

# Labour exploitation is endemic in global tea and cocoa industries, international study finds

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Credit: University of Sheffield

Labour exploitation including forced labour is endemic at the base of global tea and cocoa supply chains, according to a pioneering international study published by researchers at the University of

Sheffield today (31 May 2018).

The two-year Global Business of Forced Labour study investigated the business models of forced [labour](#) in global tea and cocoa supply chains. Forced labour is work brought about by physical, psychological or economic coercion.

Extensive on-the-ground research with the cocoa industry in Ghana and the tea industry in India revealed agricultural workers are paid severely low wages and are routinely subjected to multiple forms of exploitation. The project involved in-depth interviews with more than 120 tea and cocoa workers, a survey of over 1,000 tea and cocoa workers from 22 tea plantations in India and 74 cocoa communities in Ghana, and over 100 interviews with business and government actors.

The study also found that prominent ethical certification schemes are failing to create working environments that are free from exploitation and forced labour.

Professor Genevieve LeBaron, Professor of Politics and Co-Director of the Sheffield Political Economy Research Institute (SPERI) at the University of Sheffield, led the project.

She said: "Tea and cocoa products are staple household items made and sold by some of the world's largest brands. But at the base of the global supply chains that put these products on our shelves are highly exploited tea and cocoa workers who are routinely subjected to abuse and living far below the poverty line.

"The prevalence of forced labour in tea and cocoa supply chains should be a wake-up call for government, industry and auditors."

Key findings and statistics from the project include:

- There are widespread patterns of labour abuse in tea and cocoa supply chains feeding UK markets. Low prices and irresponsible sourcing practices create high profits for retail and brand firms but this creates a strong and systemic business 'demand' for cheap and forced labour.
- The project found evidence of abuse including: sexual violence; verbal abuse; threats of violence; threats of dismissal; debt bondage; the under-provision of legally mandated goods and services including housing, sanitation, water, food and medical care; non and under-payment of wages; and requirements to complete unpaid labour as a condition of employment.
- Employers profit from forced labour by using it to reduce the cost of business. The study finds evidence that employers in the tea industry systematically under-pay wages and under-provide legally-mandated essential services such as drinking water and toilets. In the cocoa industry employers cut costs by under-paying wages and creating situations of debt bondage.
- Although chocolate and tea companies are highly profitable, workers at the base of their supply chains live far below the poverty line. Tea workers' wages in India are as low as 25 per cent of the poverty line amount and cocoa workers' wages in Ghana are around 30 per cent of the [poverty line](#) amount.
- 40 per cent of tea workers within the study have had unfair deductions made from their wages.
- 47 per cent of tea workers within the study do not have access to water that is safe to drink.
- 23 per cent of cocoa workers within the study have performed work they were not paid for.
- 95 per cent of cocoa workers within the study did not know whether the farm they were working on was certified or not.

Tea and cocoa supply chains are covered by well-known ethical auditing and certification schemes which set standards for workers around basic

services, fair treatment, wages and debt, health and safety, and workers' rights. The research found that these schemes are failing to prevent labour exploitation and standards are routinely violated by employers.

The study included tea plantations certified by Fairtrade, Rainforest Alliance, Ethical Trade Partnership, and Trustea, and cocoa producers who are members of the Fairtrade and UTZ certified co-operative, Kuapa Kokoo.

In the tea industry little difference was found in labour standards, including wage levels, between certified and non-certified tea plantations, with certified plantations faring worse than non-certified plantations against some indicators of labour abuse and unfair treatment.

Workers reported they are instructed to alter their working practices to meet standards during audits by certifiers, but are then asked to revert to breaking standards the following day, suggesting that producers are cheating audits and inspections. In cocoa, 95 per cent of workers within the study did not know whether their worksite was certified or not. There is extensive confusion amongst producers about how certification operates and whether or not they were certified.

Professor Genevieve LeBaron said: "The exploitation we document is not randomly occurring abuse by a few 'bad apples'. Instead it is the result of structural dynamics of how global agricultural supply chains are organised.

"Highly profitable companies at the helm of these supply chains exert heavy price pressure on suppliers. This puts extreme pressure on tea and [cocoa](#) producers to cut costs and creates a business 'demand' for cheap, and sometimes forced labour."

She added: "Ethical certification schemes are failing to tackle this demand. Some of the worst cases of exploitation documented within our

research occurred on ethically certified plantations.

"To address the root cause of forced labour in global agricultural production, government, industry and workers' organisation should ensure living wages are paid to all workers in supply chains, strengthen labour enforcement and involve workers in efforts to tackle forced labour."

**More information:** Targeted recommendations for policymakers, business and certification organisations are provided in a series of policy briefs that accompany the report. They are available to download at [globalbusinessofforcedlabour.ac.uk/policybriefs/](https://globalbusinessofforcedlabour.ac.uk/policybriefs/)

Provided by University of Sheffield

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