

STRATEGIES TO PROMOTE COMPETITIVENESS AND EQUITY IN SOUTH AFRICAN AGRIBUSINESS: THE CASE OF BLACK ECONOMIC EMPOWERMENT IN THE SOUTH AFRICAN WINE INDUSTRY

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**National Agricultural
Marketing Council**

Strategic positioning of South African Agriculture
in dynamic global markets

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1. INTRODUCTION

Growth and development is one of the foundations of government policies directed at the development of the South African agricultural economy (AgriBEE and Agricultural Sector Plan). This research focuses on a number of components within this theme.¹

This report will give a brief overview of study activities for which the NAMC grant in particular was activated *viz* to analyse aspects of Black Economic Empowerment (BEE) in the South African wine industry. The researchers of this study operated under the auspices of the SA Wine Industry Council and had affiliations with the Universities of Antwerp and Ghent in Belgium and University of Pretoria.

A number of wine industry bodies were mobilised to participate, and provide inputs and contributions. These included private companies such as Distell and KWV, The Black Association for the Wine and Spirits Industry (BAWSI), Vinpro, and Wine Cellars SA (WCSA), the SA Black Vintners Association (SABVA) and the various business units of the SA Wine Council (e.g., WOSA, Winetech, WIDA, and SAWIS).

The study project of Mr. N. Sefoko (see Annexure 1) is currently being finalised as a PhD at the University of Antwerp, and Ms. L. Ndanga is working on her Masters at the University of Pretoria.

2. BEE IN THE SA WINE INDUSTRY

Transformation in the wine industry is multi-dimensional and the strategies to achieve it are integrated in context of economic, social and political transformation of the South African landscape. The Broad-based BEE Strategy of the South African Government strives to achieve both the creation and development of black entrepreneurs and the socio-economic upliftment of the majority of ordinary South Africans through economic growth with equity.

How do black persons in general view BEE? How do black entrepreneurs experience opportunities? Will black consumers support BEE products? Many more questions can be explored in the complex but highly relevant South African phenomenon of BEE.

¹ The NAMC, the Flemish Government and the University of Antwerp Management School, The South African Wine Industry Council is thanked for financial support and other resources provided to conduct the research; and to draft and present results of this report on a regular basis to the agricultural industry and to relevant academic processes.

The focus of this study in the wine industry is on the perceptions of the potential BEE beneficiaries in the South African wine value chain about BEE in general, the nature of entrepreneurial development of emerging black wine businesses in the wine value chain, and the market potential of emerging black wine consumers.

3. THE SOUTH AFRICAN WINE INDUSTRY IN PERSPECTIVE

Statistical overview: The wine industry contributed an estimated R16.3 billion to South Africa's gross domestic product (GDP) in 2003. This figure rises to R20.5 billion when tourism is included. An amount of R4.2 billion per annum (2006) is contributed to government revenue via excise taxes. Producers' income amounts to R2 610.7 million. The industry sustains about 256 000 job opportunities (including 20% through wine tourism), although much of this is seasonal labour. Investment capital is in excess of R50 billion.

In 2006, some 4360² producers and 580³ cellars in South Africa, mostly in the Western Cape province, with some in the Northern Cape and Free State – produced 927.9 million litres of wine, brandy and grape juice concentrate from a harvest of 1.3 million tonnes of grapes, making South Africa the world's 9th largest wine producer. About 700 million litres of drinking wine were produced from this harvest, of which 36% was red and 64% was white wine, compared to a yield of 12% red wine as late as 1995.

The wine industry entered the global market place as major shifts were underway in production and consumption. While global wine production has declined over the past two decades, the share of wine production that is traded internationally has more than doubled. These trends have opened up new opportunities for South African wine exports, provided that they are able to demonstrate a competitive edge in the world market.

South Africa produces 3.1% of the world's wines and exports 38% of its wine production (271.6 million litres in 2006) to the value of R3.85 billion per annum. The UK (30%), Germany (16%) and the Netherlands are currently the major export destinations for South African wines. Per capita consumption in South Africa is 8.6 litres in comparison with 47.6 litres in France, 21.8 litres in Australia, 34.6 litres in Argentina and 9.8 litres in the USA. Although no data are available indications are that this statistic obscures the racial, regional and economic differences in per capita consumption.

A summary of the most important statistics of the South African wine industry is shown below:

- 12 419ha activated (2006)
- 4 360 (2006) wine grape farmers

² SAWIS gives the number of registered members as some 4 400. VinPro data shows 4 810 registered members, but of these, 1 039 produced no grapes, giving 3 771 wine grape producers.

³ Indications are that more than 170 new cellars were established since 2006.

- 750 cellars (2007)
- 354 411 773 vines of the vinifera varieties
- 1 301 579 tonnes annual harvest (2006)
- 1 012 980 million litres (2006)
- 70% used for the production of wine
- 1,7% of the world's vineyards
- 1,3% of the world's wines
- 14th biggest producer in the world (area under vines)
- 9th largest producer of wine in the world
- 38% of South African wine is exported
- 271.6 million litres exported in 2006

The evolving wine production structure: The South African wine industry is undergoing three interlinked areas of transition:

- Deregulation and restructuring (since mid 1990)
- Integration into international value chains
- Legislative changes brought about by the democratic government (since mid 1990).

This transition has had complex effects on the production structure. On the one hand, the industry's product mix has changed over the past decade, and this has been accompanied by a sustained rise in exports. On the other hand, many producers have found it difficult to break away from the industry's historic reliance on bulk wine production. In response the industry's production structure has changed since 1994, though it remains labour-intensive and subject to cyclical economic conditions.

The industry has experienced a sustained increase in competitiveness as a result of the opening of global markets, scientific research, and the flow of technical information, high regulatory standards and investment in human resources. These factors are offset by the export-dampening effects of a relatively strong rand, exchange rate instability, lack of sustained R&D and other factors (see section 4).

By and large, farmers do have an incentive to go beyond management strategies based on expendable, low-wage labour. This has resulted in improved wages, higher levels of training and modernised management approaches, required not only by law, but by the imperatives of survival and the production of quality wine grapes in an increasingly competitive sector. However, selective modernisation and partial compliance with labour laws have resulted in strategies that rely on elements of both traditional paternalist and modern management approaches. This has accelerated the divide between a shrinking core of permanent, better-skilled and better-paid workers and the seasonal, casual and contract workers who form a large part of the rural poor. Research shows that the permanent labour force is almost exclusively Coloured and Afrikaans speaking. Very few African workers are employed on a permanent basis, and Africans feature much more prominently in

the seasonal labour force. Women make up a large proportion of the temporary workforce.

Table 1 below shows the current production structure of the industry (not including bulk wine buyers) according to the available data. Notably, nearly half of the country's wine farms produce less than 100 tonnes of grapes, while only 294 farms produce more than 1 000 tonnes. This is due to the fact that most commercial farms are small or medium-sized mixed farming enterprises. The 270 largest producers (7.2% of the total) produce 39.6% of the wine grape crop, and 56.3% of the producers deliver 95.2% of the crop. This means 43.7% of active producers produce a mere 4.8% of the total.

Table 1: Production structure of the South African wine industry

Primary wine producers	Per production category	
	Tonnes	Number of producers *
	0	1039
	1 – 100	1648
	> 100 – 500	1 421
	> 500 – 1 000	432
	>1 000 – 5 000	265
	> 5 000 – 10 000	5
		4 810
Wine cellars that crush grapes	66	Co-ops
	477	Private wine cellars
	18	Producing wholesalers
	561	

*The 2002 Census of Agriculture shows that half of the commercial farms in South Africa have a turnover of less than R300 000

Source: Adapted from SAWIS, 2006

Towards BEE - the wine industry transformation charter: The major formal strategy directing BEE in the wine industry is the Wine Industry Transformation Charter with its seven performance categories of ownership and control employment equity, skills development, enterprise development, preferential procurement and rural development. Twenty percent of the wine industry statutory levy is also spent on transformation.

South Africa's past, present and future find expression in the wine industry, reflecting greatness and a creditable performance alongside the painful reality of our country's history, reflecting also the remarkable political and economic transition of our times together with the promise of shared growth and development for all South African in the years ahead.

The Wine Industry Transformation Charter recognises that broad-based change and development are essential to move forward to a deracialised industry – a non-racial society

– in the 21st century. The Charter’s purpose is to give impetus to change and development within the industry, and to provide the strategic framework and associated Scorecard necessary to advance black economic empowerment (BEE). Growth, renewal and engagement are the watchwords.

After more than four years (starting in October 2003) of intense consultation and serious deliberation among representatives of all major industry stakeholders – black and white, workers and owners, civil society, NGOs and trade unions, farmers, wine-makers and traders – the wine industry adopted and submitted the Wine Industry Transformation Charter to the government for its consideration (see www.winecouncil.co.za) on 31 July 2007.

This is viewed as a milestone in the history of the South African wine industry and is the first discrete agricultural sector initiative to establish a transformation charter. The Charter provides a clear statement of intent and commits all the role-players to the transformation and renewal of the industry.

The charter process was informed by extended consultations supported by research on aspects related to transformation models at farm and cellar levels, perceptions of BEE amongst the intended beneficiaries (see section 3), the reality of wine farm economics, the status of farm evictions and the benchmarking of BEE initiatives and ventures in the wine industry (2004 and 2006).

Mr Sefoko operated as a research assistant to the SAWB/Wine Council technical team and led a number of sessions and focus group discussions on participation in the wine value chain and on perceptions of BEE (see next two sections). He regularly participated in workshops and a number of presentations were delivered.⁴

The Charter was approved by the Board of the SA Wine Council on 31 July 2007 and as mentioned earlier, was submitted to the Minister of Agriculture and the Minister of Trade and Industry for registration as a Section 12 Charter. Progress is awaited.

4. FOCUS AREA 1: PERCEPTIONS OF BEE

⁴ The work reported on in the rest of this paper was consistently used to inform the Wine Charter development process and acknowledged as such by the Wine Charter Steering Committee and the SA Wine Council. Bodies such as RUDNET, BAWSI/NAFU, VinPro, WCSA, SALBA provided the required institutional support to enable the many required focus groups discussions, etc.

How do the potential BEE beneficiaries view transformation and economic empowerment?

The wine industry clearly demonstrated its commitment to BEE through the acceptance and promotion of the Wine Transformation Charter and Scorecard. This however, remains a strategic framework. Action would have to be directed at firm/enterprise level. Factors of power relations, social and economic integration, economic and technical support and attitudes are all important components of success and progress at the implementation. In this context, it is important to explore the perceptions on BEE on the potential beneficiaries and target groups. An evaluation of such perceptions is done based on three precepts, namely, (i) the effectiveness of policies, (ii) the efficient allocation of resources and (iii) the change of people's mindsets. All three platforms have to be evaluated against the improvement of people's lives, in particular, their position in society. The idea is to ultimately match the objective scoring system with the perceptions – the "mindset" argument. This aspect formulates the major focus area for the PhD study by Mr. N. Sefoko.

4.1 Research Methodology

Three questions were examined through literature review of empowerment and its related concepts, focus group discussions and through a broad-based survey in the industry. Firstly, what are the current perceptions of BEE by the intended beneficiaries in the wine industry? Anecdotal information is varied. The study by Sefoko *et al* (2006) is one of the few that examined this issue on a scientific base in the agricultural environment. This study focuses on the wine industry.

Elements of the overall research methodology are illustrated in table 2.

Table 2: Elements of the research methodology

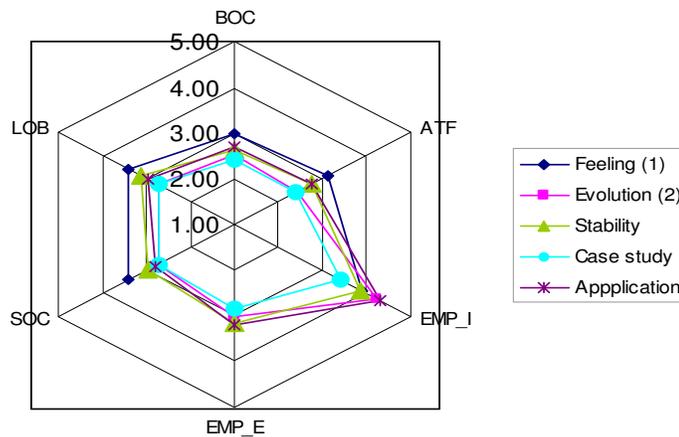
Specific entity	Type of empowerment gap		Triangulation gap
	Assessment (measures)	Perceptual (relations)	
<i>Empowerers</i>	Wine-BEE industry scorecard (WIS)	Perceptions of beneficiaries' mobility (EMPSCALE)	Empowerers' perceptions and expectations of BEE (objectives)
Level of analysis	Firm (group aggregate)	Individual (cohort thinking pattern)	Individual (cohort thinking pattern)
Unit of analysis	Percentage change or increase in the number of Blacks in specific activities	Perceptual scores	Perception
<i>BEE beneficiaries</i>	Perception survey (EMPSCALE)	Perception survey (EMPSCALE)	Beneficiaries' perceptions and expectations (descriptive experiences)
Level of analysis	Individual (group aggregate)	Individual (group aggregate)	Group (collective mobility)
Unit of analysis	Perceptual scores	Perceptual scores	Perception

- (i) What do the beneficiaries of BEE perceive to be important?

The research generated a six dimensional self-report scale (= EMPSCALE) also termed the perceived BEE construct (PBEE). The application of this instrument to support the management of BEE in the wine industry is shown in figure 2. The dimensions were as follows:

- *Business ownership and control (BOC)* i.e. to have something that belongs to you or your group with regard to business. Control means to have the power or authority to direct, order, manage or make business decisions.
- *Access to finance (ATF)*, i.e. to have access and control over your finances.
- *Employment (EMP_I)*, i.e. feeling secure in your job and work environment.
- *Human resources management (EMP_E)*, i.e. feeling satisfied and respected in your job.
- *Social capital environment (SOC)*, i.e. access to social structures and networks and to use the knowledge gained and the contacts made to create new possibilities for your own economic initiatives.
- *Collective action (LOB)*, i.e. to organize, defend and promote your interests at business and industry level.

Figure 2: The level of empowerment of beneficiaries: Scale development, validity, reliability, verification, and application to BEE initiatives



In all these, there were no age, gender or work level differences observed, but geographical differences were found after several iterations. This suggests that variation does occur at the firm level and at regional level. High scores were observed on employment security and the feeling of respect in the work place. Respondents also identify strongly with issues that are related to their social environment.

- (ii) What are the responses by potential beneficiaries to the newly adopted Wine Industry Transformation Charter?

Respondents, when asked about their perception of the importance of the Charter and if each component of the recently adopted Wine Transformation Scorecard is

important, indicated that skills development, rural development and employment are the three most important. Beneficiaries also perceived their own progress in this regard as positive.

- (iii) What are the expectations about beneficiaries' BEE status in the future and the gap between perceptions and expectations?

The preferred objective is to ensure that beneficiaries improve their level of empowerment with focus on the following: access to finance; improved individual capabilities and skills; job security; and being respected in their workplace. Business ownership and control is currently perceived to be of lesser importance. However, this dimension is considered necessary to sustain progress in the long run.

The gap between perceptions and expectations is indicative of the tension between the prioritization and implementation of BEE strategies (through the specifications of the charter) *viz-a-viz* the empowerment preferred by beneficiaries and the actual pace of transformation.

As would be expected, the beneficiaries felt strongly that successful BEE transformation strategies must be participative in nature and should allow flexible approaches to accommodate their changing needs and expectations. The management of perceptions is therefore important to sustain progress.

4.2 Managing BEE perceptions

The EMPSCALE developed in section 4.1 can be implemented as an instrument to manage perceptions. This pertains to regularly asking respondents to give their views on the 6 dimensions identified, namely, *Business Ownership and Control (BOC)*, *Access to Finance (ATF)*, *Employment (EMP_I)*, *Human Resource Management (EMP_E)*, *Social Capital Environment (SOC)*, and *Collective Action/Enabling environment (LOB)*.

The generic strategies to minimise information asymmetry and manage the ensuing gaps between empowerers and empowerees need to focus on the development of an information system. Such a BEE management support system would create a culture of transparency in the system. This would, in turn, achieve several things:

- Respond to the feelings of beneficiaries' discontent by training implementers to conduct periodic employee opinion surveys, and establish employee focus and/discussion groups to meet periodically,
- Apart from empowerers explaining the performance of the company, they would also allow feedback and inputs from beneficiaries,
- Open communication would most likely translate into effective communication,

- Beneficiaries would be made aware that while their incorporation into firm ownership in the form of shares is all well dividends may be low, and should therefore understand why this and similar situations is so,
- Beneficiaries would derive value in actively participating in BEE programs. Such participation, as a new engaging tool, is needed since the fight for the deracialisation of the economy and taking control of the heights of the economy will not involve mass action. Without such engaging tools beneficiaries' perception of being left behind is reinforced.

To adjust and sustain beneficiaries' experiences, empowerers should raise awareness of beneficiaries' experiences in areas that beneficiaries value the most. In addition, employers should effectively communicate the BEE standards and targets to implementers of BEE projects.

5. FOCUS AREA 2: THE CASE OF EMERGING BLACK WINE BUSINESSES (VIRTUAL WINERIES):⁵

The second focus area was on BEE experiences in the so-called high valued part of the wine value chain *viz* wine trading (bottling, branding, and promotion). Particular initiatives were taken: what were the experiences and perceptions of at this level? That is, what were the views of BEE participants in the so-called "virtual wineries" and their support structures?

Since 2001 a number of BEE businesses entered the downstream-end of the wine value chain as trading or marketing companies. The idea is to reduce infrastructural costs, given the capital intensive nature of the industry. Table 3 provides a list of the known black wine businesses in question. As they are not primarily wine grape producing entities but rather businesses focusing on marketing and trading, they are often referred to as "virtual" wineries.

Table 3: A list of "virtual" black winery businesses since 2001

Emerging wine companies (2001-2007)	
Buthelezi Wines	Women-in-Wine
Yammé	Lathita Wines
The House of Lindiwe	Kuyisa Wines
Malibongwe	Kholisa Wines
Mia Cara Wines	Vunani Wines
African Roots	Loopspruit
Ses'Fikile	Kumala
Phumlani Wines	Bouwland Wines
Blouvlei Wines	Thabani
Imvula Wines (previously Sibeko Wines)	Thandi
M'Hudi Wines	Re'Mogo Holdings Ltd
Black Grape	Eden's Vineyards
Crossroads Wines	Tukulu

⁵ These are of course not the only virtual businesses in the wine value chain.

Sagila Wines	Indaba
Thokozani	Karuwa, etc

Source: Sefoko and Ndanga (2007).

A number of these companies organized themselves into a trade organisation called the South African Black Vintners Alliance (SABVA). They focus on promoting the interests of their members in the wine value chain. The researchers led strategic work sessions with SABVA members and other stakeholders from wine industry support structures. A SWOT Analysis (Sefoko & Ndanga, 2007) from these sessions revealed the following (see Table 4):

Table 4: A SWOT analysis of “virtual” black wineries

Strengths	Weaknesses
Build strong brands through ethical labels.	Lack of professionalism by members: do not attend meetings and conferences or follow-up on support initiatives. This attitude borne out of a sense of entitlement.
Opportunities in branding for exports with outsourcing of winemaking.	Initial focus on the demanding export market without sufficient skills and delivery capacity or systems.
Virtual company model cut costs by avoiding of primary production.	Lack knowledge of the origin, history and technical aspects of the wine being promoted (e.g. soil, climate, conditions, winemaking styles, etc).
Entrepreneurial spirit will be activated, if properly channelled.	Differentiation on ethics not sustainable.
	Cash-flow problems: focus only on increasing wine sales and less on reducing costs.
	In retail outlets, new entrants have a tendency to equate securing shelf space for wine to success <i>per sé</i> .
	Lack of time commitment: some new entrants still retain their full-time jobs and perceive wine business as a spare time cash-generating activity rather than a long-term business investment.
Opportunities	Threats
Sectoral and industry organisations offering knowledge, financial and organisational support (e.g. WOSA, SAWIT's SPV initiative, ECI, SEDA, etc).	Government departments use strict business criteria and many emerging black businesses find it problematic to qualify.
The emerging and growing South African black wine markets (townships) and US African-American market (east coast).	The Virtual company model serves to establish a label but may not be sustainable as an organisational and integrated business model.
Exclusive wine tasting sessions at specific outlets.	Not in full control of the supply chain and winemaking process create marketing challenges.
Guarantee consistency of supply and quality.	Export market is flooded with wine.
Support through partnerships/agribusiness linkages with established business and more viable than government support, especially at the beginning; independence only later on.	Competing for the same resources and market. Black business perceives to receive prejudice from established businesses; the latter tend to internalise black businesses as part of their BEE obligations.
	“Red tape” with export market.
	No financial support focused on new entrants.
	Cannot compete with huge marketing budgets of established operatives.
	The fluctuating exchange rate in export markets.

Source: Sefoko and Ndanga (2007).

- The participants believe there is potential for wine sales by their companies in all markets, particularly in the township areas. Some segments of this new wine consumer profile prefer to drink established brands. Blind wine tasting including new brands should be an integral part of the SABVA wine marketing strategy.
- Some members believe that SABVA needs to be given more financial support to be effective. However, current internal feuds are viewed by other members as an indication that 'collective politically-inclined' business models are seldom viable as they deal with prejudicial issues borne out of the concept of entitlement. This may hinder the business process.
- Most members agree that it is financially more advantageous to be involved further along the value chain rather than at wine grape production level. Production history or heritage and place of origin may however play an important role in some market segments. For example, Thandi's 'fair trade' tag provides the main component of its traceability system ('back to the production place/farm of origin').
- Issues listed by the participants that need to be attended to are:
 - A stronger focus on ethical wine trading i.e. 'connection' with the community and workers on the farm through fair trade, shareholding in land or brand, and social development. This should be done in order to gauge the real effectiveness of these initiatives in providing the true social and environmental progress ethical trade seeks to achieve.
 - Profiling and researching the untapped local emerging black wine consumer market. To date there has not been a concerted effort to understand the burgeoning black wine market. It should be interesting to know what new wine consumers want as compared to what black vintners are currently offering.

6. FOCUS AREA 3: GROWING THE DOMESTIC MARKET – THE POTENTIAL OF THE EMERGING BLACK WINE MIDDLE CLASS

The above-mentioned recommendation with regard to the profiling of the black wine consumer market was followed up as a third focus area of this study, and is being researched by Ndanga (2008) for Masters degree purposes.⁶ The data collection process in September 2007 included a total of 387 questionnaires at the Standard Bank Soweto Wine Festival. In addition, based on expert advice, focus group discussions were also undertaken as a method of data verification. Three focus group meetings were partaken with 'Mzansi Youth' (mostly students), 'Start-Me-Ups' (ages 18-29 just starting their careers) and 'Young families' (mostly single parents but a few couples). Preliminary findings indicate several things (Ndanga, Louw & va Rooyen, 2008):

- *Favourite wine:* The study confirms previous research findings regarding the choice of alcoholic beverages. It found that branded red wine (57%) is the preferred wine of choice.

⁶ This is work in progress to be continued as a Masters dissertation. The research team is Prof André Louw and Johan van Rooyen (University of Pretoria) and Mr Ngwako Sefoko, University of Antwerpen.

- *Gender differences on willingness to pay:* The study also asserts that women are significantly more adventurous than their male counterparts in terms of learning about wines and experimenting with new wines. However, males exhibit a higher willingness to pay for what they consider to be premium wine brands (wines which cost more than R100).
- *Ratings of wine attributes:* The study concludes that South African “Black Diamonds” are mimicking the USA where it has also been found that African-American consumers are increasingly shifting preferences and positioning wine as the beverage of choice. Black consumers are still unsure about what wine attributes are important in choosing wine. However, brand and packaging/label, (i.e. the bottle shape and size, the label design and the closure) were deemed to be more important as compared to price, which was the least important attribute.
- *Preferred retail wine outlet:* The local supermarket and the liquor store were identified as the most preferred retail outlets by over 70% of the respondents. Wholesalers were a popular option for consumers that buy wine in bulk infrequently; the older age groups and the higher income earners. Speciality stores were only identified by wine connoisseur-type of consumers and convenient stores by students.
- *Influencer of wine choice:* The most important external influence of wine choice is social networks and tasting sessions. The most important media of influence is social networks print media, television, and internet in that order.
- The model of choice found that women and educated wine drinkers prefer red wine. “Baronne wine drinkers” prefer white and sparkling wines. In addition, white and sparkling wine drinkers are willing to spend less per bottle.
- There was no indication that black consumers preferred black branded wines. Instead, the top ten mostly recognised and preferred wine brands are established brands. Thus, one can conclude that there exists an “offering-needs gap” between black wineries and black consumers. This is partly one of the reasons why black wineries have struggled to tap this burgeoning black consumer market.

Concluding statement:

Apart from empowerers and wine producers’ conceptions and ‘constructive’ interventions, the perceptions and preferences of BEE beneficiaries and (wine) consumers need to be taken into account. Black persons are increasingly important in the domestic (Africa) market. This is the bases upon which future policies and strategies in these areas ought to be planned and implemented.

7. PUBLICATIONS, PRESENTATIONS, PAPERS TO DATE:

- (i) **Scientific publications and reports**

- Janssens, W, Sefoko, N., Bostyn, F., and van Rooyen, J. (2005). "Measuring perceived black economic empowerment in the South African wine industry." *Agrekon* Vol. 45 (4): 381-405.
- Sefoko, N., and Ndanga, L.Z.B. (2007). Exploring emerging black wine business. SA Wine Council, September 2007.
- Sefoko, N., van Rooyen, J., Janssens, W., Bostyn, F., and D'Haese, L. (2008). The role of monitoring systems to manage black economic empowerment in the South African wine industry. (In review by: *Development Southern Africa*)
- Ndanga, L.Z.B. *et al* (2008). Increasing domestic consumption of South African wines: Exploring the market potential of the emerging black middle class. Masters dissertation, Department of Agricultural Economics, Extension, and Rural Development, University of Pretoria ([forthcoming](#))
- Sefoko, N.M. (2008). The role of monitoring tools in managing transformation: The case of black economic empowerment in the South African wine industry. PhD thesis Department of Management, University of Antwerp, Belgium ([forthcoming](#)).
- Kassier, E.W., van Rooyen, C.J., Cherry, M., Vink, N., Hobson, S., Van Wyk, G., Sefoko, N.M. (2008). South African Wine Industry Benchmarking. Report prepared for the Department of Economic Development and Tourism.

(ii) **Conference and workshop presentations**

- Janssens, W., N. Sefoko, F. Bostyn, J. van Rooyen (2004). "Measuring perceived black economic empowerment: The case of South African agriculture," Paper presented at the *42nd AEASA Conference*, Lord Charles Hotel, Somerset West, 21-23 September 2004. Won the first prize for the best paper on transformation in agriculture.
- Sefoko, N., Janssens, W., van Rooyen, J., and Bostyn, F. (2005). "Socio-economic transformation in South Africa: The case of the wine industry," Project-end workshop, UAMS, Sint Jacobsmarkt 9-13, Belgium; 18 April 2005.
- Sefoko, N., Janssens, W., van Rooyen, J., and Bostyn, F. (2005). "Re-inventing the Food Chain: Creating economic access for Black South Africans into the wine value chain." Paper presented at the *15th IAMA conference*, Chicago, USA, 25-28 June.
- Van Rooyen, C.J., and Sefoko, N. (2006). 'Strategies to promote and manage competitiveness and equity in South African Agriculture: The South African wine industry,' Presentation and poster presented at the National Research

Foundation (NRF): "*South Africa - Flanders workshop*," 13-15 March 2006, Cape Town International Convention Centre, Cape Town, South Africa.

- Sefoko, N., Janssens, W., van Rooyen, J., and Bostyn, F. (2006). "The role of empowerment strategies in managing change: The case of black economic empowerment in South African." Briefing to the Wine Charter Steering Committee (WCSC), Stellenbosch Lodge, 27 July 2006.
- Sefoko, N., Janssens, W., van Rooyen, J., Bostyn, F., and D'Haese, L. (2006). "Understanding empowerment: What it "suggests" to be 'empowered' in the South African wine industry," Paper presented at the 44th *AEASA Conference*, Settler's Monument, Grahamstown, 20-22 September 2006.
- Van Rooyen, C.J., Sefoko, N., & Esterhuizen, D. (2007). Competitiveness and transformation issues in the South African wine industry: Measurement and policy. Western Wine Economics Conference, USA (1-4 July).
- Van Rooyen C.J (2007). Positioning of SA wines in the global market Argentina Bodegas Wine Competitiveness Forum, Mendoza, August 2007, Argentina.
- Sefoko, N., Janssens, W., van Rooyen, J., Bostyn, F., and D'Haese, L. (2007). Systems to manage black economic empowerment in the South African wine industry. Paper presented at the 45th *AEASA Conference*, Indaba Hotel, Fourways, 24-26 September 2007.
- Sefoko, N.M., & van Rooyen, C.J. (2008). Assessing black economic empowerment in the transformation of the South African wine industry: Beneficiary perceptions versus the realities of empowerment projects. Accepted as a poster paper for the 16th *IAMA Conference*, California, USA, 14-17 June.
- Ndanga, L., Louw, A, & van Rooyen, C.J. (2008). Increasing domestic consumption of Sa wines: Exploring he market potential of the "Black Diamonds." 16th *IAMA Conference*, California, USA, 14-17 June.

ANNEXURE 1: PhD STUDY, N. SEFOKO

This pertains to the research for PhD that Mr. N. Sefoko pursues through the University of Antwerp (Belgium). The time line within which it will be conferred is as follows:

- Submission of the first draft of thesis manuscript to promoters (May 2008)
- Doctoral Commission (4 members) ratified the manuscript (September 2008): Prof. Frank Bostyn, Prof. Johan van Rooyen, Prof. Luc D'Haese, and Prof. N. Vink.
- Public defence in Antwerp (October 2008)

- Obtain a Doctoraat in *Toegepaste Economische Wetenschappen* (November 2008)

The outline of the PhD study is as follows:

PART I: BACKGROUND, CONCEPTUALISATION AND SETTING

- Chapter 1: Introduction
- Chapter 2: Growth and equity relationship within an empowerment phenomenon
- Chapter 3: The South African transformation agenda

PART II: LINKING CONCEPTUAL AND OPERATIONAL ISSUES

- Chapter 4: Theoretical framework for understanding empowerment differences
- Chapter 5: Measuring and managing empowerment

PART III: RESEARCH DESIGN AND EMPIRICAL ANALYSIS

- Chapter 6: Research design and methodology
- Chapter 7: Empirical results, interpretation and discussion

PART IV: OVERALL CONCLUSIONS AND IMPLICATIONS

- Chapter 8: Summary, conclusions and recommendations