, it is the rate you work which will determine how much you get paid, we can work the same hours, but I have bigger loads and therefore get paid more money (21/10/22).

On the contrary, the sorters in the orchards are paid a daily rate of R150, equating to R3000 per month if no overtime is included, which is significantly below the prescribed national minimum wage of R3710.40 per month.

The wages for the workers (grader and palletiser) in the packhouses are calculated at an hourly rate of R25 and equate to R4000 a month if no overtime is included, which is just above (by R289.60) the prescribed national minimum wage. The permanent farmworkers/supervisors are paid a salary of approximately R5000 per month. These three different wage rates again illustrate the variegated employment outcomes for the different workers on the citrus farms in Raymond Mhlaba. Unlike the workers in the packhouse and the supervisors, the workers in the orchards get paid below the national minimum wage. Even though the differences in wages are only marginal, it illustrates how different workers in different positions and employment statuses are treated regarding the pillars (rights at work, full and productive work, adequate remuneration) of the Decent Work Agenda. The citrus farms in Raymond Mhlaba do not always promote full and productive work through adequate remuneration, as outlined in the Decent Work agenda.

Although the supervisors earn more than the seasonal workers, they have more deductions, leaving them on the same level as the seasonal workers. The supervisors are provided with housing on the farm, but they stated that this accommodation is not free as it is deducted from their salaries. One of the supervisors, Mbu (29/10/22), shared how he was unsatisfied with the wages. His wife (Nkosi) is also a general worker on the same farm, and they live together in the farmhouse provided for them. The couple has a combined wage of R8800, yet both stated they are unsatisfied with the wages. Of particular concern is that these workers have both been working on the farm for more than 20 years, with Mbu in his 27th year there. Considering their service, one would expect them to be earning much more than this. Mbu said:

No, I am not satisfied because it is little for someone who has a family made up of five children. There are also instalments and household necessities that are all dependent on that money. It is too little (29/10/22).

These workers must ensure they can buy groceries, electricity, and clothes from these wages. Additionally, most of them have children still in school, so they must pay for school fees and all the necessities that come with school, such as transport, stationery and uniforms. Thus, it is no surprise that most of these workers stated that they cannot and do not attempt to save because their money runs out before they have attended to all their responsibilities. Moreover, most of them have no alternative source of income besides wages, except those who work handy jobs like fixing tiles and ceilings.

As such, most of the respondents (permanent and seasonal) stated that they were not satisfied with their wages. Although there are marginal earnings differences between the seasonal and permanent workers, they are still unhappy with their earnings. Even those who said they were satisfied stated that, as little as their wages are, they did not even have that little before, so it is better than nothing. However, that is not to say that their lives have necessarily improved since integrating into a global citrus chain; it simply means that they are able (barely) to survive. Thulz had this to say when asked if he is satisfied with his wage:

Yes, for now I will say yes. This is because I cannot complain as I did not have this money before, so I accept it. But there is a wish that it was more (22/10/22).

Low wages are not a new phenomenon within the agricultural industry. Historically, the sector was characterised by an uneducated, low-skilled workforce that was paid low wages and oppressed (Ponte & Ewert, 2009:8). This was the case even with permanently employed workers, where housing was tied with employment and loans would be provided to them to buy food that would be provided by the farmer, their employer (Ponte & Ewert, 2009:8). As such, it comes as no surprise that the permanent supervisors are provided with houses but are deducted a monthly fee for this so-called benefit. The nature of capitalists is to always ensure a competitive advantage over each other to generate greater profits, even if it means reducing wages below the average (Cole, 2018:33). The extraction of surplus value through various systems of exploitation keeps the capitalist's mode of production thriving. As such, the farmers will try to keep their labour costs as low as possible, regardless of the worker's loyalty or position.

6.6 SOCIAL SECURITY

Social security can be broadly defined as the protection employers provide to workers to ensure access to healthcare and to afford workers income security (ILO, 2007:24). This can take various forms, such as medical aid, maternity leave and benefits, unemployment insurance or pension funds. In the Raymond Mhlaba citrus industry, social security is determined by the worker's employment status. All the seasonal workers were only afforded Unemployment Insurance Funds (UIF). On the contrary, additionally to the UIF, the permanent workers are also provided provident funds. However, none of the interviewed workers were afforded any medical aid. Effectively, this means that compared to seasonal workers, permanent workers experience Decent Work in the form of social protection, illustrating the variegated employment outcomes between permanent and seasonal farmworkers.

However, the permanent workers' experience of social protection is only marginal, as they, too, are not afforded medical aid. Thus, it can be argued that social protection is generally not afforded to citrus farmworkers in Raymond Mhlaba. However, permanent workers are in a better position than seasonal workers as they are provided with provident funds, whereas seasonal workers are in a dire situation as they receive meagre wages and little to no social security. Social security means that the employer must spend more on labour costs which impede the accumulation of surplus value or profit margins of the employer. For the farmers, maximising profits is far more critical than providing workers with social protection. As such, the chances of farmers introducing social protection measures on their farms become far less if these measures will impede their profits. The farmer's primary goal is to minimise their costs as much as possible, hence the existence of more short-term contracts than long-term. Thus, it is no surprise that seasonal workers do not believe they have long-term employment prospects as their employment is linked to a particular season. Vuyo (29/10/22) explains this:

It is clearly explained to us by our employers that there is a certain period that the fruit sells, and when the period comes to an end, there is no more employment for us (29/10/22).

Regarding employment benefits, all the respondents stated that they received bonuses at the end of the season, while the permanent workers are also provided with housing and electricity. However, as stated above, these are paid for by the permanent workers as the deductions reflect on their payslips at the end of the month. Evidently, comprehensive social security is not a reality among the farmworkers employed on the citrus farms in the Raymond Mhlaba Municipal district. The study also interrogated whether the workers believe that there is room for growth, whether it be education, skills development or promotion in their workplaces, and whether this is available to everyone. The responses shared by the farmworkers in the orchards and packhouses were on opposite ends of the spectrum. Most (8 of the 10 respondents) of the farmworkers in the orchards believe that the prospects for growth are little to none. As mentioned above, the South African agricultural sector has seen a level of labour restructuring in order to cut input costs. Since permanent labour costs more than casual or seasonal labour, farmers have casualised their workforce using non-standard workers or short-term contract workers (Visser, 2016:18). Therefore, there are little to no prospects of growth for the farmworkers, as the growth would come with many labour costs for farmers, which would negatively affect the farmers' profits. Lulu explained this issue:

It is possible for us to grow and learn more within the agricultural industry. As a matter of fact, we know everything, even how different fruits need to be planted and the different pesticides and fertilisers and how they must be used. This is because we are the ones who do all these things. I am trying to say that we do everything so we could grow, but we are not afforded any opportunities to grow or let me say it has not yet taken place (22/10/22).

On the contrary, the packhouse workers strongly believe that there are prospects for growth, and they are open to anyone who would take them seriously. Siphe had this to say:

Yes, I think if you put yourself out there and offer to assist or do work of the supervisors, it could be possible. Take me, for example; I go to the supervisors and offer to help them with their work or even do it myself. That way, I get to learn what they do. So, in this regard, I think an opportunity can be available if you put your hand up (31/10/22).

Again, this shows the variegated employment outcomes between the different workers on the citrus farms in Raymond Mhlaba. The workers in the orchards do not experience upward mobility within their workplaces even though they have acquired the knowledge and skills required to plant citrus successfully on the farms. On the contrary, the workers in the packhouses believe that there are prospects of upward mobility in their workplace and that those who show commitment and dedication are rewarded with employment opportunities. As such, the growth prospects within the citrus industry depend on where (orchards or packhouses) a worker is employed.

6.7 SOCIAL DIALOGUE

Another pillar of Decent Work is social dialogue, which speaks to the level of collective bargaining available to the workers in the Raymond Mhlaba citrus industry. Social dialogue promotes freedom and equity within the workplace by allowing workers to have a voice within the organisation and contribute to its functioning and employment conditions. In the case of the farmworkers employed on the citrus farms of the Raymond Mhlaba citrus industry, monitoring and control are carried out differently depending on the worker's position. The pickers and sorters in the orchards have different supervisors for each section who tell them their daily activities and targets. Additionally, their supervisors are present when they execute these activities to ensure that the workers do the job correctly. On the contrary, the workers in the packhouse are not micromanaged as much as the workers in the orchards.

Although they also have different supervisors for the different units, they do not necessarily stand over them while they execute their tasks. However, like the farmworkers in the orchards, the workers in the packhouses are told their daily targets for each unit, but the supervisors leave them to do their work after telling them. In the case of the supervisors, they take orders from the foreman and then relay that information to the workers. Again, this can be explained by the LPT, which argues that labour processes are dominated and shaped by the desire to accumulate capital (Braverman, 1974; Marx, 1967). The farmers are not concerned about what the workers think; they are concerned with boosting production and maximising profits. Therefore, the daily activities and targets are dictated to the workers to meet a specific target that will yield a particular profit margin for the organisation. This desire to accumulate profits undermines the notion of Decent Work through social dialogue, as the farmers are not interested in an engaged workforce but are concerned with a productive one. Interestingly, when asked to describe the relationship between themselves and the supervisors and management, most respondents described it as amiable. All of the different categories of workers described their supervisors and management as friendly and helpful people. Vuyo went on to say:

Our supervisors are always paying very close attention to our work, but aside from the work they also pay attention to us and how we feel. If a supervisor picks up that you are off, they approach you, ask what is wrong and try to assist you in any way they can (29/10/22).

The supervisors shared the same sentiments, with Zamu saying:

We have a good working relationship at work because even with the seasonal worker, we speak to them respectfully. Even if they have a problem, they approach us, and we take their complaints forward to the employer (29/10/22).

Of concern, despite these workers describing their relationship with their supervisors and management as cordial, none of them can raise their grievances or dissatisfaction regarding their wages with their employers. For example, none of the workers could confidently say that they are satisfied with their wages as they all complained that they cannot meet their needs. Nevertheless, when asked if they could have a say in, or negotiate, their wages, all the workers said they cannot complain or raise this with their employers. Considering how the workers described the relationships between themselves, their supervisors and management, one would expect them to be able to raise their dissatisfaction with the wages. As noted earlier, these farmworkers work menial jobs that anyone can do, so they are easily replaceable.

This possibly explains why the workers do not complain or try to raise their issues with the farmers, as they can be easily replaced if they show any signs of resistance to the working and employment conditions. Moreover, none of the farmworkers have a representative structure that represents them, not even a committee. This illustrates a lack of social dialogue within the citrus farms located in Raymond Mhlaba. When Siya was asked about her satisfaction with her wages, this is what she had to say:

No. I am not satisfied because I can work for ten days and someone else works for eight days, yet they can get more money even though they have less days than me. Moreover, when you go with your payslip to the supervisor to ask for clarification, they get fed up and tell us that it is time to work now (22/10/22).

On the contrary, the packhouse workers revealed that they have a representative structure in the Food and Allied Workers Union (FAWU). The workers had nothing but good things to say about the union, describing it as a structure that fights rigorously for them, illustrating a case of social upgrading for the farmworkers in the packhouses, as through FAWU, they can engage in social dialogue with their employers. Evidently, the level of social dialogue depends on which part of the production node the worker is located in. The experience of social dialogue is clearly different between the workers in the orchards and the workers in the packhouse. This phenomenon suggests that social upgrading or the experience of Decent Work is not all-inclusive for workers in the production node of the citrus industry in Raymond Mhlaba. The employment outcomes are variegated between the different segments and positions within the production node. Decent Work in the citrus industry in Raymond Mhlaba is determined by the segment a worker is in, within the production node of the citrus value chain. When asked if he finds the union effective, this is what Siphe, a packhouse palletiser, had to say:

The union, FAWU, does a great job because we also had an issue with certain assembly lines receiving more extended contracts than other units, and the union assisted in ensuring that all workers receive the same contract (31/10/22).

6.8 CURRENT LIVING CONDITIONS

This section interrogates the current living conditions of the workers located in the production node of the Raymond Mhlaba citrus industry. This is a crucial part of the study, as it enables the study to determine whether the respondents' living conditions have improved since participating in the global citrus chain.

Part of the social upgrading hypothesis contends that when people from underdeveloped or developing countries participate in global chains, their living conditions improve, as these global chains are said to contribute to poverty reduction in developing countries. Most of the respondents still live in the same geographical areas they grew up in, in the townships and rural areas of Fort Beaufort. In fact, most of the workers still live in the family households where they grew up. Although some no longer live in mud houses, the upgrading of their dwellings is due to the government building them RDP houses with electricity and communal taps. Evidently, most of the participants have not been able to pull themselves and their families out of poverty, as the government played a significant role in providing social security for them. In some cases, these workers still reside in the mud houses they grew up in, which by now are falling into disrepair.

The state of service delivery in these areas is deplorable, as the streets are filled with potholes, and some households still use communal taps. The fact that most of the respondents still reside in the identical houses they grew up in suggests that there has been minimal improvement in their living conditions. Considering the claim in global chain literature that global chains are vehicles for development, the gains are overstated regarding workers in these chains' production nodes. The participation of these workers does not necessarily transform their lives but provides them with means to meet their fundamental needs for their households. However, these means run out before the workers have fulfilled all their needs, as they get paid meagre wages and only work for approximately five months a year. When asked whether their life has improved since working on a citrus farm, Vuyo says:

It is somewhat better because I know that when I am working, I can budget for certain things during that period. So, in that way, I can attend to some of my needs (29/10/22).

What makes matters worse is that most of the respondents have many dependants as they now have children, and their parents are no longer working due to old age. Additionally, in most of their households, they are the only family members working, or one other person is working but also as a seasonal worker in an orchard or packhouse. This means that their families' livelihoods depend on them, and after buying groceries and electricity, their money has already run out. Apart from survival, farmworkers employed on citrus farms in Fort Beaufort have little to show for their participation in a global chain. These workers live from hand to mouth, and their employment is a means of survival but not necessarily development.

Although there are marginal differences in working conditions between the different workers, their employment outcomes are generally the same, as none of them can say with conviction that their lives have improved since participating in the chain. Moreover, the majority of the respondents have been employed in the chain for more than ten years, yet even they do not have much to show for that. When asked about some of the things she wishes she could add to their household, Lulu, who has been working on the same farm for the past 20 years, said:

It is a house; it is the first thing we need. Others can follow because we have a toilet there (pointing at a long-drop toilet) and water (pointing at a communal tap), but we need a house to stay in because the rain is damaging the house (mud-house) that we are currently living in (22/10/22).

Similarly, Mbu, who is one of the supervisors and has been working on the farm for 27 years, shared the same sentiments:

There are a lot of things I would like to change, like the cupboards, for example. I bought those cupboards when I was still a casual worker, getting paid R75 a week. This was a very long time ago, so that cupboard has been there for ages, including the table. These are some of the things that we would like to change, but the problem is that we do not have the money (29/10/22).

When asked whether they would say their lives have improved since working in their workplaces, all but one respondent said yes. These workers feel their lives would be worse off if they were not working on the farm or in the packhouse. The one worker says with conviction that it has not changed as they are still living in the same mud-house (Noma, 22/10/22). Although all these workers are unsatisfied with their wages, they all argue that it is better than having nothing. This reasoning comes from the fact that the workers feel like they can at least put something on the table, and even though the money runs out, it was at least there. As such, it can be concluded that employment on the citrus farms in Fort Beaufort provided very marginal social upgrading for farmworkers, as there are only slight improvements in the living conditions of these workers. Zamu said:

It has improved because when you are unemployed, you cannot do anything for yourself. At least when you are working, you can provide for yourself and send some money back home to your parents. It relieves a lot of the pressure of having a family and children, so it is one of the things that I would say has improved (29/10/22).

6.9 CONCLUSION

This chapter focused on the aspect of whether farmworkers employed on selected citrus farms in Raymond Mhlaba have experienced social upgrading as a result of participating in the export-driven citrus value chain of South Africa. To provide a critical analysis of the mainstream (neoliberal) global chain hypothesis, that is, integrating into a global chain results in social upgrading, using the pillars of the Decent Work Agenda, this chapter interrogated the employment conditions of citrus farmworkers in Raymond Mhlaba. Moreover, by examining the farmworkers' historical backgrounds and current living conditions, the study interrogated whether the lives of the citrus farmworkers have improved since integrating into a global chain. In this light, this study found that farmworkers in the Raymond Mhlaba citrus industry experience variegated employment outcomes (i.e., social upgrading) depending on their employment position, employment status, and the segment of the production node where the worker is employed. However, regardless of the marginal social upgrading achieved by certain farmworkers, the study found that the integration of the farmworkers into the citrus value chain has done little to improve their living conditions. This argument is discussed more fully in the concluding chapter of this study.

CHAPTER 7

CONCLUSION AND RECOMMENDATIONS

7.1 INTRODUCTION

The purpose of this study is to critically analyse the experiences of citrus farmers and farmworkers in the export-driven citrus industry of the Raymond Mhlaba municipal region, to determine whether economic and social upgrading is a reality for farmers and farmworkers in this particular export-driven value chain. In exploring the lived experiences of the farmers and farmworkers, the researcher relied on ten one-on-one semi-structured interviews and two focus groups of two participants each. Additionally, to analyse the successes and challenges citrus farmers face, the researcher used available secondary data on farmers from the Raymond Mhlaba municipal region. The data generated from the semi-structured interviews and secondary documents were analysed using thematic analysis, wherein the researcher analysed and interpreted the different patterns of meaning related to economic and social upgrading. This chapter provides an overview and conclusions drawn from the study.

7.2 HAS THE INTEGRATION INTO THE CITRUS VALUE CHAIN RESULTED IN ECONOMIC UPGRADING?

This study established that the citrus value chain is buyer-driven with market forms of coordination, where the buyers determine the standards that citrus producers must achieve. Thus, the integration of citrus producers into the value chain is determined by their ability to meet global demands. The global demands introduce a class dynamic to participation in the global citrus chain, as the demands require producers to ensure that they have the necessary resources and facilities to meet the set standards. Moreover, the standards mean that producers integrate into the citrus value chain from a precarious and vulnerable position, as they incur the most risks and are vulnerable to sudden changes within the chain. To make matters worse, global supermarkets are not immune to adopting predatory behaviour, as illustrated by the case mentioned in Chapter 5, where citrus left the shores of South Africa to the importing countries, yet the supermarkets had not confirmed how much they were willing to pay. Evidently, there is an unequal distribution of power within the citrus value chain, as the producers located in the production node of the chain are vulnerable and at the mercy of the global supermarkets.

This predatory behaviour also has adverse effects on the workers in the production node of the Raymond Mhlaba citrus industry, as farmers transfer the pressure that they receive onto their workers, undermining the social upgrading prospects for the workers. Contrary to what mainstream (specifically GCC and GVC scholars) global chain discourse claims, it seems that instead of the global supermarkets supporting firms from developing countries to participate in global chains, the supermarkets use the firms from developing countries as sites of resource extraction. The mainstream global chain discourse assumes that there are mutual gains between the trading partners in global chains. However, this is incompatible with the data provided by the citrus farmers in the Raymond Mhlaba region, where value is captured by oligopolistic supermarkets from the citrus producers in the region. The study also found that global supermarkets benefit from the over-supply of citrus locally and internationally; citrus producers are forced to compete on price and quality.

However, in this very same context, it is important to note that citrus producers also benefit from these trading relations, as they achieve product and process upgrading in their quest to remain competitive in the citrus value chain. The main finding, however, is that the distribution of benefits between the producers and the global supermarkets is unequal. This finding contradicts the World Bank and GCC/GVC assumption that global chains provide equal gains between trading partners participating in a global value chain. Nevertheless, in the case of established white citrus farmers who enjoy a historically advantageous class position, this study found that economic upgrading in the form of product, process, and functional upgrading has been perpetually achieved. Most of the economic upgrading has been achieved through the amalgamation of white citrus farmers with other agricultural organisations, which has placed these farmers in a position to pursue different types of economic upgrading intentionally.

The case of Riverside Kat River farm, which embarked on a project of introducing a rare and challenging-to-plant variety of mandarin called Orri, illustrates how positionality influences economic upgrading prospects. Due to the farm's class and positionality through the Lona Group, it can intentionally pursue product and process upgrading by producing a variety of citrus that other farmers avoid producing due to its difficulty to cultivate. Riverside farm illustrates how class (referring to access to resources and financial capital) influences the prospects and type of economic upgrading that suppliers from developing countries can achieve. Similarly, this study found that, although the emerging black citrus farmers integrated into the citrus value chain from a disadvantaged class position, they could still achieve economic upgrading in the form of product, process, functional and intersectoral upgrading.

However, this did not take place by virtue of plugging into the global citrus chain, as the mainstream global chain discourse suggests. The farmers analysed in this study initially faced obstacles in operating their citrus farms. The government gave the citrus farms to this group of farmers; the farms were not in the best condition, and some required significant repairs and maintenance. To repair and maintain the facilities and integrate into the citrus value chain, the farmers required access to financial capital, as farming is capital intensive. The case above illustrates a class element to participating in a global value chain, a feature which multilateral institutions and GCC/GVC scholars ignore. As such, most of the emerging black farmers analysed in this study struggled to integrate into the citrus value chain, as their lack of title deeds meant they could not access loans to do the necessary repairs on their farms and participate in the citrus value chain.

As argued in Chapter two, the current global chain discourse lacks a class analysis, which, as this study found, is a determinant of a supplier's ability to integrate and achieve economic upgrading within a global value chain. Nevertheless, this study found that emerging black farmers were able to overcome their funding obstacles and have been able to achieve various types of economic upgrading. For example, three of the emerging black farmers analysed in this study bought shares in a packhouse, which illustrates a case of process and functional upgrading. The farmers moved up in the citrus value chain activities from solely growing to processing as well. From this perspective, it can be argued that the global chain assumption that integrating into a global chain facilitates economic upgrading, is valid. Similarly, other emerging farmers have been able to buy and develop additional farms with wider citrus varieties, illustrating cases of product and process upgrading, as the farmers have improved their work organisational methods and productivity.

However, it is important to note that the emerging black citrus farmers' economic upgrading was made possible through strategic partnerships with established farmers and government assistance. The partnerships and state interventions improved the class and positionality of the farmers and enabled them to achieve economic upgrading. It can thus be argued that without the partnerships and state interventions, these farmers would not have been able to integrate and compete in the citrus value chain. This again illustrates how power, class and positionality determine the type and level of economic upgrading that suppliers from developing countries can achieve. Based on this study, the mainstream global chain assumptions regarding economic upgrading hold true, as the citrus farmers in Raymond Mhlaba have achieved economic upgrading since integrating into the citrus value chain.

However, the study found that achieving economic upgrading is not as simple as the global chain literature suggests. Suppliers do not experience economic upgrading by virtue of integrating into a global chain; there are class prerequisites that determine whether a supplier will, firstly, be able to integrate into a global chain and, secondly, successfully compete (achieve economic upgrading) in that particular global chain. Multilateral organisations such as the World Bank (and some prominent contemporary GCC and GVC scholars) disregard these class dynamics that influence a supplier's positionality and success in a global chain.

7.3 HAS THE INTEGRATION INTO THE CITRUS VALUE CHAIN RESULTED IN SOCIAL UPGRADING OR SOCIAL DOWNGRADING?

7.3.1 Production process and Division of labour

The first threat to social upgrading identified in this study is the nature of the production processes and division of labour adopted on the citrus farms in Raymond Mhlaba. Upon exploring the experiences of the citrus farmworkers in the orchards and packhouses, this study found that citrus production and processing is divided into simplified menial tasks that anyone can execute. This destruction of craftsmanship undermines social upgrading, as it deliberately makes the work performed by the workers so menial/straightforward that anyone can perform it. The production processes (Taylorism with elements of Fordism) adopted in the orchards and packhouses are both informed by the capitalist desire to maximise profits, hence the complex divisions of labour and introduction of technologies of control. In pursuit of profit maximisation, the prospects of social upgrading for the farmworkers are undermined, as introducing specialised machinery in an assembly line, coupled with the destruction of craftsmanship, ensures that management has access to an equalised workforce that can be used interchangeably and replaced easily. One of the pillars of Decent Work is full and productive employment, which requires the employer to provide workers with opportunities and fair remuneration. Full and productive employment cannot be achieved in an environment that intentionally makes workers menial and easily replaceable. Thus, the production processes and division of labour adopted in the Raymond Mhlaba citrus industry results in social downgrading for the workers.

7.3.2 Full and Productive Employment

A further interrogation into the working conditions on the citrus farms found that farmworkers in the Raymond Mhlaba citrus industry experience variegated employment outcomes depending on their employment position (i.e., picker, sorter, driver, grader, palletiser,

supervisor), employment status (i.e., seasonal, casual or permanent), and the segment of the production node that the worker is employed in (i.e., orchard or packhouse). The data gathered in this study suggests that the employment position and status of the worker determines whether they experience full and productive employment on the citrus farm. For example, this study found that permanent supervisors experience full and productive employment in the form of fair remuneration. On the contrary, the seasonal farmworkers are paid below the national minimum wage, and the packhouse workers, just above the national minimum wage, which illustrates a lack of full and productive employment (fair remuneration) and a violation of their rights at work. In the same line of analysis, when analysing the wages of the different farmworkers and their positions, the study found that the pickers in the orchards were paid the least, followed by the sorters, then the packhouse workers. The supervisors are the highest paid of all the farmworkers on the citrus farms, proving that positionality in terms of employment position determines social upgrading in the citrus value chain. Thus, it can be argued that supervisors experience social upgrading (in relation to fair remuneration), while other farmworkers (pickers, sorters, drivers) in the orchards experience social downgrading, as they are paid below the national minimum wage.

7.3.3 Workplace Health and Safety

Similarly, when it comes to workplace health and safety, the packhouse workers described their workplace as safe and hygienic, with access to clean water and functional toilets. A safe and clean workplace illustrates a case of Decent Work and social upgrading in relation to health and safety for the packhouse workers. In the case of the farmworkers in the orchards, although most of the respondents described their farms as hygienic and stated that they receive all the necessary protective clothing, some pickers raised concerns regarding hygiene and safety standards on their farms. Their issues relate to a lack of water and toilets and no protective clothing being provided. In their case, it can be argued that they experience social downgrading, as their rights at work are violated, and their human dignity is disregarded. Their predicament also suggests that a farmworker's employment position and the segment they are employed in determines their experience of Decent Work and social upgrading, as the pickers in the orchards have different experiences to the grader and palletiser in the packhouse. Thus, in this context, it is illustrated that global chain literature overstates the social gains experienced by workers integrated into a global chain; workers' experiences in global chains are much more complicated and nuanced.

7.3.4 Social Security

The study also found the same to be true regarding social security for workers employed in the citrus value chain; in the Raymond Mhlaba citrus industry, social security is determined by the worker's employment status. All the interviewed seasonal workers are only provided with Unemployment Insurance Funds (UIF). On the contrary, additionally to the UIF, the permanent workers are provided with provident funds, illustrating and proving that Decent Work in the form of social protection is determined by the worker's employment status, as permanent workers are provided with 'more' social security. However, it should also be noted that none of the respondents in this study is afforded medical aid, which suggests that although permanent workers receive more social security, they are also not provided with comprehensive social protection. Similarly, when it comes to employment benefits, all the respondents in this study receive bonuses at the end of a season. In addition to the bonuses, the permanent farmworkers are also provided with housing and electricity on the farms. However, the housing and electricity costs are deducted from their salaries which means they pay for these benefits, illustrating the variegated outcomes between seasonal and permanent farmworkers when it comes to Decent Work in the form of social security.

7.3.5 Social Dialogue

This study also interrogated social dialogue, another pillar of the Decent Work Agenda, on the citrus farms in Raymond Mhlaba. All the farmworkers that participated in this study are monitored and controlled by their respective supervisors, who give them orders regarding their daily activities and targets. None of the interviewed workers have a say in the working conditions, the workers take orders from above. Apart from not having a say in the working conditions, the farmworkers in the orchards do not have a representative structure representing them, not even a committee. On the contrary, the packhouse workers have a representative structure in the form of the Food and Allied Workers Union (FAWU). In the case of the workers in the orchards, they experience social downgrading as they do not have a voice on their respective farms, whereas the workers in the packhouses experience social upgrading and Decent Work, as they have a structure that represents them and gives them a voice in the workplace. Evidently, the level of social dialogue depends on the segment of the production node in which the worker is located. The experience of social dialogue is different between the workers in the orchards and the workers in the packhouse, indicating that social upgrading or the experience of Decent Work is not all-inclusive for farmworkers in the production node of the citrus industry in Raymond Mhlaba.

7.3.6 Living Conditions

Part of the social upgrading hypothesis contends that when people from underdeveloped or developing countries participate in global chains, their living conditions improve, as these global chains are said to contribute to poverty reduction in developing countries. When analysing the respondents' historical backgrounds and current living conditions, this study found that their integration into the citrus value chain has done little to improve their living conditions. Most of the respondents still live in the same geographical areas and houses where they were born and raised. Although some are now living in brick houses with electricity and have access to running water, this is a result of the government building RDP houses with electricity and providing communal taps. Although these workers are employed in a citrus value chain, they have not been able to pull themselves out of poverty, but with government intervention, their living conditions have improved.

In some cases, these workers still reside in the mud houses they grew up in, which are now falling into disrepair; this suggests that, apart from survival, farmworkers employed on citrus farms in Raymond Mhlaba have little to show for their participation in the citrus value chain. Although there are marginal differences in the working conditions between the different workers, their employment outcomes are generally the same, as none of them can say with conviction that their lives have improved since participating in the chain. Based on this study, it seems that global chain literature overstates global chains' impact on workers employed in an integrated value chain. Moreover, the economic upgrading assumptions made by the World Bank (and some prominent GCC and GVC scholars) are simplistic compared to the complexities of global chains and the nature of work and employment outcomes experienced by workers in the production node of a value chain.

7.4 LIMITATIONS AND RECOMMENDATIONS

The first limitation of this study is the small sample size, particularly the number of citrus farmers interviewed. It would have been more fitting if the study had interviewed more farmers from different orchards and packhouses to gain a more diverse view of the citrus value chain. Similarly, the study would have been able to gain more insights into the trading relations between citrus producers, as well as global supermarkets had the researcher managed to interview marketing agents. However, since the farmers work closely with the marketing agents, the farmers were able to describe the nature of the trading relations.

Another limitation is the exploration of the employment conditions on the citrus farms from the farmers' perspectives. It would have been ideal to interview farmers to get their opinions on the dynamics influencing them to adopt their chosen production processes and division of labour. In concluding this study, the researcher would recommend that future studies interrogate the partnerships between emerging black citrus farmers and established citrus farmers and agricultural organisations. In this study, the researcher found subtle suggestions that there is an unequal distribution of gains in the partnerships between black and white citrus farmers. Although emerging black farmers have benefitted from these partnerships, established farmers and organisations seem to gain much more.

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APPENDIX A: PRODUCERS INTERVIEW SCHEDULE

**RAYMOND MHLABA CITRUS PRODUCERS
INTERVIEW SCHEDULE**

SECTION A: INTRODUCTION

Respondent Details

First name	
Surname	

Contact details

Household telephone or cell phone number	
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Interview Details

Date of interview	___/___/2022__
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SECTION B: BASIC DEMOGRAPHIC INFORMATION

1. What is your age?
2. What is your gender
3. What population group do you belong to? (Black, White, Coloured, Indian)
4. What is your nationality? (South African or other)
5. What is your current marital status?

SECTION C: HISTORICAL BACKGROUND

6. Where were you born and raised?
7. Who raised you and how many people lived in your household when you were growing up?
8. Describe your educational background and highest level of education
9. What is your employment history?

SECTION D: EMPLOYMENT

CORE BUSINESS FUNCTIONS

10. Which sector do you currently work in?
11. What is your current position and what does it entail?
12. Can you describe the organisation's organogram? (Managers, supervisors, workers etc)
13. How long has this organisation existed?
14. What is the core function of this organization? (what is the main produce?)
15. How many hectares is this farm?
16. Who determines what you produce?
17. When does the planting season start and how many workers do you need during this season?

18. When does the picking season start and how many workers do you need during this season?
19. What happens when a mistake is made by the workers? (How does this affect the organization?)
20. Are there any inspectors who come visit the packhouse? (where are they from?)
21. What are the biggest costs of running the packhouse? (How does the packhouse try to minimise these?)

UPGRADING

22. What do you think has contributed to the packhouse functioning for this long?
23. What machinery/technology is required during the abovementioned seasons?
24. Is there more effective machinery that can be used during these seasons? (does the farm have this machinery, if not, why?)
25. How does the packhouse ensure that it achieves maximum output?
26. Who do you think makes the biggest profits within the citrus supply chain?
27. Besides citrus, are there any other industry's that the farm is involved in?
28. Do your buyers have a say in how the packhouse must be run?
29. Do other stakeholders in the supply chain have a say in your employment processes?
30. Would you say that the packhouse has grown or developed since integrating into a global chain? (if yes, how?)

LINK TO VALUE CHAIN

31. How do you differentiate between the classes and quality of the produce? (who determines these classes/quality?)
32. How does the packhouse determine the suitable storage and transporting requirements?
33. What are the biggest challenges of producing for global buyers?
34. Who determines the prices of the produce? (based on what? Can this price be negotiated)?
35. Who does the organization mainly supply to? (describe this relationship)
36. Does the packhouse have competitors? (if yes, how does the packhouse ensure that it remains competitive?)

37. Who does the organization mainly receive produce from? (describe this relationship)

38. How does the organization decide on what kind of packaging is suitable?

APPENDIX B: FARM WORKER INTERVIEW SCHEDULE

**RAYMOND MHLABA CITRUS FARM WORKERS
INTERVIEW SCHEDULE**

SECTION A: INTRODUCTION

Respondent Details

First name	
Surname	

Contact details

Household telephone or cell phone number	
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Interview Details

Date of interview	___ / ___ / 2022 ___
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SECTION B: BASIC DEMOGRAPHIC INFORMATION

1. What is your age?
2. What is your gender
3. What population group do you belong to? (Black, White, Coloured, Indian)
4. What is your nationality? (South African or other)
5. What is your current marital status?

SECTION C: HISTORICAL BACKGROUND

6. Where did you grow up?
7. Can you describe this place? (Economy, labour market, service delivery, crime)
8. Can you describe the type of residence you grew up in? (Brickhouse, mud-house, tin-house)
9. Who raised you and how many people lived in your household when you were growing up? (List and explain their relation to you)
10. Describe your guardian's educational background and their highest level of education
11. Describe your guardian's employment history
12. Describe your educational background and highest level of education.

SECTION D: EMPLOYMENT

EMPLOYMENT HISTORY

13. At what age did you start working and what influenced your decision to search for employment?
14. Where did you work before working where you currently working?
15. When did you start working for your current employer and what influenced your decision to start working there?
16. How did you find out about your current employment? (was it advertised? Were you recruited?)

CURRENT EMPLOYMENT

17. How did you secure your current job?
18. Do you know how other people working there secured their employment?
19. Can you describe the organisation you currently work for? (where it is situated; the owners (foreign, local private, public); the number of your total workforce)
20. What are the main products processed in your organization and where are they sold?
21. Where do you think your organization sells its produce? (locally or internationally)

EMPLOYMENT CONDITIONS

22. What is your current job position and what does it entail?
23. What is your employment status? (are you permanent, casual or seasonal)
24. Do you have a written contract of employment? (If so, discuss the details of your job contract; If not, what do you think is the reason for not having an employment contract?)
25. Have you received any training since you were employed by the current employer? (If so, describe the training)
26. How many days do you normally work per week?
27. How many hours do you work per day? (Do you get breaks? If so, what is the duration of those breaks?)
28. Do you normally work on weekends or public holidays? (If so, do you get paid for working overtime?)
29. Do you have leave days? (If so, how many leave days are you allowed and is it paid? Also, do you have maternity leave?)
30. How are workers monitored or controlled in your workplace?
31. Discuss the main challenges that you experience whilst executing your daily tasks?
32. Do you think your workplace provides opportunities for workers to upgrade their skills?

WORKPLACE HEALTH AND SAFETY

33. Would you describe your workplace as hygienic (clean, access to water & toilets etc.) and safe (safety clothing, safety signs around the facility etc)?
34. Does the organization provide any work medical services?
35. Have you been injured or fallen sick whilst at work? (If so, explain what happened and how was it handled by the organization?)
36. Have you heard of or seen labour inspectors from the department of labour coming to your workplace? (If so, what do they do when they visit?)
37. Have you ever seen overseas inspectors from supermarkets visiting your workplace?

REMUNERATION AND INCOME

38. Do you get paid: a piece rate, weekly, per fortnight, weekly or monthly?
39. How much do you get paid? (Is it consistent every month and do you get a payslip?)
40. Are you satisfied with your wages? (If not, explain why)
41. Has your income increased since you started working in your organization? (If so, by how much? If not, why do think this is the case?)
42. Can workers discuss wage increases with the employer?
43. What are your monthly expenses?
44. Are you able to save money for the future with your income? (Do you have life insurance?)
45. Have you heard of the minimum wage in your sector? (If so, what is your opinion of it?)
46. Do you have an alternative source of income besides your wage?

SECURITY

47. Are there any deductions made from your wages every month? (If yes, please list them)
48. What employment benefits do you receive from your organization?
49. Do you believe there is room for growth (education, skill development & promotion) in your organization and is this open to everyone?

50. Do you think you are guaranteed long term employment in your organization?

51. What would say are the main challenges in your workplace?

SOCIAL DIALOGUE

52. Have you experienced any grievance at your workplace since you started working there? (discuss)

53. What is the relationship between workers and supervisors and management?

54. Can workers negotiate wage increase with the employer in your organization?

55. Do workers have any representative structure (trade union or committee) in your organization? (If so, what is its role and is it effective? If not, why do you think this structure does not exist?)

56. Is there another way that workers raise their grievances outside the workplace?

57. Has there been a strike in your workplace since you started working at your organization? (If so, describe it)

SECTION E: LIVING CONDITIONS

58. Describe the area where you currently reside

59. Describe the dwelling that you currently reside in (does the dwelling belong to you or do you rent?)

60. What type of energy/fuel do you use for lighting, cooking and heating? (Electricity, Gas, Paraffin, Candles etc.)

61. What is the main source of water for your household? (What is the quality of the water?)

62. How many people live with you? (describe their relationship to you)

63. How many people are dependent on your income? (describe their relationship to you)

64. What are some of the things you wish you could add to your household that you cannot afford because of your income?

65. Describe the state of public service delivery in your area

66. Would you say that your life has improved in any way since you started working in your current organization?

APPENDIX C: INFORMATION LETTER



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INFORMATION LETTER

Good day,

You are invited to participate in a study conducted by Simbulele Sizani, a Master of Arts candidate at Rhodes University in the Sociology department.

Taking part in this study is voluntary. Before you decide whether or not you would like to take part in this study, please read this letter carefully to understand what is involved. After you have read the letter, please ask any questions you may have.

Study title: *“Lemons or Lemonade? Determining the economic and social gains of engaging in the citrus value chain: The case of selected commercial farmers and farm workers in the export-driven citrus industry of the Raymond Mhlaba region, Eastern Cape”*

Purpose of the study: The purpose of the study is to critically analyze the production node of the citrus value chain located in the Raymond Mhlaba region, focusing on the farming activities of the local farmers and the employment conditions of the workers. By examining the state of selected commercial farmers and farm workers in the export-driven citrus value chain of South Africa, this study provides a critical analysis of the mainstream assumption that global chains offer economic and social benefits for participants located in the production node of the value chain.

To obtain the required information, the student researcher requests to conduct a semi-structured interview with you, which can be carried out either in person or over a virtual platform. This will take place over a duration of not more than 45 minutes. The interview will be focused on your experiences, feelings, opinions and perceptions regarding your participation in the citrus value chain.

There will be audio recordings of these interviews to capture all the information provided. The recordings will later be transcribed and both the transcripts and the recording will be securely saved under a drive only the student researcher and their supervisor will have access to, which will be frequently revisited to find information that may have been missed. The information provided by the participant will be solely used for academic purposes. Upon research completion, the recorded interview will be stored safely on the central departmental drive for 5 years.

You will remain anonymous and the information that you provide will be confidential. To ensure anonymity, you will be given a pseudonym that will only be identifiable to the student researcher and their supervisor. If there is information that you have provided that you would like not to be included in the study, you may request the student researcher not to include it. Moreover, should you change your mind about participating in the study during the interview, you may recuse yourself at any point. These measures are aimed at ensuring that you are not affected negatively by participating in the study.

APPENDIX D: CONSENT FORM



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INFORMED CONSENT DECLARATION

(Participant)

Project Title: Lemons or Lemonade? Determining the economic and social gains of engaging in the citrus value chain: The case of selected commercial farmers and farm workers in the export-driven citrus industry of the Raymond Mhlaba region, Eastern Cape

Simbulele Sizani from the Department of Sociology, Rhodes University has requested my permission to participate in the above-mentioned research project.

The above-mentioned study aims critically analyse the experiences of farmers and farm workers in the export-driven citrus industry of the Raymond Mhlaba region.

To obtain the required information, this study will make use of semi-structured interviews carried out between the researcher and the participant. There will be audio recordings of these interviews so as to capture all the information the participants provide. The recordings will later be transcribed and both the transcripts and the recording will be securely saved under a drive only the student researcher and their supervisor will have access to.

The participants will remain anonymous and the information they provide will be confidential. To ensure anonymity, each participant will be given a pseudonym, which will only be identifiable to the student researcher and his or her supervisor. The study is of low risk level, as the questions asked do not address any sensitive or triggering topics. However, should participant experience distress as a result of the study, they will be referred to the right personnel.

The nature and the purpose of the research project and of this informed consent declaration have been explained to me in a language that I understand.

I am aware that:

1. The purpose of the research project is to critically analyse the experiences of farmers and farm workers in the export-driven citrus industry of the Raymond Mhlaba region
2. The Rhodes University has given ethical clearance to this research project (2022-5880-7050) and I may request to see the clearance certificate by contacting ethics-committee@ru.ac.za
3. I will participate in the project by taking part in audio recorded interviews and answering questions about farming activities and working conditions on farms, which will be asked by the researcher
4. My participation is entirely voluntary and should I at any stage wish to withdraw from participating further, I may do so without any negative consequences.
5. I will receive feedback in the form of verbal communication or written work regarding the results obtained during the study.
6. I agree to the Principal Investigator's use of voice recording of my comments and opinions during interviews
7. Any further questions that I might have concerning the research, or my participation will be answered by Simbulele Sizani on 0761471556 or on simbulelesizani.ss@gmail.com
8. By signing this informed consent declaration, I am not waiving any legal claims, rights or remedies.
9. A copy of this informed consent declaration will be given to me, and the original will be kept on record.

I,, have read the above information / confirm that the above information has been explained to me in a language that I understand and I am aware of this document's contents. I have asked all questions that I wished to ask and these have been answered to my satisfaction. I fully understand what is expected of me during the research.

I have not been pressurized in any way and I voluntarily agree to participate in the above-mentioned project.

.....

Participants signature

.....

Date