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WAR ON WANT
FIGHTING GLOBAL POVERTY

A Bitter Cup

The exploitation of tea workers in India and Kenya supplying British supermarkets

Preface

The tea industry is a booming global business. With 3.5 million tons of tea produced each year – including 1.6 million tons for export – tea harvesting is an important source of income for millions of workers across the globe. India and Kenya are two of the world's top four tea-producing nations, earning hundreds of millions of pounds in exports each year. But in spite of the massive revenues tea sales generate, workers who pick and pack the leaves face horrendous conditions and earn far below a living wage.

This report is a contribution to War on Want's ongoing campaign for corporate accountability and Unite the Union's campaign for the fair treatment of all workers employed by businesses in supermarkets' supply chains. The report exposes the poverty wages, poor working conditions and desperate insecurity of workers in Kenya and India who produce the tea sold in British supermarkets. Shockingly, these conditions have not improved since War on Want's groundbreaking report into the tea sector in Sri Lanka almost 40 years ago. [1]

UK supermarkets are signatories to voluntary codes of conduct which are meant to guarantee decent working conditions and a living wage to the workers in their supply chains. However, as we show in this report, tea workers in Kenya and India are systemically denied these basic rights.

War on Want has repeatedly exposed the exploitation and poor treatment of overseas workers supplying UK supermarkets. Similar problems exist with products as diverse as meat, garments, wine and cut flowers. Despite the evident failure of voluntary ethical standards to improve conditions for workers, the UK government has failed to take action to hold companies to account.

War on Want has a long history of working in partnership with both UK and international trade unions and with grassroots organisations in developing countries to combat the root causes of poverty. Similarly, Unite has a proud tradition of activism in support of workers' rights around the world. This report recommends action that readers can take to send a message to British supermarkets and to challenge the UK government to adopt regulation that would allow exploited workers to seek redress.

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The global tea industry

The British famously love their tea, brewing 165 million cups a day – an astonishing 60 billion cups a year.[2] But the UK is not the only country partial to a cuppa. Tea is the second most popular drink in the world after water. Overall, 3.5 million tons of tea are produced annually, of which 1.6 million tons are exported.[3]

Kenya and India are two of the largest producers and exporters of tea in the world, and together produce more than half of the tea drunk in the UK.[4] The UK is the second largest importer of tea, accounting for nearly 10% of world tea imports by volume. The UK buys 16% of India's exported tea, and 19% of Kenya's.[5]

Although countries such as Kenya and India are major tea producers, the structure of the global supply chain means that the lion's share of profits is captured by large multinational corporations. Tea producing countries have also been hit by a decline in tea prices, as a result of global supply exceeding demand.

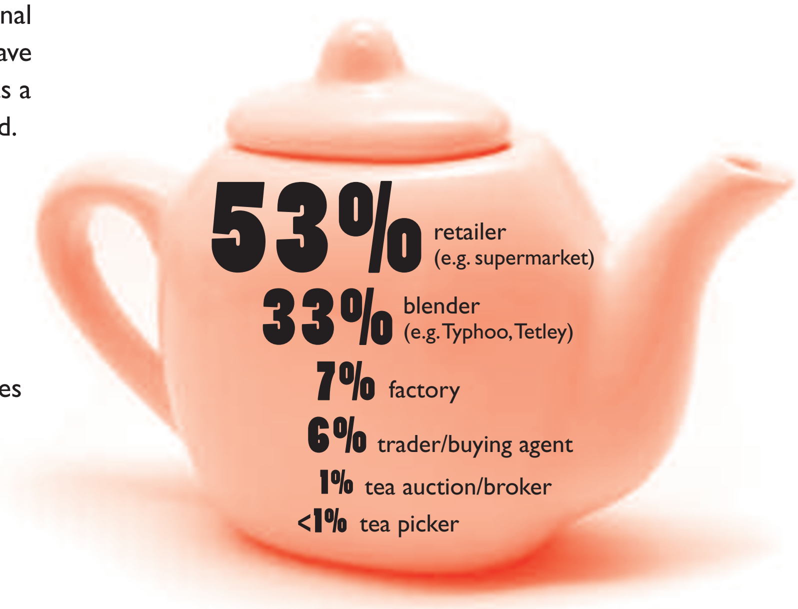
Tea is usually exported after primary processing (drying and bulk packaging). This means that blending, final packaging and marketing – which are the most lucrative stages in the overall process – are mainly carried out by tea companies in the buyer countries (see Figure 1). The buying and packing side of the tea supply chain is very concentrated, which gives the companies involved a high level of power over the prices paid to producers. Just four corporations dominate the global tea trade: Unilever (UK/Netherlands), Van Rees (Netherlands), James Finlay (UK) and Tata Tetley/Stansand (UK).[6]

In the UK, the retail market is similarly concentrated, with the top four companies controlling 65% of the retail market:

A tea picker makes just 1p for each £1.60 box of tea bags sold in a British supermarket.

Tetley (Tata), PG Tips (Unilever), Twinings (Associated British Foods) and Typhoo (Apeejay Surrendra Group). Supermarket own-brands account for nearly 20% of the market, and more than 80% of total UK tea sales take place through their outlets.[7] As tea passes through packers and retailers, the final two stages of its journey to the consumer, they capture a massive 86% of the value added, compared to 7% for the producing country.

Figure 1:
Who makes money from your cup?[8]



Very little of the profits included in the retail price of a box of tea goes to the tea-producing country. Instead, whilst multinational corporations reap large rewards, tea workers are condemned to a life of penury. A tea picker makes just 1p for each £1.60 box of tea bags sold in a British supermarket.

Workers process leaves at a tea collection centre supplying a tea factory in Kenya. Tea workers in Kenya earn under £40 a month – less than half a living wage.

Photo: Jon Spaull

Half a living wage

UK supermarkets have committed to the payment of a living wage to all workers employed by businesses in their supply chains.[10] Despite their commitment, tea workers employed by businesses in both India and Kenya which supply British retailers are paid less than half of what would constitute a living wage. A living wage allows a worker to provide his or her family with the basic human necessities of decent food, shelter, clothing, clean water, health care, education and transport, plus a little extra for discretionary items. In this respect it is different from a minimum wage, which is often insufficient to cover living costs.

Kenyan tea workers were asked to state how much they need to support themselves and their family. In general, tea factory workers gave higher figures for a living wage than tea pickers, as they need to spend more on food and other basic expenses. The average between the tea pickers and tea factory workers was 10,679 Kenyan shillings (KES) (£84.40), which confirms current estimates for a living wage of 10,000 KES (£79.03) given by flower worker trade unions.[11]

Workers in the tea processing factory interviewed for this report were paid about 5,000 KES (£39.52) per month before overtime, i.e. half a living wage. Tea pickers, who are paid a piece rate for each kilogram of tea they harvest, are even worse off. Tea pickers on the smaller estates earn between 2,500 KES (£19.76) a month in the dry season and 5,000 KES (£39.52) in the wet season. Those interviewed for this report were only earning on average 3,060 KES (£24.18) a month – under half of what they see as a living wage.

Even the highest paid workers struggle to survive on the wages they earn. Food is their biggest concern, and the vast majority of workers report that their salaries are inadequate to buy food for themselves and their families. The average monthly food budget of Kenyan tea pickers is 2,600 KES (£20.55), which takes up almost all their average monthly earnings. Even though they spend a huge proportion of their earnings on food, many tea pickers must make do on one meal a day. They also describe struggling to find the money to rent even small one-room shacks made of scrap wood, which cost around 300 KES (£2.37) per month.

Workers all report that these pressures are increasing as living costs, particularly food prices, have risen sharply while wages stagnate. With the bare necessities of food and shelter consuming so much of a worker's earnings, families struggle to find the money for other fundamental expenditures such as clothing, health care and school fees. On such low salaries, savings are non-existent, which increases workers' insecurity and vulnerability. Many must also take on additional work to supplement their wages. This ranges from farming a small plot to brewing home-made liquor for sale.

Low wages are also widespread in the Indian tea sector. The estate examined in this report pays its labourers 1,220 rupees (Rs) per month, the equivalent of £15.45, but workers estimate that a living wage would be at least Rs 3,500 (£44.34) per month. This means their earnings are a mere 35% of a living wage.

For Indian workers, lack of food is the major concern. The rise in global food prices over the last few years has forced a reduction in the amount of food consumed because workers simply cannot afford to buy what they need. Consequently, there is widespread malnutrition and medical studies have found that 60% of the children in Indian tea estates are underweight.[12]

Indian tea workers spray chemicals over a field in Assam state.

Photo: epa/Corbis

Casual work, precarious lives

In Kenya, tea pickers are employed on a day-to-day basis so they can be easily laid off when their labour is not required. This forces them to seek new employment each day, making their lives extremely precarious. They wake up not knowing how far they will have to walk to find work, or if there is any work to be found. They have no benefits at all, and missing a day's work for illness or any other reason often means they cannot afford to eat that day.

Although factory workers have slightly more secure conditions than tea pickers, the majority are hired on a casual basis (the exceptions being managers and specialised workers such as engineers). Factories are keen to keep workers on temporary contracts because casual workers are not eligible for any employment benefits. In contrast, a permanent employee is entitled to the full range of benefits, including sick pay, maternity leave, paternity leave and paid annual holiday.

Under Kenyan law, workers are entitled to a permanent contract after three months on the job. To avoid having to provide the benefits guaranteed to permanent employees, factories lay off workers before they complete a three-month term, only to rehire them immediately afterwards. This legal loophole is ruthlessly exploited year after year by factory management. One of the workers interviewed for this report explains the process:

I have worked as a casual worker in the factory for the last 10 years. I sign a contract of three months for every new engagement with the factory. What is annoying is that the management will never allow me to complete the three months. On a lucky contract period, I am allowed to complete two months, after which my contract is terminated. I am allowed back soon afterwards to sign another three-month contract and I have lived by this cycle for the last nine years. I have never had a break exceeding three months without a contract with the factory. By keeping us on a three months contract the factory is protected from providing employment benefits (e.g. leave, pension) to us. We cannot change this, we cannot complain, we need the job even if it is for a day.

In India most workers live on the large plantation estates where they work. This means that they do not need to search for work on a daily basis. However, the increasing use of temporary contracts mirrors the Kenyan problem. If workers are not permanent, the plantation does not have to provide benefits such as medical facilities, maternity leave and food rations. Temporary workers are forced to pay out of pocket for these services or benefits.

Indian workers face the additional threat of owners closing or abandoning tea estates, which has left some workers in India completely destitute. Tea estates are large and often geographically isolated, making their workers completely dependent upon them for their livelihoods. When owners abandon estates, workers can starve.

Working on a day-to-day basis, many Kenyan tea pickers are not provided with basic benefits like sick leave.

WATER SCARCITY IN KENYA

Kenya, like many countries in sub-Saharan Africa, is suffering from increasing competition for natural resources such as water. This problem has been made even worse by the devastating recent drought, which has led to food and water shortages for more than three million Kenyans.[13] Water scarcity as a result of the drought has had a profound impact on agriculture and wildlife-based tourism, two of Kenya's major industries.[14]

The tea sector in Kenya has been hit with an 8% overall decline in the quantity of tea produced, and so the amount of work available for tea pickers has fallen. One estate producing tea sold in British supermarkets reported a 23% drop in tea production as result of the drought. Jobs are scarcer, and if a tea picker is lucky enough to find work, the quantity of tea that can be picked in a day is lower, reducing their daily earnings. Factory workers also lose out, with many casual workers laid off until the amount of tea to be processed increases. At the same time, reduced rainfall and crop failures have pushed up the price of food by 50%, making it even more difficult to make ends meet.[15]

Photo: Jon Spaull

Poor working conditions

The work of tea labourers is arduous in addition to being low paid and insecure. Tea pickers are on their feet all day with heavy baskets on their backs, often on uneven terrain and in harsh weather conditions. Injuries are common, as are respiratory and water-borne diseases.[16] There is often exposure to pesticides and insecticides, which the ILO cites as one of the major health and safety hazards tea workers face.[17]

In Kenya, tea pickers work long hours, six days per week. They are also expected to work without breaks. One of the women workers interviewed for this report stated:

Nobody cares whether those working in the farm have human feelings such as hunger. You report for work, you will have something to eat once you return home.

Because they are paid per kilogram, extra hours such as long trips to the tea factory's buying centres are not paid.

Tea factory workers face similar problems. Despite being entitled to tea and lunch breaks during the day, casual workers are generally denied a lunch break. When harvests are high during the rainy season, overtime is compulsory. Workers can be forced to put in as many as 74 hours a week.

THE LIFE OF A TEA PICKER

Beatrice started working as a tea picker when she was 11 years old. Though she dreamt of pursuing her education in hopes of a brighter future, her parents couldn't afford to send her to school beyond primary level. Now 36, she ekes out a precarious existence for herself and her two children, rising at 6am to search for employment for the day. The tea Beatrice picks is sold in British supermarkets.

On a good day, Beatrice will find tea-picking work within a few minutes' walk of where she lives. On a bad day, she faces a walk of up to three hours to find employment. Once she finds work, tea picking means she will be on her feet all day with a heavy basket on her back, usually without a break.

Working up to six days a week, Beatrice is paid a mere 6 Kenyan shillings (KES) per kilogram of tea she delivers to the tea factory – the equivalent of just 5p.[18] During the dry season she may struggle to pick 15 kg in a day, giving her a daily wage of 90 KES (75p). This meagre amount is a fraction of what she needs to support her family.

As a casual worker, Beatrice is not eligible for benefits such as sick leave and maternity leave. If she has to miss a day's work, she and her children do not eat. Moreover, if Beatrice gets hurt on the job, she will not be able to afford health care. Tea picking is dangerous work, and Beatrice faces the risk of debilitating injury, including fractures, back injuries, major skin burns and poisoning from exposure to pesticides.

A Kenyan tea worker with his wife and daughter outside their home. Basic sanitation facilities are rarely provided in the areas where tea pickers live, leading to high rates of water-borne illnesses.

Photo: Jon Spaull

Although overtime is paid, payment is determined by management and it is never explained to workers how this is calculated.

Women face the burden of responsibility for the housework and child care in addition to their employment. Female interviewees describe rising before dawn to tend to their households and then setting out to spend all day labouring in the fields.

Working hours in India are similar to those in Kenya, and women labourers again note the difficulty of performing cooking, cleaning and child care duties in addition to spending eight or more hours in the fields. Time off is very limited. Indian plantation workers are also entitled to one day of paid leave for every 20 days worked, but the workers we interviewed had never even heard of this right, let alone been granted it. Instead, they receive three and a half days off annually for major holidays. Also, despite being entitled to 14 days of paid sick leave a year, workers do not enjoy this right in practice. As one said: "If we are ill, we can stay away from work, but the principle is no work, no pay."

In addition to long hours, workers in the Kenyan tea factory describe how there is a lack of protective clothing needed to do the work safely, such as masks to prevent the inhalation of tea dust. This causes respiratory problems and headaches, but workers are not eligible for health care because they are kept on casual contracts. They are forced to bear the costs themselves. Workers also report that injuries result in dismissal, and compensation is unheard of.

Similarly, Indian tea estates provide inappropriate or poor quality protective equipment such as coats, shoes and masks which are not suitable for use in a tropical climate. Workers at the Indian estate were seen using pesticide spraying equipment without any protective gear whatsoever.

Poor living conditions

Living conditions for tea workers are poor in both Kenya and India. In Kenya, the tea factory supplying British supermarkets only provides housing for a few workers, mostly management. All other workers rent in the nearby market village. Houses are small, with whole families crowded into one room.

In India, plantations are required by the Plantation Labour Act to provide accommodation for their workers, along with medical care, education facilities, safe water and benefits like sick leave.[19] Whilst housing is provided, it is of poor quality and in need of maintenance.

Decent sanitation facilities and a lack of safe water are also major problems. In Kenya, the only sanitation facilities are pit latrines, which can foster water-borne diseases. Indian workers do not even have these basic facilities and have to use open ground, which further jeopardises their health. Water safety is another concern for workers. Only those Kenyan workers who live in the factory have access to piped water. All other workers have to get their water from the river, where the risk of contamination is high. The Indian workers fare badly again, as access to safe drinking water is an acute problem.

Because of the Plantation Labour Act, the conditions found at the Indian estate directly violate Indian law. A major study that interviewed 920 families in 25% of the tea gardens in Assam found that the same regrettable conditions were the norm rather than the exception.[20] The children of tea workers in Assam suffer due to their parents' low wages and miserable living conditions, as evidenced by the high prevalence of malnutrition.

Even worse than their current situation is the fact that these circumstances deprive children of an education that might enable them to break the cycle of grinding poverty. Under Indian law, plantations must provide educational facilities, canteens, crèches and so on. The failure to provide educational and support facilities condemns tea workers and their children to a future of poverty. Without schools on the estate, parents must find money for school fees and children have to walk many kilometres to school. A mother explains:

My children go to school. I could afford to put them in school only because I sold hariya [local liquor]. Otherwise, with our wages, how can we afford to send children to school? I had to pay Rs 160 [£2.05] just for his admission. The management does not give any educational support. Only God is helping us to educate our children.

Girls are not sent to school at all, which means that most are illiterate, while boys rarely complete their education.

Parents in Kenya struggle similarly to stretch their meagre wages to cover school fees. With government subsidies most children can attend primary school, where fees typically are around 3,000 KES a year. Secondary education school fees are almost 20,000 KES a year, which is equivalent to at least four months' wages, so as a consequence most children have to drop out.

Take action

It has been nearly 40 years since War on Want first highlighted the exploitation of tea workers in its report *The State of Tea*. That report focused on Sri Lanka and found that workers struggled on low wages, were exposed to unsafe conditions and lived in substandard housing. With this new report on the tea estates in India and Kenya supplying British supermarkets, we find a situation that has hardly changed. Workers continue to struggle on poverty wages and are exposed to deplorable living and working conditions.

This report reveals the continuing failure of UK retailers to improve the conditions of workers employed by businesses in their supply chains, despite their repeated claims to be addressing the issue. With British supermarkets unwilling to clean up their act, War on Want and other allied organisations have been fighting for an independent watchdog to oversee their business practices overseas. In a major campaign victory, each of Britain's three major political parties has now pledged support for a supermarket ombudsman. But there is much still to do to win rights for overseas workers in supermarket supply chains.

We are asking all readers to take the following actions to ensure that the rights of tea workers are respected:

1. Call on the UK government

It is clear that voluntary codes of conduct for corporations have failed. The government must implement a binding regulatory framework to ensure the rights of overseas workers are protected. We are asking our supporters to demand that the government regulate UK companies and adopt legislation enabling overseas workers to seek justice in the UK when they suffer from exploitative buying practices.

One way to ensure greater corporate accountability is to establish a Commission for Business, Human Rights & Environment. This commission, which has been endorsed by the Joint Parliamentary Committee on Human Rights, would have the authority to investigate and prosecute human rights abuses, including those committed against workers.

Write to Ken Clarke QC, Lord Chancellor and Secretary of State for Justice, calling on the government to set up a Commission for Business, Human Rights & Environment. You can contact the Ministry of Justice at 102 Petty France, London SW1H 9AJ.

2. Write to British supermarkets

Unite the Union has been a leader in the campaign for the rights of workers in supermarket supply chains. Unite earned a major victory in March 2010 when Asda, one of Britain's largest retailers, signed on to a joint initiative with the trade union to put an end to unfair treatment of workers supplying the supermarket with meat and poultry products.

You can help ensure that the rights of tea workers are protected by writing to supermarket chief executives.

Demand that supermarkets take responsibility for all workers employed by their businesses in their supply chains – wherever they work – by signing Unite's Minimum Standards Agreement, which includes:

- Ending workplace discrimination;
- Eliminating harassment or bullying of workers;
- Ceasing the practice of suppliers using contract labour to effectively deny workers basic rights;
- Giving temporary and agency workers the same benefits as permanent workers; and
- Affording workers engaged on temporary contracts full employment protection rights.

To contact Sainsbury's, write to:
Justin King, Chief Executive
J Sainsbury Plc, 33 Holborn
London EC1N 2HT.

To contact Tesco, write to:
Terry Leahy, Chief Executive
New Tesco House, Delamare Road
Cheshunt, Hertfordshire EN8 9SL.

To contact Waitrose, write to:
Mark Price, Managing Director
Waitrose Limited, Doncastle Road
Bracknell RG12 8YA.

To contact Morrison's, write to:
Dalton Philips, Chief Executive
Hilmore House, Gain Lane
Bradford BD3 7DL.

3. Join us!

War on Want relies on your contributions to continue campaigning for workers' rights. Become a member today – you can join our movement online at **www.waronwant.org/joinus**

How the research was conducted

War on Want's researchers conducted in-depth interviews with tea workers in central Kenya from September to October 2009. A total of 22 workers were interviewed, including 14 tea pickers who pick tea for a factory supplying tea sold in UK supermarkets, and eight workers from the factory itself. Workers were selected using a snowballing technique in which one picker and one factory worker were initially identified and each subsequent respondent was asked to name another worker. In total 14 women and eight men participated, which corresponds with the gender breakdown in Kenya's agricultural workforce.

The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF) represents millions of workers worldwide employed in food supply chains. The IUF campaigns against the exploitation of tea workers, in India and Pakistan. In India, IUF researchers visited the plantation supplying tea sold in UK supermarkets on two occasions, where they spoke with over 30 workers and visited and photographed the facilities. The focus of this research was on violations of the Plantation Labour Act.

All names in this report have been changed in order to protect the identity of the workers concerned.

Notes

1. *The State of Tea: A War on Want Investigation into Sri Lanka's Tea Industry and the Plight of the Estate Workers*, War on Want, London, 1974

2. UK Tea Council, *Tea Glossary and Faq's*, 2010

3. Sanne van der Wal, *Sustainability Issues in the Tea Sector: A Comparative Analysis of Six Leading Producing Countries*, Centre for Research on Multinational Corporations (SOMO), Amsterdam, 2008

4. The tea industries are structured differently in Kenya and India. In Kenya, smallholders account for 60% of production. They are overseen by the Kenya Tea Development Agency Limited (KTDA), which owns 59 factories throughout the country. In India, large plantations account for 74% of tea produced. Tea Board of India, *Production of Tea in India*, 2009; and *Apeejay Surrendra Tea*, Apeejay Group, 2010

5. *Kenya Tea Production Improves in November*, Capital Business, December 2009; *Exports of Tea from India*, Tea Board of India, 2009

6. van der Wal, *Sustainability Issues in the Tea Sector*, SOMO, 2008

7. Mintel, 'Tea and Herbal Tea', *Market Intelligence*, London, 2009

8. Value added in the tea supply chain, adapted from: van der Wal, *Sustainability Issues in the Tea Sector*, SOMO, 2008

9. Production costs are estimated to account for 8% of the retail price of tea, and include labour, input, transport costs, etc as well as profit. M. Vander Stichele and S. van der Wal, *The Profit Behind Your Plate: Critical Issues in the Processed Food Industry*, Centre for Research on Multinational Corporations (SOMO), Amsterdam, 2006

10. Many supermarkets are signatories to the Ethical Trading Initiative base code, which includes a commitment to paying workers a living wage.

11. Email correspondence with Kenyan Plantation and Agricultural Workers Union, 11 February 2010.

12. G. K. Medhi et al., 'Study of Health Problems and Nutritional Status of Tea Garden Population of Assam', *Indian Journal of Medical Sciences 60*, vol 60, no 12 (2006)

13. John Vidal, 'The last nomads: drought drives Kenya's herders to the brink', *The Guardian*, 3 September 2009

14. Jefferey Gettleman, 'Lush land dries up, withering Kenya's hopes', *The New York Times*, 8 September 2009

15. John Vidal, 'Climate change is here, it is a reality', *The Guardian*, 22 September 2009

16. van der Wal, *Sustainability Issues in the Tea Sector*, SOMO, 2008

17. Vander Stichele and van der Wal, *The Profit Behind Your Plate*, SOMO, 2006

18. All conversions in the report are calculated using the prevailing exchange rate during the period interviews were conducted. For Kenyan shillings (KES), the average September and October 2009 rate of 126.53 KES/GBP is used. For Indian rupees (Rs), the average June 2009 rate of 78.94 Rs/GBP is used.

19. The legislation that governs working conditions on tea estates in India is the Plantation Labour Act of 1951. The major provisions include that plantations must provide: housing for each worker; medical facilities; educational facilities; sufficient and clean drinking water; sickness and maternity benefits; and canteens, crèches and recreational facilities. The cost of social service provision impacts plantations' profit margins, and they argue that the government should assume responsibility instead. These requirements have also been cited as a reason for companies' abandoning plantations in favour of branding and marketing tea. In the meantime, as our research shows, plantations either have substandard facilities or fail to provide them altogether. There is no effective monitoring or enforcement to ensure the minimum legal standards for workers' conditions.

20. Gita Bharali, 'The Tea Crisis, Heath Insecurity and Plantation Labourers' Unrest', in *Society, Social Change and Sustainable Development*, North Bengal University, 2007

Published: July 2010

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Company limited by guarantee
Reg No. 629916
Charity No. 208724

Printed on recycled paper

Design **www.wave.coop**

War on Want

War on Want fights poverty in developing countries in partnership and solidarity with people affected by globalisation. We campaign for human rights, especially workers' rights, and against the root causes of global poverty, inequality and injustice.

Cover picture: A female tea picker on an estate near Kerugoya, Kenya   Picture: Jon Spaull

This report has been produced with the financial assistance of the European Union. The contents of the report are the sole responsibility of War on Want and can under no circumstances be regarded as reflecting the position of the European Union.

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