University of Fort Hare
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DEPARTMENT OF SOCIOLOGY

MASTER OF SOCIAL SCIENCE (RURAL DEVELOPMENT)

FOR

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FAIR TRADE IN THE EASTERN CAPE: AN EXAMINATION OF ITS SOCIO-ECONOMIC IMPACT AND CHALLENGES AMONG EMERGING BLACK FARMERS.

A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE MASTERS DEGREE IN RURAL DEVELOPMENT

FEBRUARY 2011
DECLARATION:

I Tanaka Candida Mugabe do hereby declare that this thesis is entirely my own work, except where it is attributed to other authors or sources. This work has not been submitted for a degree in any other university.

Dated at………………………this…………………day of……………………….2011

Signed………………………
DEDICATION:

This work is dedicated to my mother Mrs. Fozert Mugabe for believing in me and supporting me in everything I have done in my life. She is my pillar of strength who has kept me motivated with a bright vision.
ACKNOWLEDGEMENTS:

Firstly, I would like to give thanks to the Almighty God for giving me strength and determination to do this Masters degree.

I would like to acknowledge the academic support I got from my Supervisor Dr P. Moyo. His support in this intellectual project is invaluable and has helped me gain better understanding and this will stay with me during all my academic endeavors. Special thanks also goes to the head of Sociology Department Prof W Akpan who gave me the will and encouragement to pursue this degree. I do hereby acknowledge the financial support that I got for my undergraduate degree from the Government of Zimbabwe through its Presidential Scholarship, which introduced me into the academic world. I also want to thank my academic colleagues, Ntosh, Colleen, Musa, Elmond, Snikiwe, Noni and my brothers who played a critical role in this piece of work. This was very important in the development of ideas as well as my socialization into the academic world. Lastly I would like to thank my family for the social, economic and emotional support which they gave me throughout my entire studies.
ABSTRACT:

This study examines the socio-economic impact of fair trade on black emerging citrus fruit farmers in the Eastern Cape Province of South Africa. It is a comparative analysis of farmers involved in fair trade and those who are not. Farmers from Riverside Enterprise and Sundays River Citrus Cooperative were examined to evaluate the impact of fair trade. Such impact was analyzed through looking at access farmers have to foreign markets and their ability to receive high income returns from these markets. The study also discusses the influence fair trade has on the social and economic development of the farmers’ communities. The findings of the study indicate how most fair trade communities have benefited financially and through public infrastructure such as crèches, learning centers and access to computers for both farmers and workers. Such public developments are funded through the fair trade social dividend which is a premium farmers receive for selling their fruit under fair trade. However, the study findings also indicate the limitations of fair trade; farmers have to incur high costs to become fair trade accredited. The study also examines the commodity value chains (hereinafter referred to as CVC) for citrus fair trade farmers and non fair trade farmers. This analysis reveals the procedure of value chains, their benefits and constraints.
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ATO</td>
<td>Alternative Trading Organization</td>
</tr>
<tr>
<td>B-BBEE</td>
<td>Broad Based Black Economic Empowerment</td>
</tr>
<tr>
<td>CVC</td>
<td>Commodity Value Chains</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FLO</td>
<td>Fairtrade Labelling Organization.</td>
</tr>
<tr>
<td>FTA</td>
<td>Fair Trade Assistance</td>
</tr>
<tr>
<td>FTF</td>
<td>Fair Trade Foundation</td>
</tr>
<tr>
<td>FTSA</td>
<td>Fair Trade South Africa</td>
</tr>
<tr>
<td>FTLSA</td>
<td>Fair Trade Label South Africa</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>IDC</td>
<td>Industrial Development Corporation</td>
</tr>
<tr>
<td>IFAT</td>
<td>International Fair Trade Association</td>
</tr>
<tr>
<td>KATCO</td>
<td>Kat River Cooperative</td>
</tr>
<tr>
<td>NEWS</td>
<td>Network of European Shops</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>SADT</td>
<td>South African Development Trust</td>
</tr>
<tr>
<td>SAFN</td>
<td>South African Fair Trade Network</td>
</tr>
<tr>
<td>SRCC</td>
<td>Sundays River Citrus Cooperative</td>
</tr>
<tr>
<td>SL</td>
<td>Sustainable Livelihood</td>
</tr>
<tr>
<td>UNCED</td>
<td>United Nations Conference on Environment and Development</td>
</tr>
<tr>
<td>VCA</td>
<td>Value Chain Analysis</td>
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