

FAWU INPUT ON THE NEED FOR AGRICULTURAL SECTOR BBEE AND THE CURRENT DISCUSSIONS FOR A S9 SECTOR CODE AGREEMENT AT THE PARLIAMENTARY PORTFOLIO COMMITTEE ON AGRICULTURE (September 2010)

1. INTRODUCTION AND BACKGROUND

As members of this Parliamentary Portfolio Committee may be aware, the section 9 process of engagement towards Sector Code (Binding Agreement - on Definitions, Targets, Weights and Milestones) is a progressive move from the current section 12 dispensation (Voluntary Agreement) as encapsulated by the AgriBEE Charter.

We therefore welcome this progressive move but further call on all the role players (farm owners' organizations, labour unions, civil society formations and government departments) to move forward with the engagement with some sense of urgency now.

We, as FAWU, are happy that we are part, and tried our level best not to miss any stage, of this engagement process. We also strive to be sincere and honest so as to avoid unduly delaying the process.

2. PROCESS ISSUES

Since the beginning of the section 9 engagement, the convening government department has always ensured that FAWU is informed and represented in all meetings. Where we are not represented then this could be squarely blamed to the union itself.

2.1 Logistical Arrangement

It is noted and welcomed that the participation of FAWU, and other civil society organizations, is been fully funded by government. From flight bookings to accommodation to other logistical issues demanded from such participation.

2.2 Regular and Professional Handling of Meetings

We are pleased that the convening government department is able to call convene and house meetings regularly and to assist in the presiding over of such meetings.

The prompt availability, except for fewer cases of honest mistakes, of minutes, agenda and other necessary documents makes the work of the AgriBEE Charter Council and Working Groups much smoother.

2.3 Structure of Work Process

The structure of work process may unintentionally negatively affect the intended or expected outcomes if not properly coordinated. For instance, the clubbing together of four possible working groups into two working groups may lead to some pillars of BBBEE scorecard over-emphasized at the expense of others, say Employment Equity at an expense of Enterprise Development.

The current three working groups may be working well at the moment but the Charter Council must ensure that it coordinates adequate reflection of all pillars and scorecard aspects in the ultimate section 9 Sector Code.

3. SUBSTANTIVE MATTERS

The most contentious issues are always on substantive matters more than process issues. Even on the AgriBEE section 9 engagement some substantive matters seem to be contentious and we hope an agreement will be reached on those.

3.1 Ownership Equity-related Working Group

The ownership equity is quite a challenging one but the AgriBEE Charter Council and broadly the section 9 engagement process must sincerely find solution and agreement on all these matters.

3.1.1 Thresholds and Exemptions

The current hot debate is on drawing a threshold line to exempt some farms from been bound by the Sector Code. While we want to see a viable or workable Sector Code, we also wish to see all corners of the agricultural sector covered by transformation agenda of South African society.

Ideally, you would not want any single farm exempted from transformation obligation, so threshold levels must be decided with this sentiment in mind. Also, to ensure that not only few big farms get to be bound but also a large number of small-to-medium sized farms, employing more farm workers in aggregate than few big farms, get to impact positively on transformation.

3.1.2 Employee Share Ownership

The idea of prioritizing farm workers as first on the line for ownership equity has still to sink to many. Part-sale of farm ownership cannot simply be to 'outsiders' and farm workers are told they will receive some literacy workshop or something similarly ridiculous.

We wish to state that the now-famous 50/50 farm ownership model should be a prerequisite and a way of advancing farm worker equity ownership interest unless some compelling reasons make this proposition untenable.

3.1.3 Land Reform

The idea that land reform should overwhelmingly weigh heavy on scorecard will simply undermine the other process of transformation that has much to do with changing ownership patterns of the actual land as an asset in favour of black people. AgriBEE must be seen as supplementing, nor replacing, the Land reform initiatives.

For instance, one aspect of the Land Reform has to do with security of tenure for farm dwellers including on human rights issues of access to graves or burial sites, grazing land, etc. This obligation is required from farm owners as human beings beyond just an AgriBEE inspired transformation contribution on their part.

3.2 Other Working Groups

As pointed out earlier, the other two working groups should avoid over-emphasizing or under-emphasizing any of the other scorecard aspects or pillars due to one working group handling two or more pillars of the scorecard.

In the upfront, we will ensure that the scorecard and point allocation does not overemphasize skills development at the expense of enterprise development for instance.

Just to underscore this point, FAWU would want its members dwelling on farms to be also empowered through enterprise development beyond just skills empowerment to run small supplier businesses feeding into farms and agribusinesses. For example, supplying rubbish bags or packaging materials.

3.3 Definitions, Thresholds, Weightings, Targets and Milestones

The AgriBEE Charter Council must conclude some of the issues relating to definitions, thresholds, weightings, targets and milestones towards a fully implemented sector code.

3.3.1 Definitions

There is a broad agreement on definitions for a wide range of scorecard aspects. However, when an issue like corporate social development/social responsibility programmes is defined to include housing provision, point allocation should not result in other scorecard aspects receiving little weight as more is taken by what is a cost of production-type issue of providing shelter to those workers and their families.

3.3.2 Thresholds

We should endeavour to include as many of farm owners as it makes sense to the agenda of transformation. It is possible that a few farm workers may have worked for more than 30 years for a small yet profitable farm that had revenue below a lower threshold. Are we saying these workers cannot be part of equity on this farm? We hope not!

3.3.3 Weightings

As pointed before there should not be an overweight in some aspects and underweight in some aspects of the scorecard

3.3.4 Targets

It is agreed that targets must be realistic but it cannot be accepted that these targets will be unduly low and far away from achieving because this will not inspire confidence that the sector code will truly deliver as we move forward.

3.3.5 Milestones

We submit that milestones should be set up such that every year there is an obligation to have achieved or arrived at a particular target such that obstacles are identified earlier and solutions implemented on time.

4. WAY FORWARD AND CONCLUSION

In conclusion it must be stated that this section 9 engagement process and the expected sector code is not an option in our view but an imperative that South African society will expect from stakeholders and rol-players in the agricultural sector.

We therefore call on this parliament to keep an eye on this process and on the speed of engagement process and on the scale of a sector code-type agreement as a final product of this process.

As a union, FAWU will cherish this process and participate until there is an agreement. In fact, we will make sure that there is an agreement by sincerely and honestly engaging and constructively contributing ideas of resolving difficult issues.

Compiled By

KATISHI MASEMOLA

FAWU General Secretary

Presented By

Benjamin Galfeldien and Abe Daniels

FAWU Provincial Educator and Provincial Organizer