

THE GLOBAL BUSINESS OF
**FORCED
LABOUR**

REPORT OF FINDINGS

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The Sheffield Political Economy Research Institute (SPERI) at the University of Sheffield brings together leading international researchers, policy-makers, journalists and opinion formers to develop new ways of thinking about the economic and political challenges. SPERI's goal is to shape and lead the debate on how to build a just and sustainable global political economy.

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Executive Summary

About

The era of globalisation has been characterised by a growth of the world's biggest retail and brand companies, coupled with a deepened concern regarding the presence of forced labour in global supply chains. Indeed, one of the gravest and growing risks that brand companies face is the use of forced labour, human trafficking, or other illegal labour practices within their supply chain.

Research on this topic has focused almost entirely on the big brand businesses at the top of the supply chain, rather than the worksites that actually deploy and manage forced labour and exploitation, which usually involve much smaller and more informal business actors. However, the overwhelming and singular focus on multi-national corporations (MNCs) at the top of supply chains has hindered our understanding of some of the broader patterns surrounding the business dynamics of forced labour in the global economy.

Designed to address this gap, the Global Business of Forced Labour project is a first-of-its kind international research study investigating the business models of forced labour in global agricultural supply chains. The project has systematically mapped the business of forced labour, focusing on case studies of cocoa and tea supply chains.

Through extensive primary research in the cocoa industry in Ghana and the tea industry in India and with domestic and international business actors, the project generated an original dataset that sheds light on the drivers and patterns of forced labour in agricultural supply chains feeding UK markets. This dataset includes in-depth interviews with over 120 tea and cocoa workers, a survey of over 1000 tea and cocoa workers, and over 100 interviews with business and government actors.

Summary of Findings

Business of Forced Labour

- There is a coherent pattern of labour exploitation including forced labour at the base of global tea and cocoa supply chains.
- Tea and cocoa businesses profit from forced labour and exploitation in two main ways:
 - Employers use forced labour to reduce their costs of doing business.
 - Our research uncovers that employers systematically under-pay wages and under-provide legally-mandated essential services for workers. Employers are legally required to provide basic services for tea workers on permanent contracts and their families. However, our study found that 47% of tea workers do not have access to potable water and 26% do not have access to a toilet. Workers also reported being charged by employers for services like electricity but not receiving these.
 - In the cocoa industry, employers seek to cut costs through a complex system of financial calculations, including fines (e.g. for failing to carry out mandatory unpaid labour), fees (e.g. for obtaining a job on a cocoa farm), and deductions (e.g. for costs of inputs like pesticides and safety equipment) to systematically under-pay workers and create situations of debt bondage.
 - In both industries, these widespread forms of exploitation are also sometimes accompanied by physical violence, threats, verbal abuse, and/or sexual violence.

- Employers use forced labour to generate revenue.
 - In the tea industry, employers seek to generate revenue by lending money or providing services to workers and charging high interest on debts, thus engendering situations of debt bondage. Situations of debt bondage are closely linked to the under-provision of services; most tea workers reported borrowing money to pay for food or medical care (which employers are legally required to provide).
 - In the cocoa industry, employers seek to profit by forcing workers to carry out additional labour beyond the agreed terms and conditions of the work, such as working for free on the employer's other farmlands for periods as long as three months. Failure to perform this involuntary labour results in deductions from the worker's wages, fines, threats, or even dismissal.
 - In both industries, these widespread forms of exploitation are also sometimes accompanied by physical violence, threats, verbal abuse, and/or sexual violence.
- Workers face severe constraints on their ability to exit exploitative tea plantations and cocoa farms.
- Although chocolate and tea companies are highly profitable, the tea and cocoa workers at the base of their supply chains are living far below the poverty line and are routinely subjected to abuse. According to the World Bank, the poverty line for lower middle-income countries such as Ghana and India is \$3.20 (£2.35) per day. Tea workers' wages in India are as low as 25% of the poverty line amount and cocoa workers' wages are around 30% of the poverty line amount.
- Producers – tea plantation owners and cocoa farmers – claim they do not receive enough payment for their products to obey labour laws and pay the minimum wage.

Gaps in Global Supply Chain Governance

- Tea and cocoa supply chains are already covered by several prevailing government and industry initiatives to address and prevent forced labour in global supply chains. Our research confirmed that these solutions are falling short of their goals.
- Ethical certification schemes are largely ineffective in combatting labour exploitation and forced labour in tea and cocoa supply chains.
 - Our 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. These schemes set standards around basic services, fair treatment, wages and debt, health and safety, and workers' rights. However, we found that these standards are routinely violated by employers.
 - Overall, we found that certification had little to no impact on labour standards within the tea industry. Some of the worst cases of exploitation documented within our research occurred on ethically certified plantations.
 - Workers told us that they are instructed to alter their working practices (e.g. in relation to safety equipment) to meet standards during annual audits by certifiers, but are then asked to revert to breaking standards the following day, suggesting that producers are cheating audits and inspections.
 - Most workers in our study did not know whether or not they worked on certified worksites. In cocoa, 95% of workers did not know whether their worksite was certified or not. We also found extensive confusion amongst producers about how certification operates and whether or not they were certified. One producer reported that the labour standards for his farm's certified and non-certified bags of cocoa are the same.

-
- Ethical certification schemes tend to contain loopholes that create exceptions related to the most vulnerable workers within each industry. For example, in cocoa, some certifiers do not include hired labour in their assessment standards, that is, workers employed by farm owners to work on a seasonal, contract, or daily basis. As one certifier explained, hired labour in cocoa is 'an area where I would say no standard can really reach as of now'.
 - When interviewed about these gaps and challenges, certifiers repeatedly claimed that their standards do not provide a guarantee that they are being met. According to one certifier, 'there is no guarantee. We don't use the word guarantee'. In this light, the way ethical certification schemes are portrayed to consumers needs to be revisited.

Recommendations

- Policymakers, business actors, and civil society should recognise that the business dynamics of forced labour cannot be understood through a criminal justice lens. Rather than resulting from a few 'bad apple' employers, the business of forced labour is widespread at the base of global supply chains and is bound up with broader structural dynamics that create a business demand for labour exploitation.
- Policymakers, business actors, and civil society should appreciate that the business of forced labour is driven by uneven value distribution along supply chains, including the low prices that producers receive for their products compared to the high profits of retail and brand firms, as well as irresponsible purchasing practices. Unless these core drivers of forced labour are tackled, efforts to address forced labour in supply chains are likely to fall short.
- At present, prominent initiatives to address forced labour in supply chains are falling short of their claims and objectives. Most are not tackling the root causes of forced labour. Government, industry, and workers' organisations should take stock of these failings and collaborate towards stronger state and worker-led regulatory initiatives that address the root causes of forced labour in global agricultural production. These should centre around:
 - Ensuring living wages for workers across all tiers of the supply chains;
 - Worker-driven corporate social responsibility programs that give workers a central and meaningful role in solutions to the problem of forced labour in supply chains;
 - Stronger state-based enforcement of labour standards;
 - Redistribution of value along the supply chain.

Targeted recommendations for policymakers, business, and certification organisations are laid out in a policy briefs series that accompanies this report.


THE GLOBAL BUSINESS OF FORCED LABOUR


Research findings BY THE NUMBERS


40% of tea workers have had unfair deductions made from their wages.

Average Daily Earnings by Region:



47% of tea workers do not have access to potable water. 

26% of tea workers do not have access to a toilet. 

24% of tea workers do not have reliable electricity. 

54% of tea workers have gone into debt.*

**Workers who have taken out loans experience higher levels of abuse and exploitation.*

59% of tea workers have no savings.

TEA

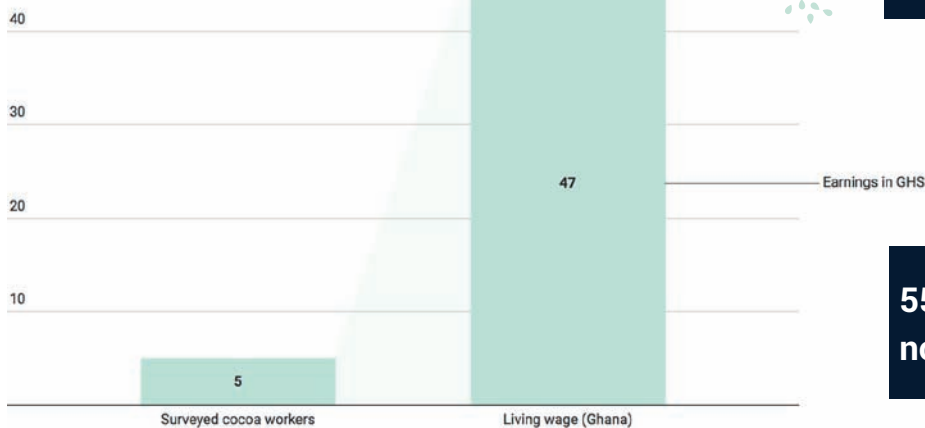
Over 15% of tea workers have had their benefits withheld by management.




COCOA

23% of cocoa workers have performed work they were not paid for.

Average Daily Earnings:



95% of cocoa workers did not know whether the farm they were working on was certified or not. 

60% of cocoa workers have gone into debt. †

† Workers who have taken out loans were often charged 100% interest.

55% of cocoa workers have no savings.

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Acronyms

BCI	Better Cotton Initiative
CAO	Compliance Advisor Ombudsman
CMB	Ghana Cocoa Marketing Board
CSR	Corporate Social Responsibility
ESRC	Economic and Social Research Council
FSC	Forest Stewardship Council
FY	Fiscal year
GSC	Global Supply Chain
IFC	International Finance Corporation
IMF	International Monetary Fund
ILO	International Labour Organization
INGO	International Non-Governmental Organization
MIGA	Multilateral Investment Guarantee Agency
MNC	Multi-National Corporation
NDMW	National Daily Minimum Wage (Ghana)
PLA	India Plantation Labour Act 1951
RA	Rainforest Alliance
RSPO	Certified Sustainable Palm Oil
SAN	Sustainable Agriculture Network
UK	United Kingdom
UN	United Nations
US	United States

Currencies

USD	United States Dollar (\$)
Rs	Indian Rupee (₹)
GHS	Ghanaian Cedi (¢)
GBP	British Pound (£)

1. Introduction

The era of globalisation has been characterised by a growth of the world's biggest retail and brand companies, coupled with a deepened concern regarding the presence of forced labour in global supply chains. Instead of employing their own workforces, many companies coordinate the production of goods through commercial contracts with thousands of arms-length supplier firms. For instance, Walmart, the world's largest retail company, has over 100,000 direct suppliers, who in turn source from hundreds of thousands of their own suppliers. As such, it has become increasingly difficult for government and industry to govern the labour standards of thousands of distant global supply chain partners. One of the gravest and growing risks that brand companies face is the use of forced labour, human trafficking, or other illegal labour practices within their supply chain: according to the International Labour Organization (ILO), at least 16 million people were in situations of forced labour in the private economy in 2016.¹

As calls for corporate accountability and responsibility are increasing, governments have passed laws – such as the 2015 Modern Slavery Act in the UK – to spur corporate action, requiring large companies to report on any efforts they are undertaking to address forced labour and human trafficking in their global supply chains.² As a result, brand companies are racing to enact and strengthen initiatives to prevent and address the use of forced labour, through ethical auditing and certification schemes, as well as corporate codes of conduct and supplier training programs, to name a few.

Amidst this flurry of activity, it is easy to forget one crucial reality: we still know very little about how the global business of forced labour actually operates. Research on this topic is in its early stages and has focused almost entirely on the big brand businesses at the top of the supply chain, rather than the worksites that actually deploy and manage forced labour and exploitation, which usually involve much smaller and more informal business actors. Indeed, scholars have focused on describing the dynamics of forced labour and exploitation within big brand-led chains that supply wealthy Western consumers and have debated the role, power, and responsibility of big brand multinational corporations (MNCs) to address exploitation. This focus has been mirrored in activist and advocacy efforts, which have similarly zeroed in on MNCs and their direct suppliers, with less attention to the sub-tiers of these chains.

The focus on MNCs has, no doubt, been an effective strategy for organisations drawing attention to the issue of labour exploitation in global supply chains. However, the overwhelming and singular focus on MNCs at the top of supply chains has hindered our understanding of some of the broader patterns surrounding the business dynamics of forced labour in the global economy, e.g. why forced labour is more common in some portions of the supply chain rather than in others; why forced labour is used by some business actors but not others; and whether and to what extent forced labour is also a problem in non-branded and/or domestic supply chains.³ It has also obscured the role and agency of other business actors along the supply chain in perpetrating abuse. As a consequence, we still know

Detecting and eradicating forced labour within the global economy crucially depends on enhancing our understanding of its business dynamics and how profits are derived from it.

1 International Labour Organization et al. (2017) 'The Global Estimates of Forced Labour', Geneva: ILO, 10. https://www.alliance87.org/global_estimates_of_modern_slavery-forced_labour_and_forced_marriage.pdf

2 N. Phillips et al. (2018) 'Mapping and Measuring the Effectiveness of Labour-related Disclosure Requirements for Global Supply Chains', Geneva: ILO.

3 See also: G. LeBaron & A. Crane (2018) 'Methodological challenges in the business of forced labour', in LeBaron G. (ed.) *Researching Forced Labour in the Global Economy: Methodological Challenges and Advances*, Oxford: Oxford University Press, Proceedings of the British Academy series. (forthcoming); A. Crane et al. (2017) 'Governance gaps in eradicating forced labour: From global to domestic supply chains', *Regulation & Governance*, <https://onlinelibrary.wiley.com/doi/epdf/10.1111/rego.12162>.

very little about the businesses that perpetrate forced labour within supply chains, or how patterns of forced labour differ across sectors and businesses of different sizes, geographic location, ownership structures, and certification status. In short, we lack a clear understanding of how the business of forced labour operates on the ground at the base of global supply chains. Yet, detecting and eradicating forced labour within the global economy crucially depends on enhancing our understanding of its business dynamics and how profits are derived from it.

This report presents the findings of a project that was designed to address this gap in currently available research, by analysing the business of forced labour within global agricultural supply chains. The Global Business of Forced Labour project – funded by the UK Economic and Social Research Council (ESRC) and based at the University of Sheffield (2016–2019) – is a first-of-its-kind study that systematically maps the global business of forced labour, focusing on the sectors of cocoa and tea. It does so through extensive qualitative research with workers and domestic and international business actors along the supply chain, which has resulted in a new primary data set to shed light into the business of forced labour. The dataset consists of:

- A survey of 536 tea workers from across 22 tea plantations;
- A survey of 497 cocoa workers from across 74 cocoa communities;
- Interviews with 61 tea workers;
- Interviews with 60 cocoa workers;
- Interviews with 19 international business actors, including executives of MNCs and certification and auditing firms;
- Interviews with 25 domestic business actors, including tea plantation and cocoa farm owners and managers, buyers, packagers, exporters, and industry associations;
- Interviews with 28 government and international organisation officers;
- Interviews with 40 experts from civil society, trade unions, and academia;
- Export data linking products to the UK market;
- A thorough review of existing research.

This report analyses the patterns of forced labour in cocoa and tea supply chains and the effectiveness of key business and government initiatives in combatting it. By way of conclusion, it offers recommendations for business and government to strengthen approaches to address and prevent forced labour in supply chains.

This report is necessarily a partial and preliminary report of our findings; it simply isn't possible to provide full coverage of 233 interviews, a 1033-person survey, export data, and documentary sources within this brief report. The report emphasises workers' perspectives, since these have been almost completely sidelined from discussions and debates about combatting forced labour in supply chains to date. Future publications will emphasise the perspectives of other supply chain actors.

1.1 Project Goals

The overall goals of the Global Business of Forced Labour project are fourfold:

1. To systematically map and compare the business models of forced labour, as these manifest within the cocoa and tea supply chains that provide chocolate and tea to UK consumers. How does forced labour manifest at the base of these supply chains, and how do businesses profit from it?
2. To analyse the patterns surrounding forced labour and exploitation in cocoa and tea supply chains, including how variation in business ownership, size, location, and certification status impact on labour standards for tea and cocoa workers. What kinds of businesses use forced labour and exploitation, and what factors trigger the business demand for it?

3. To evaluate the effectiveness of proliferating anti-slavery laws and corporate social responsibility initiatives in combating the business of forced labour. How successful are initiatives like ethical certification in preventing and addressing forced labour and exploitation?
4. To understand workers' experiences of forced labour and exploitation in cocoa and tea supply chains. Are workers' perspectives and concerns being addressed in global governance efforts to combat forced labour in supply chains?

1.2 Case Studies

This study focuses on agriculture because existing data suggests that a sizable proportion of workers experiencing forced labour are concentrated within the agricultural sector.⁴ The global agriculture sector is estimated to represent close to 10% of global GDP, employs over one billion workers worldwide, and 'remains the single most important employer in low-income countries'.⁵ Despite this, the sector has been routinely understudied within existing research on labour standards and exploitation in comparison to manufacturing sectors like garments and footwear.

Tea and cocoa were selected as case studies for five key reasons. First, both are staple household commodities within the UK, and therefore fulfil the need to ensure the relevance of the study to the UK context. Second, UK-based MNCs are major players in both industries. Third, each sector is covered by both an established existing policy framework and voluntary multi-stakeholder initiatives designed to combat forced labour. Fourth, while the actors and structures of industries are shaped by unique national contexts within each case study, the supply chains are comparable for the reasons outlined above and because both are primary agricultural commodities produced for export. Finally, severe labour exploitation has been widely documented in the context of both industries according to existing research.

India and Ghana were the countries selected for these case studies due to their comparability, as well as their important roles in the global tea and cocoa markets. India is the second largest producer of tea in the world, having produced 1,278.83 million kg in 2017,⁶ of which 240.7 million kg were exported.⁷ While China is indeed the largest producer, India was selected due to the value and importance of its tea exports to the UK market, as well as the availability of official government data on the industry in English. Ghana is the second largest exporter of cocoa in the world, representing 21% of global production, following Cote D'Ivoire. However, Ghana was selected because it makes for a stronger comparison with India given the countries' shared history of British colonial rule. Case studies of tea in India and cocoa in Ghana also allow for a rich comparison of diverse state development strategies – with one anchored in market-openness and the other in protectionism – as well as across an industry dominated by large producers (tea) and one comprised largely of smallholder farmers (cocoa). In both cases, the agricultural commodity being studied is key to national economic success.

1.3 Methodology

The research presented in this report was undertaken by a team led by Genevieve LeBaron, Professor of Politics at the University of Sheffield, and funded by the UK ESRC (grant ES/N001192/1). Over the course of the project, research has been supported by three postdoctoral research associates with extensive experience in anthropological research methods: E. Gore, P. Roberts, and N. Howard. It has been further supported by a team of experienced local research consultants in India and Ghana, including: D. Ottie-Boakye, O. Afrane, P. Ekka, H. Hasna, A. Arunkumar, R. Goswami,

4 International Labour Organization et al. (2017) 'The Global Estimates of Forced Labour', 11; 32; 34.

5 UN FAO (2018), 'The challenge of employment in the 21st century: The potential for jobs in the agricultural and food systems', Rome: FAO, 1. <http://www.fao.org/3/I8625en/I8625EN.pdf>

6 PS Sundar (2018) '2017 tea output at a record high, despite a dip in North', The Hindu Times. <https://www.thehindubusinessline.com/economy/agri-business/2017-tea-output-at-a-record-high-despite-a-dip-in-north/article22635013.ece>

7 PTI (2018) 'India's tea exports reach record 240.7 million kgs in 2017', The Hindu Times. <https://www.thehindubusinessline.com/economy/agri-business/indias-tea-exports-reach-record-2407-million-kgs-in-2017/article22675554.ece>

M. Rahman, H. Sarkar, V. Ampiah and J. Nyarko. The research consultants brought extensive subject matter expertise, research experience, as well as language and translation skills to the project; most are PhD candidates at Indian or Ghanaian universities.

Researching the business of forced labour is notoriously complex and rife with practical, political, ethical, analytical, linguistic, and methodological challenges.⁸ Fusing innovative methods drawn from management studies and anthropology, this project has combined multiple qualitative methods – including supply chain mapping, ethnographic research, and interviews – with a mixed quantitative-qualitative survey. The project was designed to achieve an understanding of the business of forced labour on the ground as well as to shed light into the top-down dynamics and initiatives that create the context in which forced labour and exploitation are able to thrive.

Our overall approach was to begin at the base of the supply chain and to then move 'up': first by building an understanding of the reality of labour conditions on the ground; then honing in on the business to business relationships within the supply chain; and finally, analysing the implementation gaps that allow for exploitative practices to be widespread at the base of supply chains (in spite of company policies and procedures prohibiting exploitation). Importantly, this is not a 'name-and-shame' study, meaning that the report focuses on the broader patterns within the cocoa and tea industries, rather than the practices of specific companies. Every effort has been made to anonymise company and plantation-level data, as well as the names of all interviewees at their request. Research began in April 2016 and extended over two years through April 2018. It unfolded in five phases, outlined below.

Phase 1: April–October 2016

The first phase of research was desk-based and entailed an analysis of the economic context and the mapping of tea and cocoa supply chains, using company and supply chain data obtained through Factset, as well as data from the World Bank's Enterprise Surveys. It also involved a comprehensive literature review of existing research and documentary analysis, which focused on collecting and analysing relevant secondary data on forced labour in the tea and cocoa sectors. Data sources included: 1) company reports, including annual reports from chocolate and tea companies; 2) Existing data on labour and livelihood standards in the tea and cocoa industries; 3) documents from advocacy, government, and international organisations shedding light into relevant and ongoing anti-slavery initiatives in the tea and cocoa sectors; 4) court documents from India, Ghana, and the UK detailing complaints against business actors in the tea and cocoa industries; 5) documentation from certifiers and standard-setting organisations, detailing their certification protocol, code of conduct, and chain of custody; and 6) English-language press/media reports covering instances of labour exploitation in the sectors, focusing on reports that took place between 2010–2016. Finally, we undertook scoping interviews with experts on the tea and cocoa industry and forced labour to seek input for our research design and fieldwork plans. Our research design and interview questionnaires incorporated these experts' suggestions and feedback.

Phase 2: October–December 2016

The second phase of research consisted of two field-based pilot studies, one in India and one in Ghana. These pilot studies involved conversations with experts who had first-hand knowledge of labour exploitation within the tea and cocoa industries, which included trade unions, certifiers, ethical auditors, and workers' and migrants' rights organisations. These discussions generated insights into the overall patterns of forced labour and exploitation in both industries, which informed the interview guides and survey questionnaires in subsequent phases of research. The pilot studies also allowed us to confirm the suitability of our sampling and site selection strategy.

⁸ G. LeBaron (ed.) (2018) *Researching Forced Labour in the Global Economy: Methodological Challenges and Advances*, Oxford: Oxford University Press, *Proceedings of the British Academy* series. (forthcoming)

Phase 3: January–July 2017

The third phase of our research focused on tea plantations in two regions of India, Assam and Kerala. These regions were selected because of their significance to the global tea industry ([see section 2.1](#)) and because secondary data had documented severe exploitation within these regions. We constructed samples for the Assam and Kerala surveys (N= 536) and interviews (N= 61) in a structured and random way. For the Assam survey, we consulted with local researchers about which plantations could be realistically accessed. While tea labour lines are open to the public under the Plantations Labour Act, many tea plantations are highly remote and challenging to access. This research produced a list of 40 plantations. Because we were interested in variation across ownership models and product destinations, we broke this list down into sites owned or controlled by MNCs and those owned or controlled by India-based businesses or the government. And in order to analyse variation across certification scheme, we searched company websites (triangulating with certifier websites where possible) to obtain information on plantations' certification status. We then used a random number generator to select six plantations from each of the MNC and non-MNC lists. In Kerala, we followed a similar strategy. First, we consulted with local researchers who advised on the accessibility of plantations, which produced a list of 39 plantations. We then used a random number generator to select six plantations from each of the MNC and non-MNC lists. Local researchers collected survey data using Kobo Toolbox, a free open-source tool for mobile data collection launched by the Harvard Humanitarian Initiative in collaboration with the United Nations, on tablets and mobile phones. We selected plantations for worker interviews from within the survey samples using purposive sampling.

Following a period of participant observation and immersion, ethnographic interviews were conducted with tea workers. We worked with local organisations with experience in safely and ethically accessing tea workers, and with existing contacts within tea communities, to organise interviews. The interviews were held in a neutral location rather than on tea plantations with managers present, in order to minimise the potential for harm or backlash on workers participating in the research and to reduce the potential for workers to misrepresent their experiences. The interviews were semi-structured and were conducted using simultaneous interpretation. They lasted between 45 and 95 minutes, and were audio recorded and transcribed by a local transcription firm with the necessary language skills to verify the translations. The worker interviews generated quantitative information – including information about wages, productivity quotas, deductions made from pay, credit and loan dynamics with managers and money lenders, and costs of living – as well as qualitative information about working and living conditions within the tea industry. The survey allowed us to triangulate and ensure the soundness of the interview data, while also providing more information about the role and prevalence of labour exploitation within the industry across a significant number and diversity of plantations. Finally, after a period of participant observation and immersion, interviews were conducted with tea plantation managers and local tea industry associations to collect financial details on tea plantation business models as a whole – including cost and revenue structures and information about the supply chain that the tea was being sold into. We also interviewed government officials in India to understand the opportunities and challenges of enforcing labour standards in the tea industry. Our collection and triangulation of data from all of these sources shed light into patterns of why, when, and how forced labour was being used by tea producers.

Phase 4: March 2017–February 2018

The fourth phase of our research focused on cocoa. The research focused on two regions of Ghana, Western Region and Ashanti Region. These regions were selected due to their importance to the global cocoa industry ([see section 3.1](#)) and because secondary data had documented severe exploitation within these regions. In constructing our survey sample, we had planned to replicate the structured, random approach we used in India. However, unlike India where there is an online registry of tea plantations available from the Tea Board of India, Ghana has no online registry of its

cocoa communities. Cocoa is overwhelmingly grown by smallholder farmers in Ghana, who are part of cocoa communities, and permission must be obtained from community leaders before research can take place. Our team therefore worked with agricultural extension officers from Cocobod, the cocoa authority of Ghana, and with data from the Ghana Statistical Service to create our own list of cocoa districts within the Western and Ashanti regions. Accessibility evaluation indicated that only a small number of districts were accessible to our research team. We used purposive sampling to select districts which were of varying proximity to the major cities in each region, Kumasi and Sekondi-Takoradi, though it should be noted that most of the cocoa in the Western Region is grown in the north and western parts of the region, so the nearest city is Kumasi rather than Sekondi-Takoradi. This strategy also allowed us to incorporate diverse demographics, since close proximity to cities, high populations of migrant workers, and poverty had been identified as risk factors for forced labour in Ghana's cocoa industry within the secondary literature. Agricultural extension officers for the districts provided us with lists of cocoa communities within their districts, as well as lists of farmers who sell to Kuapa Kokoo (a large ethically certified cocoa-growing cooperative), broken down by cocoa community. We selected communities with the assistance of Cocobod agricultural extension officers responsible for each district, as well as academic experts at the University of Ghana, Legon, and academics at the Kwame Nkrumah University of Science and Technology in Kumasi. In selecting communities, we sought to create a balance between those comprised of farmers who were part of the Kuapa Kokoo cooperative and those who were not (though as discussed in [section 4](#), this was not straightforward). Our local researchers had experience with community entry, and we obtained permission from community leaders prior to commencing the survey or interviews.

The interviews were held on cocoa farms, since this was most convenient for workers and because, unlike tea plantations in India, managers were not present on the farms. The interviews were semi-structured and conducted using simultaneous interpretation. They lasted between 45 and 95 minutes, and were audio recorded and transcribed by local firms with the necessary language skills to verify translation. The worker interviews generated quantitative information regarding wages, productivity quotas, deductions made from pay, credit and loan dynamics with managers and money lenders, and costs of living, as well as qualitative information about working and living conditions within the cocoa industry. The survey allowed us to triangulate and ensure the soundness of the interview data and provided more information about the role and prevalence of labour exploitation within the industry across a significant sample of communities and districts. Finally, after a period of participant observation and immersion, interviews were conducted with cocoa farm owners, licensed buying companies, certifiers, and other business actors to collect financial details on the cocoa business as a whole – including cost and revenue structures and information about the supply chain that the cocoa was being sold into. We also interviewed government officials in Ghana to understand opportunities and challenges in relation to the enforcement of labour standards in the cocoa industry. Collecting and triangulating data from all of these sources shed light into patterns of why, when and how forced labour was being used by cocoa producers.

Phase 5: November 2017–March 2018

During the fifth phase of our research, we assessed the effectiveness of existing public and private anti-slavery initiatives, through interviews with international business actors and policymakers. First, we invited MNCs that sell large amounts of chocolate and tea products to be interviewed, focusing on the ten largest sellers of each by annual sales and on MNCs incorporated in the US and UK as a way of ensuring the inclusion of companies covered by anti-slavery legislation. A relatively small number of companies agreed to be interviewed. The interviews focused on understanding the opportunities and challenges that MNCs face in relation to forced labour and exploitation in tea and cocoa supply chains, and on the effectiveness of existing anti-slavery initiatives. Next, we interviewed certification and auditing firms that play a key role in both industries, as well as the broader professional associations that they belong to. These interviews shed light into the

standards, processes, and procedures for certification and auditing, as well the challenges and gaps around implementation within each industry. Because several auditing and certification firms were interviewed, they provide insights into the variation across different schemes. Finally, we interviewed national policymakers and international organisation officials responsible for modern slavery policy, labour market policy, and business and human rights. These interviews focused on the effectiveness of existing anti-slavery initiatives, on how far and in what ways corporate behaviour has changed in the wake of recent legislation, and on opportunities and challenges in enforcing public laws and standards around labour in global supply chains. All interviews were semi-structured, conducted in English, and lasted around one hour. The interviews were transcribed by a UK-based firm. Taken together, this body of data sheds light into the practical and jurisdictional challenges of governing labour standards in global supply chains, and the enforcement gaps and obstacles that allow the exploitative practices documented in our interviews with workers to thrive.

Following the five research phases, data analysis for this report proceeded in four parts. First, the worker interview transcripts were coded in NVivo for Mac, version 11.4. One team member coded the entire dataset to ensure quality and consistency, using content, thematic, and discourse analysis. Worker interview transcripts were coded in a two-part process involving deductive and inductive codes. This generated a coding framework that reflected the study's research questions and foci as well as codes and themes that emerged from the data itself. Transcripts were coded in a staged process that moved from general coding to specific coding. During the general coding stage, material was organised into broad themes and categories using content and thematic analysis. At the same time, inductive and in-vivo⁹ codes were created to capture any significant themes, patterns, or dynamics emerging from the material that were not reflected in the initial coding frame. During the next stage of analysis, interview transcripts were reviewed, organised, and sorted for a second time in order to develop more fine-grained coding and to begin drawing out the relationships between the codes, using discourse analysis. This process generated a detailed set of categories and codes, along with an outline of the relationships and connections between them.

Second, preliminary survey results were viewed in Kobo, and the survey data was then cleaned and analysed in Excel 2011 for Mac. One team member cleaned the entire survey dataset to ensure quality and consistency. Basic descriptive statistics were run on the survey dataset in Excel and a range of summary statistics were generated using pivot tables. Third, transcripts of interviews with domestic and international business actors and policymakers were coded by hand. Coding was thematic and used a coding framework that was inductively created using the codes and themes that emerged from the data. Finally, we triangulated across data from all methods and stages of the research, including the survey, interviews, and notes from participant observation. We looked at the pattern of data over the two-year collection period, and sought to systematise our narrative, thematic, content, and discourse analysis to gauge our findings.

1.4 Definitions

Before presenting the project's findings, it is important to clarify what we mean by forced labour. The standard international definition of forced labour comes from the ILO's 1930 Forced Labour Convention, which reads: 'All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily'. This definition is understood to encompass phenomena such as slavery, debt bondage, human trafficking, and serfdom.¹⁰ While the ILO definition helped guide our research, we also recognise that it comes with limitations, three of which stand out as especially important in relation to our study.

First, the threshold between labour that is 'forced' and labour that is 'not forced' is not always easy to determine in practice. In our field research, there were many cases where it was hard to reach a clear, unambiguous 'yes' or 'no' answer as to whether a worker's experiences fit within

9 This is a form of coding where codes are created from specific words or phrases appearing in the empirical material.

10 International Labour Organization (2012) 'ILO Global Estimate of Forced Labour: Results and methodology', Geneva: ILO, 19–20. http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_182004.pdf

or outside of this category. We also found that workers moved within and across the contours of this category within relatively short periods of time. Thus, at the level of daily life, the boundaries around forced labour are not firm, but rather porous, and the difference between 'forced labour' and highly exploitative labour can be relatively minor. Thus, in this study, instead of focusing on binary questions and understanding about whether a situation constitutes forced labour or not, we have elected to foreground questions of *how involuntary* and *how coercive* a labour situation is, and *in what ways* it is involuntary, coercive, and exploitative. This has given us broader insights into the degrees and forms of exploitation that workers face and how various types of exploitation intersect along the spectrum.

At the level of daily life, the boundaries around forced labour are not firm, but rather porous, and the difference between 'forced labour' and highly exploitative labour can be relatively minor.

Second, the ILO's definition excludes situations of economic coercion. While it is elaborated that the threat of penalty can 'take various forms, whether physical, psychological, financial or other',¹¹ the ILO has nevertheless made it clear that the definition does not include the threat of starvation or destitution, or economic coercion more broadly. As its Committee of Experts summarises: 'An external constraint or indirect coercion interfering with a worker's freedom to "offer himself voluntarily" may result not only from an act of the authorities ... but also from an employer's practice ... However, the employer or the State are not accountable for all external constraints or indirect coercion existing in practice: for example, the need to earn one's living'.¹² This is a serious limitation, given the increasing evidence that many victims of severe labour exploitation demonstrate agency when entering into and remaining within situations of forced labour in the face of lacking alternative means of obtaining subsistence, and further, that the threat of starvation and destitution is a key reason for doing so. In our study, we have recognised the relevance and role of economic coercion in shaping the dynamics of labour exploitation.

Finally, the ILO definition exclusively views involuntariness and coercion in individualised and contemporary terms. In our field research, we discovered structural relations of involuntariness and coercion that are overlooked by this approach. For instance, in Assam, most tea workers are descendants of *Adivasi* labourers who were moved to the plantations under British colonialism in the nineteenth century.^{13, 14} Because the plantations are so remote and wages are so low (rendering transportation costs hard to meet), these workers are unable to circulate freely in the labour market. We have sought to recognise and understand how structural relations shape individuals' vulnerability to forced labour, rather than seeing the latter in purely individual terms.

11 *Ibid.*, 19.

12 Committee of Experts on the Application of Conventions and Recommendations (CEACR) (2007) General Survey on Forced Labour, Geneva: ILO, 20–21. <http://www.ilo.org/public/english/standards/relm/ilc/ilc96/pdf/rep-iii-1b.pdf>

13 S. Bhowmik (1980) 'The plantation as a social system', *Economic and Political Weekly*, 15, 36: 1524–1527. <http://www.epw.in/journal/1980/36/special-articles/plantation-social-system.html>

14 D. K. Mishra et al. (2014) *Unfolding Crisis in Assam's Tea Plantations: Employment and Occupational Mobility*, New Delhi: Routledge.

2. Tea: Key Findings

This section of the report presents an overview of the findings from our interviews and survey with tea workers in India. It describes patterns of labour exploitation present in the industry, including the key dynamics that shape individuals' vulnerability to exploitation.

2.1 Background: History of India's Tea Industry

Contemporary dynamics of entrenched poverty, immobility, and unfair treatment of tea workers are deeply rooted in the history of India's tea industry. Many of the scholars cited below have thoroughly documented the establishment of tea plantations by the British East India Company during British colonial rule – emphasising the consistent and resilient role of forced and exploited labour on tea plantations throughout the historical development of the industry, and how this facilitated its competitiveness on the global marketplace.

The tea industry in North East India has from the outset been characterised by harsh treatment of workers. Behal describes the migration of millions of labourers to Assam to work under conditions of indentured servitude.^{1 2 3} According to Behal, the extreme forms of exploitation on tea plantations – which consisted of debt bondage, underpayment of wages, violent labour discipline, and control – resulted in low birth rates and high mortality rates among tea pickers. This was resolved by transporting indentured migrant workers from drought and famine-stricken states to Assam, which is how the Assamese tea labour force came to be composed of *Adivasi* people, sometimes referred to as 'Tea Tribes'. Although the tea industry was highly profitable, especially from the beginning of the twentieth century onwards, wages and conditions in the tea sector failed to improve. Thousands of workers died within a few years of arriving to Assam due to the nature of work and living conditions on the plantations. Others escaped, and those who remained worked under tight surveillance and control, since planters held rights to discipline and limit the mobility of workers, limiting their contact with the outside world.^{4 5 6}

Though the tea industry in India's southern regions, concentrated within Kerala and Tamil Nadu, was established later than that of the North East, it was characterised by a similarly harsh treatment of workers. Southern Indian plantations initially focused on other commodities, such as rubber and cardamom; tea was only introduced in the 1870s. Like the North East, the workforce was drawn from *Adivasi* tribes, primarily those dispossessed of land in Tamil Nadu.⁷ Although slavery had been legally abolished in the mid-nineteenth century, strict systems of hierarchical control, cruel physical punishment, and exploitative labour conditions persisted on the tea plantations, such that formal abolition did little to immediately change the lives of tea workers. As Raman describes, 'The distinction drawn between slavery and the actual conditions of work that existed on plantations was so subtle as to escape the comprehension of the harassed workers – so intensive and painful was the ill-treatment meted out to them.'⁸

1 R. P. Behal (2014) *One Hundred Years of Servitude: Political Economy of Tea Plantations in Colonial Assam*, New York: Columbia University Press.

2 R. P. Behal (2010) 'Coolie drivers or benevolent paternalists? British tea planters in Assam and the indenture labour system', *Modern Asian Studies*, 44, 01: 29–51.

3 R. P. Behal (2006) 'Power structure, discipline, and labour in Assam tea plantations under colonial rule', *International Review of Social History*, 51, S14: 143–172.

4 J. Sharma (2009) "'Lazy' Natives, Coolie Labour, and the Assam Tea Industry", *Modern Asian Studies*, 43, 6: 1287–1324.

5 S. Bhowmik (2011) 'Ethnicity and Isolation: Marginalisation of Tea Plantation Workers', *Race/Ethnicity: Multidisciplinary Global Contexts*, 4, 2: 235–253.

6 R. P. Behal (2014) *One Hundred Years of Servitude: Political Economy of Tea Plantations in Colonial Assam*.

7 K. R. Raman (2002) 'Bondage in freedom: Colonial Plantations in Southern India c. 1797-1947', Centre for Development Studies Thiruvananthapuram, Working Paper, 10–14.

8 K. R. Raman (2002) 'Bondage in Freedom: Colonial Plantations in Southern India c. 1797-1947', 16.

Since India's independence from colonialism, the tea industry has undergone regulatory reform, including through the 1951 Plantation Labour Act (PLA), which creates obligations for employers with regards to the welfare of permanent tea workers and their families. Specifically, it requires large employers to provide drinking water, latrines, medical facilities, canteens, crèches, educational facilities, housing accommodation, welfare officers, wages for permanent workers and their families, as well as annual leave with wages and sickness and maternity benefits. It also prohibits child labour and the obstruction of inspectors.⁹ In combination with the 1948 Minimum Wage Act the PLA mandates that costs associated with housing, medical, and electricity cannot be included as part of minimum wage.

In economic terms, the tea industry grew steadily during the post-independence period, propelled largely by increased productivity, as well as increased area and yield of tea.¹⁰ Yet, scholars have maintained that, despite this growth and the regulatory initiatives to improve the welfare of workers on tea plantations, exploitative living and working conditions remained endemic in the post-independence period: colonial management structures persisted; wages and working conditions continued to be very poor; tea workers remained isolated in geographic terms, especially in the North East, and socially excluded due primarily to their ethnic minority status; and racial, ethnic, caste, and gender-based hierarchies continued to impact life on the tea plantations.^{11, 12, 13, 14, 15, 16}

Beginning in the 1990s, India's tea industry fell into crisis wrought by economic globalisation, primarily characterised by declining exports and share of the global tea market, collapsing tea prices, as well as the emergence of new tea industries in other regions of the world.¹⁷ This led to declines in annual production and yield, the closure of tea plantations, and widespread reports of declining living standards and deaths amongst tea workers as a result of their inability to secure subsistence or alternative employment. For instance, a 2007 Court inquiry into the Jalpaiguri tea region in West Bengal found that 'at least 700 Indian tea workers [died] from diseases linked to malnutrition in the last year after 16 estates were closed'.¹⁸ A recent International Finance Corporation (IFC) Multilateral Investment Guarantee Agency (MIGA) Compliance Advisor Ombudsman (CAO) report estimates that in the early 2000s, 'approximately 120 tea estates closed and over 60,000 jobs were lost'.¹⁹ Amidst the pressures of economic globalisation, several large multi-national companies that owned tea plantations restructured and divested from the tea estates, selling off plantations to shift their focus on tea packaging, retailing, and marketing.²⁰ Since that time, further deterioration in tea workers' living and working conditions has been reported.^{21, 22, 23, 24, 25}

9 Government of India (1951) Plantations Labour Act. http://www.teaboard.gov.in/pdf/policy/Plantations%20Labour%20Act_amended.pdf

10 D. Mishra *et al.* (2008) 'Crisis' in the Tea Sector: A Study of Assam Tea Gardens', *The Indian Economic Journal* 56, 3: 39–56.

11 Columbia Law School Human Rights Institute (2014) "'The More Things Change...': The World Bank, Tata and Enduring Abuses on India's Tea Plantations". http://www.law.columbia.edu/sites/default/files/microsites/human-rights-institute/files/tea_report_final_draft-smallpdf.pdf

12 P. E. Baak (1997) *Plantation Production and Political Power: Plantation Development in South-West India in a Long-Term Historical Perspective*, Delhi: Oxford University Press.

13 S. Bhowmik (1980) 'The Plantation as a Social System', *Economic and Political Weekly*, 1524–1527.

14 S. Bhowmik *et al.* (1996) *Tea Plantation Labour in India*, New Delhi: Friedrich Ebert Stiftung.

15 U. Misra (2003) 'Assam Tea: The Bitter Brew', *Economic and Political Weekly*, 38, 29: 3029–3032.

16 D. Mishra *et al.* (2011) 'Invisible chains? Crisis in the tea industry and the 'unfreedom' of labour in Assam's tea plantations', *Contemporary South Asia*, 19, 1: 75–90.

17 D. Mishra *et al.* (2008) "'Crisis' in the Tea Sector: A Study of Assam Tea Gardens".

18 R. Ramesh (2007) 'Hundreds of Workers Die as India's Tea Industry Suffers Crisis', *The Guardian*, 11 June 2007. <https://www.theguardian.com/world/2007/jun/11/india.randeepamesh>

19 Office of the Compliance Advisor Ombudsman (CAO) for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) Members of the World Bank Group (2016) 'CAO Investigation of IFC Environmental and Social Performance in relation to: Amalgamated Plantations Private Limited (APPL), India', 3. http://www.cao-ombudsman.org/cases/document-links/documents/CAOInvestigationReportofIFCinvestmentinAPPL_EN.PDF

20 Columbia Law School Human Rights Institute (2014) "'The More Things Change...': The World Bank, Tata and Enduring Abuses on India's Tea Plantations'. MNC 1; MNC 3.

21 *Ibid.*

22 D. Mishra *et al.* (2014) *Unfolding Crisis in Assam's Tea Plantations: Employment and Occupational Mobility*.

23 D. Mishra *et al.* (2011). 'Invisible chains? Crisis in the tea industry and the 'unfreedom' of labour in Assam's tea plantations'.

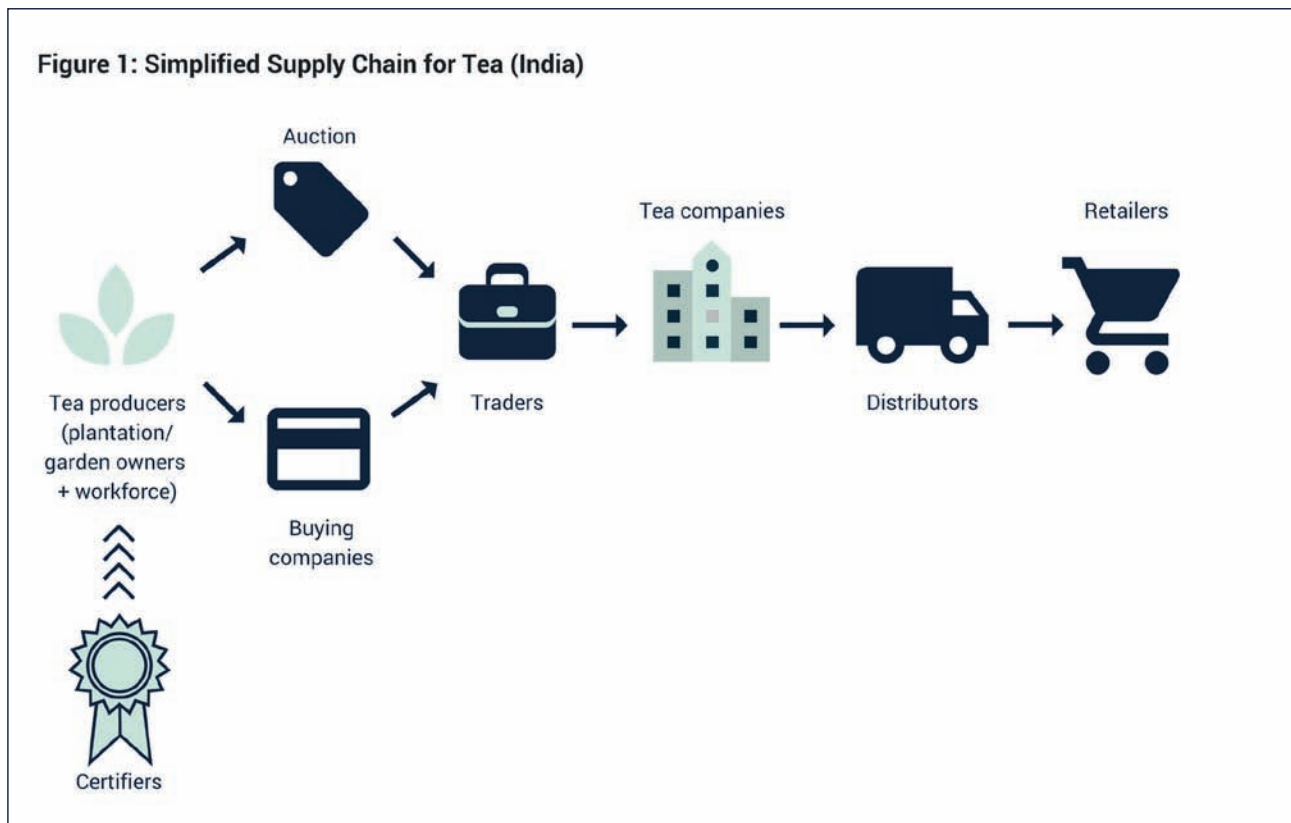
24 J. Neilson & B. Pritchard (2010) 'Fairness and ethicality in their place: the regional dynamics of fair trade and ethical sourcing agendas in the plantation districts of South India', *Environment and Planning A*, 42, 8: 1833–1851.

25 J. Neilson & B. Pritchard (2011) *Value chain struggles: Institutions and governance in the plantation districts of South India*, West Sussex: John Wiley & Sons.

2.2 Contemporary Tea Industry at a Glance

The world tea market was estimated to be worth US \$38.84 billion (approximately £28.83 billion)²⁶ in 2013, and is projected to rise to US \$47.20 billion (approximately £35 billion) in 2020.²⁷ Today, the tea sector is India's largest private employer. Assam is estimated to produce more than 50% of India's annual tea production²⁸ and around 1/6th of the tea produced worldwide.²⁹ Kerala's annual tea production is roughly 1/10th of Assam's.

The figure below depicts a simplified tea supply chain:



Most estimates place the number of workers directly employed in Assam's tea industry at around one million. According to India's Ministry of Agriculture, over 10 million people in India depend on the tea industry for their livelihood.³⁰

Tea exports from India amounted to US \$726.76 million (approximately £539.38 million) in 2017–2018.³¹ The largest importers of tea from India are the Russian Federation, Kazakhstan, the UK, Germany, USA, UAE, Pakistan, and Iran.³²

26 All currency conversions in this report have been calculated using the Oanda currency converter (<https://www.oanda.com/currency/converter/>), using rates from May 2018 to ensure consistency.

27 Transparency Market Research (2016) 'Tea Market – Global Industry Analysis, Trend, Size, Share and Forecast, 2014–2020'. <https://www.transparencymarketresearch.com/global-tea-market.html>

28 A. Rakshit (2017) 'Assam tea to see higher prices in 2018 auctions as production falls', *Business Standard*, 17 November 2017. http://www.business-standard.com/article/companies/assam-tea-to-see-higher-prices-in-2018-auctions-as-production-falls-11711600638_1.html

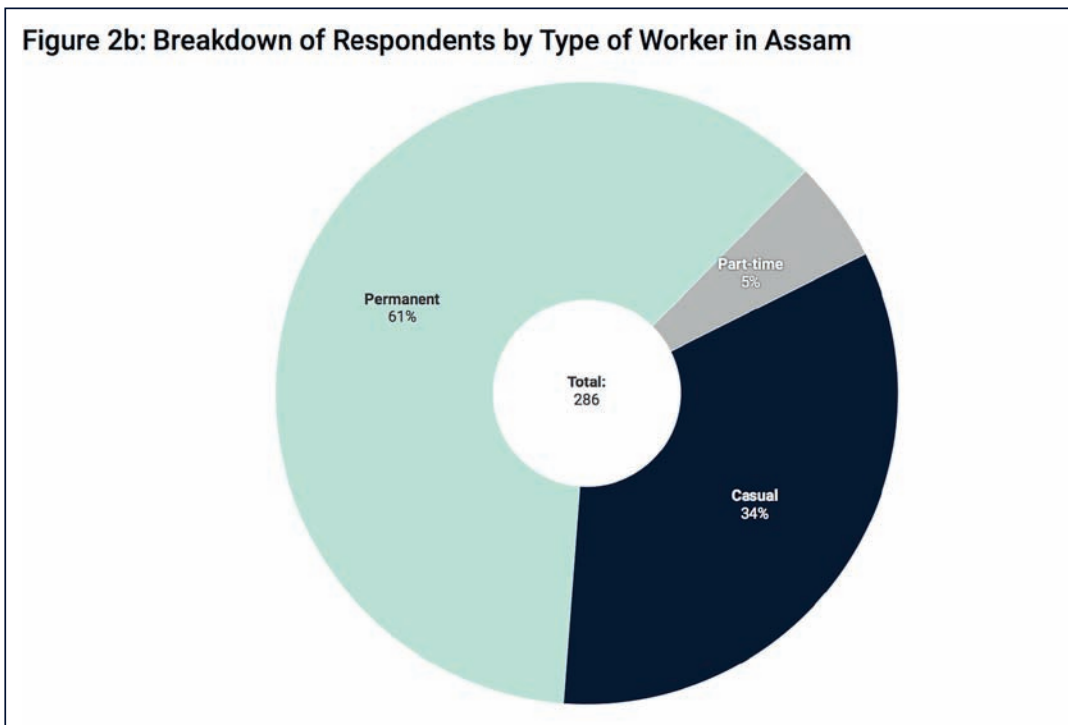
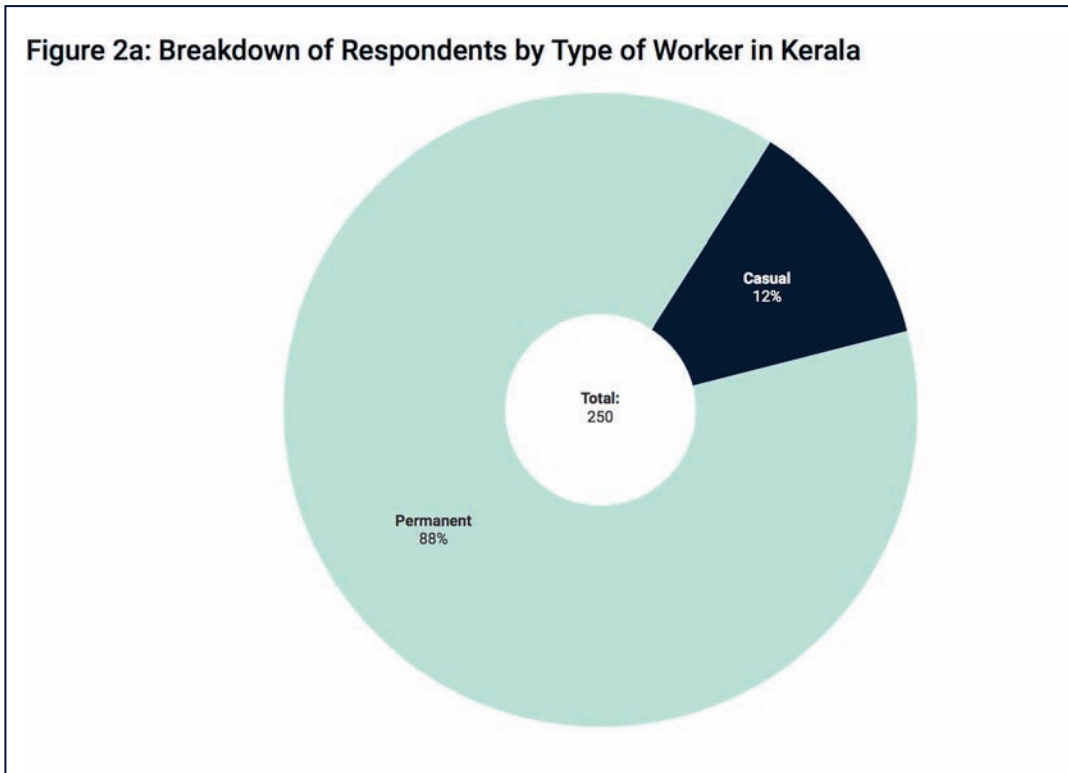
29 K. R. Dikshit, Kamal Ramprit & J. K. Dikshit (2014) 'North-East India: Land, People and Economy', The Netherlands: Springer.

30 Government of India Ministry of Agriculture & Indian Institute of Foreign Trade (2011) 'Tea Industry'. <http://agritrade.iift.ac.in/html/Training/ASEAN%20%E2%80%93%20India%20FTA%20%20Emerging%20Issues%20for%20Trade%20in%20Agriculture/Tea%20Export.pdf>

31 Tea Board of India (2018) 'Major country wise exports'. http://www.teaboard.gov.in/pdf/MC_Exports_2017_Jan_Dec_and_2017_18_Apr_Dec_pdf2442.pdf

32 *Ibid.*

Recent studies suggest there is a move towards the casualisation of employment within the tea industry, as employers seek to minimise workforces covered by the PLA.³³ Our sample includes permanent, part-time, and casual workers, as summarised in the figures below.



33 D. Mishra *et al.* (2011). 'Invisible chains? Crisis in the tea industry and the 'unfreedom' of labour in Assam's tea plantations' *Contemporary South Asia*, 19, 1: 75–90.

2.3 Labour Standards in the Contemporary Tea Industry

As outlined in the introduction, this study is comprised of a survey and in-depth interviews with tea workers, as well as business actors from the producer level to the multi-nationals at the top of the supply chain. The research with workers focused on measures relevant to the categories of 'forced labour' and 'exploitation', which, as explained previously, we found to be porous and overlapping.

All of the workers interviewed and surveyed in our study had experienced some form of exploitation, including non-payment or under-payment of wages; unfair deductions from wages; high rates of interest on borrowing; the under-provision of housing, electricity, water, or medical care as well as unfair charges for these; and the withholding or denial of benefits. A smaller number of the workers interviewed had also experienced forced labour, entailing physical violence, sexual violence, verbal abuse, and threats of violence and dismissal.

Although the terms 'slavery,' 'bondage,' and 'forced labour,' were not included in the interview questionnaires, workers often used this language to describe their conditions on tea plantations. One tea worker said, 'I am working as a bonded labourer like a slave...

"the management do not treat the workers as humans."

Other people are being paid satisfactorily

in other sectors but here we are not paid much and the work is very painful'.³⁴ Another worker described, 'the management do not treat the workers as humans' and noted that 'most of the workers along with me are doing it [working in tea] forcefully and out of coercion'.³⁵

Our research uncovered three key patterns of exploitation taking place in the tea industry, generating profit for business: 1) the underpayment of workers; 2) the lending of money to workers and charging high interests on their debts; and 3) the under-provision of legally-mandated services for basic needs. It also found child labour, and human trafficking of women and girls from tea plantations into domestic and sex work in major cities like Delhi and Mumbai.

2.3.1 The Underpayment of Workers

Our research found that many plantation business models are configured to minimise costs (and therefore increase profits) by underpaying workers. According to workers, this widespread pattern of manipulation and underpayment of workers' wages takes a variety of forms, including:

- The imposition of penalties for failing to meet daily tea quotas;
- Not being paid for all work performed (e.g. being credited for less tea than was picked);
- Deductions for services, which were not provided (e.g. electricity);
- Deductions for services or benefits that are legally required to be provided free of charge;
- The non-payment of wages altogether.

There is a minimum wage for tea workers in both Assam and Kerala. At the time of research in 2017, the minimum regional wage for tea workers was 137 Rs (approximately £1.50) and 257 Rs (approximately £2.81) in Assam and Kerala respectively. The national minimum wage for unskilled agricultural workers in India was 250 Rs (approximately £2.73). In practice, however, tea pickers' wages are paid according to the amount of tea plucked using a quota system. In Assam, tea workers reported quota targets that ranged between 15 and 30 kg per day, while in Kerala, the reported targets ranged from 21 to 27 kg per day. Where workers failed to meet these targets, deductions were made from their daily wage, and in some cases, wages are withheld altogether. As one worker explained: 'During the season we have to pluck 25 kg of tea leaves per day and if this

³⁴ Tea worker 1

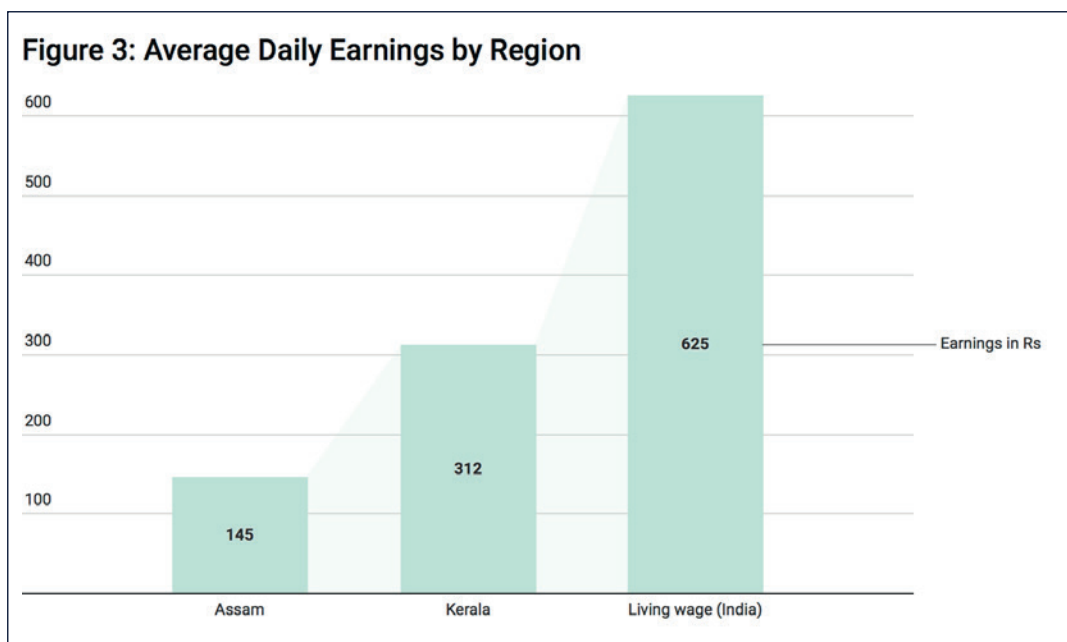
³⁵ Tea worker 30

is not fulfilled we are not given wages'.³⁶ Another claimed workers are only given half of their wages if they fail to meet the target.³⁷

Other workers stated that various forms of deductions were made from wages as a penalty for failing to meet the quotas. One noted, 'In the case of plucking, if the 27 kg is not fulfilled then 5 Rs per kg is deducted'.³⁸ Managers we interviewed openly admitted to docking workers' wages for failing to meet quotas. One explained, 'Lazy workers don't get paid the same as hard workers. The company takes their wages away if they are lazy. Hard workers make more money. Most workers want money so they work very hard'.³⁹

Several workers reported that managers underpaid them by miscalculating their earnings, often by misrepresenting the weight of the tea picked. One worker explained, 'Suppose the workers are plucking 50 kg, but the amount of 6 or 5 kg is deducted from the total. We are watching the weighing machine and say to the manager, no, it is this other amount. But then we are scolded or threatened saying that we are speaking too much, and our work will be stopped if we do that'.⁴⁰

In the high season, the average tea picked per worker per day amounted to 81 kg, with a maximum of 150 kg per day. While each plantation varies with respect to the amounts paid for tea over and above the daily quota, workers are aware of what they should be paid per day, per kg of tea picked, per numbers of trees pruned, and other tasks. Tea workers in Assam reported an average of 145 Rs (approximately £1.58) in earnings per day, while in Kerala they reported an average of 312 Rs (approximately £3.40) in earnings. Figure 2 below shows how tea workers' daily earnings in Assam and Kerala compare to the living wage in India.⁴¹ However, employers frequently made deductions from wages which mean that workers ultimately receive much less. One worker reported, 'There are a lot of deductions in the salary. Nearly 50% of the salary is cut and with the remaining salary, we are not able to survive'.⁴²



³⁶ Tea worker 1

³⁷ Tea worker 4

³⁸ Tea worker 45

³⁹ Manager 3

⁴⁰ Tea worker 5

⁴¹ The living wage figure we used is based on calculations by Asia Floor Wage Alliance (<http://labourbehindthelabel.org/campaigns/living-wage/>). While the living wage calculations are based on the garment sector, they are the closest reliable calculations.

⁴² Tea worker 55

Employers also frequently made deductions for services that are legally required to be provided to workers for free. Over 40% of workers surveyed reported that unfair deductions had been made from their wages. One worker explained 'Management deducts the electric bill, rice (about 700 is cut for that), blanket – this blanket costs 2200 Rs and it has been deducted on a monthly basis – tea (43 Rs is cut for ½ kg), and then pension and Provident Fund are also deducted. After all these deductions, the company claims they are provided free'.⁴³ Other employers charged workers 'taxes' for water, electricity, and housing.⁴⁴

40%

of tea workers have had unfair deductions made from their wages.

15%

and more of tea workers have had their benefits withheld by management.

A very recent trend is the imposition of fees for banking. Tea workers tend to be paid in cash, but under new national demonetisation laws, they are expected to be paid by cheque. However, because many workers do not have the ability to go to the bank or provide necessary documentation to open the account, management are opening accounts for workers, paying their wages into the account, and then charging them 10-20% of their wages in fees to receive cash.⁴⁵

Over 15% of workers surveyed had experienced their benefits being withheld by plantation management. This included payments for LIC premium and Provident Fund (which a worker is meant to receive after retirement), which were never provided. One worker explained, 'there are cases of Provident Fund that a person is supposed to get after their retirement that have not been given. There are many people who have not been given their money even after their retirement, and after deaths, the money has not been given to their family'.⁴⁶

Workers reported deductions from wages as punishment for speaking out against unfair treatment. As one worker told us, 'The supervisor sometimes used to abuse the workers. If he was asked why he abused, then the supervisor would reduce our salaries'.⁴⁷ Workers also reported under

Workers reported deductions from wages as punishment for speaking out against unfair treatment.

and non-payment by managers. One worker reported that two months of arrears were owed to workers on their plantation.⁴⁸ Finally, our research uncovered significant evidence that employers are increasing daily quotas for workers without corresponding increases in wages, as a strategy to increase productivity and lower costs.

2.3.2 The Under-Provision of Services for Basic Needs

Employers are legally required to provide medical care, education, electricity, water, toilets and other essential services to permanent tea workers and their families. However, our research found that many plantation business models are configured around generating revenues by under-providing and over-charging workers for basic services. For instance, they may charge workers for electricity, but then fail to provide it to them, or they may charge predatory rates for goods and services relative to workers' low wages.

43 Tea worker 50

44 Tea workers 55 and 59

45 Unionist 6

46 Tea worker 30

47 Tea worker 42

48 Tea worker 17

Workers typically have no other way of obtaining goods like water or electricity and a large proportion of tea workers surveyed lacked basic goods and services. Among those interviewed, 47% reported not having access to a water pump, 26% reported not having a toilet, and 24% reported that they did not have electricity in their home at all times. Workers often claimed that they had reported problems with housing to the union, but that unions failed to raise these concerns with management as they were supposed to.⁴⁹ As one worker

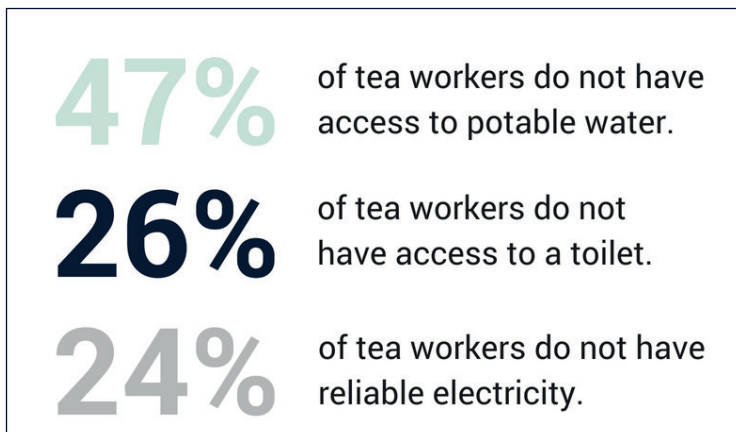
explained: 'I was once increased the task by the company, so I went complaining about that to the union. The union did not listen to me. For my children's education, I wanted some loans, for that also, they did not listen to me...I complained about the house, still the union does not do anything. The company has a collaboration with the unions'.⁵⁰

Workers on one plantation reported that employers withheld benefits as a punishment for involvement in a protest. As a worker explained, 'Benefits were usually given, but we started to protest on September 6, after that, for about 4–6 months they did not provide any of these benefits... there were power outages, no firewood. There was a lot of torture'.⁵¹

Medical services and facilities were also badly lacking. As one worker explained, 'the hospital doesn't have any medicines. There are no doctors in the hospital, so it is useless'.⁵² Another explained, 'There is a hospital but there is no doctor; he comes once a week but only for 30 minutes. When we go to the hospital if we are sick, the nurse says we look well and to go away. We don't get any benefit from the hospital'.⁵³

In addition to the facilities being inadequately staffed, workers noted that hospitals refused to treat serious health issues. One worker explained, 'When you are ill, when you go to the hospital for a small illness – headache or cough – you will get medicine or treatment. But when you have some bigger issue, then they refer you outside, and no money or help is provided. If you have your own money, then you can go and treat yourself. Otherwise, you will die like that'.⁵⁴ Workers also reported being given the same medicine for every ailment: 'Very basic treatment is given. For any kind of ailment, headache, or whatever, they only provide Crocin [a form of paracetamol]'.⁵⁵

This under-provision of medical services occurs in the context of widespread health issues and problems. As one worker described, 'In the factories, the packing work is done by workers who are very ill. After prolonged work, women will develop osteoporosis or bone-related issues. They would get back pain. Those who are not healthy are put into factory work, mostly packing. There are no proper medical facilities out here'.⁵⁶ Furthermore, five of the workers interviewed in Kerala (aged between 31 and 47) reported heart attacks or serious heart problems.⁵⁷ In three cases, workers who suffered from heart attacks were forced to retire. Our interviews brought to light a pattern of workers being injured or suffering major health issues at work, being unable to continue



49 Tea workers 1, 4, 29, 31, 33, and 36

50 Tea worker 36

51 Tea worker 50

52 Tea worker 10

53 Tea worker 20

54 Tea worker 4

55 Tea worker 31

56 Tea worker 31

57 Tea workers 40, 44, 47, 31, and 39

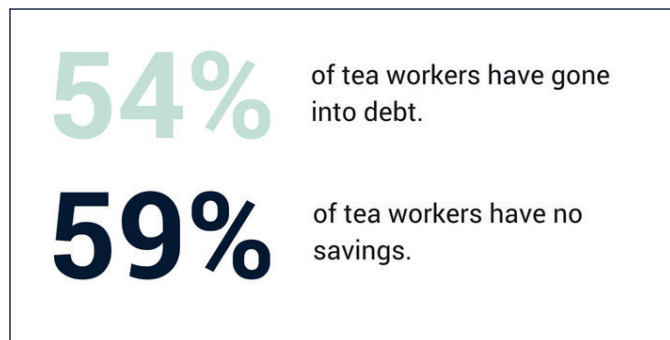
with arduous physical labour, being compelled to resign, and then in the face of loss of income, borrowing money to secure basic necessities – like food or medical treatment – and being charged high interest rates. The role of debt is further discussed below.

2.3.3 The Role of Debt

In the context of extremely low wages and the lack of basic goods and services, our research found that debt plays an important role in shaping workers' livelihood and employment conditions. Two forms of debt are especially important.

The first is debt imposed onto workers by employers for the provision of basic services. Our research sheds light on a pattern of debt bondage amongst employers, wherein employers seek to minimise their labour costs by charging workers fees for services that should be free, and then demanding workers pay off these debts by working for free or for lower payments. In one example, an employer provided medical services to workers suffering from cholera, and then required workers work extra hours as payment. As one worker explained, 'The people of the plantation were suffering from cholera and then the manager by the name X provided them medical help and asked the workers to work 1 hour extra per day. They were made to work for 1 to 2 hours extra per day for 1 to 2 months... the workers were asked to work extra so that the financial condition of the plantation could be recovered. Many people died'.⁵⁸

The second form of debt uncovered by our research was private debts incurred to cover medical and education costs obtained outside of the tea plantation, in the face of inadequate services offered by employers. Of the workers surveyed in our study, 54% reported having borrowed money, with amounts ranging from 200 Rs (around £2.20) to 100,000 Rs (around £1090) and an average interest of 7296 Rs (around £79). While 48% of workers surveyed reported needing to use their pay to cover



debts to other people, 4% reported doing so to cover debts to their employer. A high proportion of workers are charged usurious interest rates on these loans (as measured against the Usurious Loans Act of 1918 and Interest Act of 1978),⁵⁹ which can also create situations of debt bondage.

Most workers reported needing to borrow to obtain adequate subsistence and to cover medical costs and emergencies. One worker who borrowed around 2000 Rs explained, 'This was mostly for medical issues, and sometimes, what happens is there is no rice in the house, so I have to go and borrow rice without the money, but then if I can arrange the money, I have to go and pay it back to the vendor'.⁶⁰

The loans that workers incur in an effort to cover basic needs can have long term consequences for their income and working conditions, depending on the interest charged. Because workers typically have little to no ability to earn extra money, and because wages are so low, they are often unable to pay back the principle of the money borrowed. One tea worker explained regarding the 20,000 Rs loan taken out to cover their grandchild's medical treatment, 'I don't know how I'm going to repay. With the amount that my daughter is earning, we can pay the interest, but not the net amount'.⁶¹

58 Tea worker 1

59 Reserve Bank of India (2007) 'Report of the Technical Group Set up to Review Legislations on Money Lending' <https://rbi.org.in/scripts/PublicationReportDetails.aspx?UrlPage=&ID=513>

60 Tea worker 2

61 Tea worker 54

Workers who have taken out loans reported higher levels of abuse and exploitation. There was also evidence that girls transported by labour recruiters to work in domestic or sex work in major cities often came from indebted families, since the money paid by recruiters was a strategy to pay off loans.

2.3.4 Violence and Coercion

The widespread forms of exploitation discussed above – underpayment, the under-provision of basic needs, and debt bondage – are sometimes accompanied by violent treatment, threats, coercion, and gender-based violence by employers.

In relation to violence, one worker described, 'They do Lathi Charge on people who used to go and collect firewood. [...] They used to hit people with big sticks'.⁶² Another described male managers trying to rape female workers, and explained that the workers 'keep going through such kind of humiliation with the management'.⁶³ Most workers reported that managers were not physically violent towards workers.

Managers' use of threats and coercion was more widespread, and these were often used as a form of labour discipline. In one worker's words, 'Now when we work and get tired if we rest a little the management people come and scold us telling that they will cut their wage. Earlier it was not like this'.⁶⁴ Another described, 'When we are working, some people start intimidating us to do our work properly, don't keep on complaining, otherwise they will stop our ration or we will not get our money'.⁶⁵

2.3.5 Inability to Exit and Exert Rights

Most workers reported being unable to leave the plantation and tea industry more broadly as a result of both individualised and structural factors.

A handful of workers reported being unable to exit due to the perception that they were legally bonded. One worker described, 'When we become permanent, we have to sign a bond in the presence of the senior authorities that we will never leave the garden. We can sign the bond willingly that we will never leave until retirement. If we leave, the provident fund and other facilities and benefits will cease'.⁶⁶

Another worker explained that she tried to leave the plantation to work at another plantation nearby, where they are giving bonuses and other benefits, but was told by the union president and secretary as well as the manager that if she left, her husband (who is a permanent worker on the same plantation) would be fired and her children would no longer receive medicine from the hospital.⁶⁷

The vast majority of workers, however, reported staying on the plantation because they lack the sufficient resources they would need to leave the plantations and skills they would require to secure alternative employment. Most tea workers have very low savings; our survey found tea workers had an average life savings of 1678 Rs (approximately £18.36), with 59% of workers having no savings at all. In addition, because female tea workers often combine paid work within the tea industry with unpaid care work for their families, and risk losing the entire family's housing if they were to leave her job, women are further tied to the plantations. Also, the remote location of many tea plantations often means that it is challenging to find additional work to supplement income.

62 Tea worker 9

63 Tea worker 30

64 Tea worker 28

65 Tea worker 10

66 Tea worker 1

67 Tea worker 7

In short, most tea workers endure unfair treatment because they have no other option. One worker remarked, 'As tea workers, we don't have any other option other than this. Our children are getting education here whereas we are illiterates and hence we are unable to search for other better jobs. I am leading a life of slavery in poverty'.⁶⁸ Workers face structural constraints in contesting their unfair treatment because they are unable to circulate freely in the labour market.

"As tea workers, we don't have any other option other than this."

2.3.6 Producers' Perspective

When asked about these issues, tea plantation owners emphasised the difficult business environment that tea growers are operating in. In particular, they noted rising costs and declining prices for tea. One described, 'If you are a plantation owner, labour is 80–85% of your cost of doing business. At the moment, prices of inputs are going up (machinery, petrol, diesel, and labour). And, gardens are getting paid less for the tea they grow. Margins are tight for growers. All of the money is in packaging, processing, and marketing. Rising labour prices are having a huge impact—some gardens are no longer economically viable'.⁶⁹

Another tea grower, reflecting on how the industry has changed in the 28 years he has been part of it, explained that the industry has become a lot harder for tea growers. Climate change has meant that there is less rain in the winter season and they need to pay for large amounts of water.

Oil has gone up as well. 'But the biggest rising cost is labour. Workers are getting higher wages and conditions, which is good, but we are still receiving the same price for our tea that we were receiving 30 years ago. If anything, we're receiving less. And we have to pay them more'.⁷⁰

2.4 Conclusion

The workforce at the base of the global tea supply chain is caught in a trap of poverty and debt. Most tea workers are not earning enough to obtain the basic necessities of life. Our research suggests that workers in the tea industry are experiencing severe labour exploitation, including forced labour. These are not anomalous or randomly occurring incidents. Rather, dynamics of labour exploitation operate according to clear and stable patterns. Plantation owners' demand for exploited labour is driven by the low prices they receive for tea, relative to rising costs, which introduces pressure to cut costs. These dynamics occur at the base of a highly lucrative supply chain: the top ten tea companies bring in dozens of billions of pounds each year. The business of forced labour and exploitation in the tea industry therefore needs to be understood within the context of highly uneven value distribution along the tea supply chain, and especially, the disproportionate market power and monopolisation of the companies at the top of the supply chain.

68 Tea worker 50

69 Estate owner 1

70 Manager 5

3. Cocoa: Key Findings

This section presents an overview of the findings from our interviews and survey with cocoa workers in Ghana. It describes patterns of labour exploitation present in the industry, including the key dynamics that shape individuals' vulnerability to exploitation in Ghana's cocoa supply chain.

3.1 Background: History of Ghana's Cocoa Industry

Contemporary dynamics of poverty and unfair treatment of cocoa workers are deeply intertwined with the colonial history of the cocoa industry in Ghana under British rule. As a wide body of historiography documents, the cocoa industry flourished in what was then called the Gold Coast colony, and has depended on various forms of forced labour.¹

In the nineteenth century, as chocolate became more affordable and demand for this commodity surged across Europe, the Gold Coast developed into the world's largest producer of cocoa. The industry grew from zero tonnes in 1890 to 40,000 tonnes in 1910–1911.² When cocoa developed as an export crop for sale on global markets spurred on by high levels of foreign investment,³ it became dependent on slavery. This dependence accelerated after Britain declared the slave trade illegal for its subjects in 1807 and Ghana's internal slave market swelled to produce agricultural exports to meet European demand.⁴ Even after slave ownership was outlawed in the British Empire in 1874, forced labour amongst children and adults continued in cocoa and other key industries.⁵ As late as the 1860s and 1870s, 'between half and three-quarters of the population of southernmost Ghana and Ashanti...consisted of unfree labor',⁶ including workers in the cocoa sector. According to the historical literature, the use of forced labour within cocoa production helped to make the costs of Ghanaian cocoa amongst the lowest in the world, and the commodity soon dominated the world market.⁷ By 1930, Ghana was producing 300,000 tonnes of cocoa per year.⁸

During this period, forced labour in Ghanaian cocoa production had a significant gendered component. Historians have noted that following the abolition of slavery, legally freed male slaves were increasingly able to flee to find paid work in burgeoning labour markets, whereas female slaves were seldom afforded this option.⁹⁻¹⁰ Furthermore, women were often used as collateral on loans to buy land for cocoa production as well as subjected to other forms of commodification and unpaid labour within the industry.¹¹ Migration flows were another important factor shaping vulnerability to forced labour throughout the development of the cocoa industry, with forced migration of workers from the north to the south taking place at various points in history.¹²

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- 1 For a comprehensive overview of the history of the cocoa industry in Ghana, see B. Grier (1981), K. O. Akurang-Parry (2002), G. Austin (2008; 1987; 1996), P. Hill (1963), C. Off (2007) and Ó. Ryan (2012).
 - 2 G. Austin (2016) 'The state and business in Ghana: Precolonial, colonial, post-colonial (1807-2000)', presentation at the 2016 AEHN meeting, Sussex, 21–22 October 2016, 9. <https://www.sussex.ac.uk/webteam/gateway/file.php?name=3c-austinstatebusinessghanaaehn.pdf&site=24>
 - 3 *Ibid.*, 9–10
 - 4 B. Grier (1981) 'Underdevelopment, modes of production, and the state in colonial Ghana', *African Studies Review*, 24, 1, 26.
 - 5 B. Grier (1992) 'Pawns, porters, and petty traders: Women in the transition to cash crop agriculture in colonial Ghana' *Signs*, 17, 2, 316–317.
 - 6 Grier (1981) 'Underdevelopment, modes of production, and the state in colonial Ghana', 27.
 - 7 B. Grier (1992) 'Pawns, porters, and petty traders: Women in the transition to cash crop agriculture in colonial Ghana', 317. See also: Austin (1987; 1996).
 - 8 S. Kolavalli & M. Vigneri (2011) 'Cocoa in Ghana: Shaping the Success of an Economy', in Pole, P. C., and Angwafo, M. (eds.) (2011) *Yes Africa Can*, Washington DC: The World Bank, 202. http://siteresources.worldbank.org/AFRICAEXT/Resources/258643-1271798012256/YAC_Consolidated_Web.pdf
 - 9 K. O. Akurang-Parry (2002) "'The Loads Are Heavier than Usual': Forced Labor by Women and Children in the Central Province, Gold Coast (Colonial Ghana), CA. 1900-1940', *African Economic History*, 30: 31–51.
 - 10 B. Grier (1992) 'Pawns, porters, and petty traders: Women in the transition to cash crop agriculture in colonial Ghana'.
 - 11 B. A. Duncan (2010) 'Cocoa, marriage, labour and land in Ghana: some matrilineal and patrilineal perspectives', *Africa*, 80, 2: 301–321.
 - 12 K. Van der Geest (2011) 'North-South migration in Ghana: what role for the environment?' *International Migration*, 49, s1: 69–94.

Following the country's independence in 1957, Ghana's cocoa market continued to boom, reaching a high of 572,000 tonnes in 1964–1965.¹³ The post-independence period was characterised by fluctuations in the world price of cocoa, and in real terms, producer prices fell consistently throughout the 1960s.¹⁴ This led to a slowing down in cocoa production, which hit its lowest ever levels in 1980. Many Ghanaian farmers abandoned cocoa as the cost of pesticides and herbicides necessary to grow cocoa exceeded the worth of the beans, and drought and fires also had a devastating effect on the industry.¹⁵ The domestic market was also increasingly affected by economic globalisation, which entailed an influx of cheap cocoa from new producer countries such as Indonesia and Malaysia. Labour shortages became common as more and more migrant workers chose to work in the more lucrative cocoa regions nearby such as Burkina Faso and Côte d'Ivoire. According to the literature, these global political economic dynamics reinforced and deepened workers' vulnerability to unemployment, low wages, and under-employment as well as human trafficking, child labour, and forced labour in Ghana.^{16, 17}

In spite of the legal changes that formally outlawed slavery, scholars have stressed the continuities in exploitative labour practices in the Ghanaian cocoa sector from colonialism to the independence period. These include: the recruitment of children to work in cocoa farms in the south from northern regions without permission from parents; kidnapping; human trafficking; and forced labour.^{18, 19} Drivers of labour abuse in the post-independence period have included the low national producer price for cocoa and multinational and consumer pressure on prices.^{20, 21, 22} However, widespread forced labour practices in the sector cannot be solely attributed to contemporary business and development dynamics, since these practices have cultural and historical precedence in Ghana.^{23,}

^{24, 25}

Cocoa production has from the outset been dominated by small and informal businesses. Government administrations have sought to mediate the relationship between smallholder farmers and the big international companies that buy cocoa. Following cocoa hold-ups in the 1930s (a worker-driven mobilisation effort to improve trade conditions), the Cocoa Farmers' Association was established as a monopoly to sell and market cocoa to European exporters. In 1947, this became the Cocoa Marketing Board (CMB), and since 1984, Cocobod. Following World War II, and especially after independence, revenue from cocoa tax and sales was an important source of development income for the government. Various government administrations have also enacted protectionist policies, designed to support smallholders and increase yield and growth of the cocoa industry. For instance, from 1983 onwards, the government launched the Cocoa Rehabilitation Project to revitalise the cocoa industry, which included state subsidised inputs like fertiliser and the introduction of new high-yield varieties of cocoa.

13 D. Woods (2004) 'Predatory elites, rents and cocoa: a comparative analysis of Ghana and Ivory Coast', *Commonwealth & Comparative Politics*, 42, 2, 226.

14 S. Kolavalli & M. Vigneri (2011) 'Cocoa in Ghana: Shaping the Success of an Economy', 204.

15 C. Off (2007) *Bitter Chocolate: Investigating the Dark Side of the World's Most Seductive Sweet*, Toronto: Vintage Canada.

16 B. N. Lawrance (2010) 'From Child Labor "Problem" to Human Trafficking "Crisis": Child Advocacy and Anti-Trafficking Legislation in Ghana', *International Labor and Working-Class History*, 78, 1: 63–88.

17 A. Mohammed et al. (2005) *Report of Baseline Study on Human Trafficking and Forced Labour in Northern Ghana*, Geneva: ILO.

18 N. van Hear (1982) 'Child labour and the development of capitalist agriculture in Ghana', *Development and Change*, 13, 4: 499–514.

19 B. N. Lawrance (2010) 'From Child Labor "Problem" to Human Trafficking "Crisis": Child Advocacy and Anti-Trafficking Legislation in Ghana'.

20 A. Berlan (2013) 'Social sustainability in agriculture: An anthropological perspective on child labour in cocoa production in Ghana', *The Journal of Development Studies*, 49, 8: 1088–1100.

21 J. A. Mohammed et al. (2005) *Report of Baseline Study on Human Trafficking and Forced Labour in Northern Ghana*.

22 S. Kolavalli & M. Vigneri (2011) 'Cocoa in Ghana: Shaping the Success of an Economy'.

23 A. Berlan (2013) 'Social sustainability in agriculture: An anthropological perspective on child labour in cocoa production in Ghana'.

24 A. Berlan (2016) 'Whose Business is it Anyway: Children and Corporate Social Responsibility in the International Business Agenda', *Children & Society*, 30, 2: 159–168.

25 A. Berlan (2009) 'Child labour and cocoa: whose voices prevail?' *International Journal of Sociology and Social Policy*, 29, 3/4: 141–151.

Yet over the last decade, despite favourable market conditions, including rising demand for chocolate in developing countries and surging cocoa prices, reports of forced and child labour in the cocoa industry have persisted. Indeed, according to some measures, labour conditions have deteriorated. A recent series of studies by Tulane University has found that child labour in cocoa is increasing: their 2015 report found 2.12 million child labourers in cocoa production in Ghana and Côte d'Ivoire, with almost 96% of those in hazardous work – a 13% increase from the 2008–2009 harvest season.²⁶

3.2 Contemporary Cocoa Industry at a Glance

The world confectionery market is currently estimated to be worth US \$195.8 billion²⁷ (approximately £145.32) and more than 60% of the world's cocoa is grown in Ghana and Côte d'Ivoire.²⁸ Cocoa accounts for approximately 10% of Ghana's GDP.²⁹ It is estimated that six million people (i.e. between 25–30% of the population in Ghana) are dependent on the cocoa industry for their livelihood,³⁰ including around 800,000 smallholder farmers.³¹ Ghana's cocoa sector has grown rapidly in recent years – between 2008 and 2013, production increased from 680,781 to 835,466 tonnes.³²

Today, the cocoa supply chain continues to function in a semi-liberalised fashion. Farmers sell their beans to authorised traders (licensed buying companies), who sell to Cocobod, who then sell to haulers and processors. Ghana has increased the producer's price of cocoa in recent years to address concerns about lacking sustainability of the cocoa industry and falling supply amidst rising global demand. For the 2016–2017 season, the price paid to cocoa farmers was 7,600 GHS (approximately £1,232) per tonne of beans.³³ By comparison, in 2012–2013 season, the price paid was 3392 GHS (approximately £550) per tonne of beans.



26 Tulane University (2015) *2013/14 Survey Research on Child Labor in West African Cocoa Growing Areas*. <http://www.childlaborcocoa.org/index.php/2013-14-final-report>

27 Wintergreen (2018) 'Confectionery: Market Shares, Strategy, and Forecasts, Worldwide, 2018 to 2024'. https://www.researchandmarkets.com/research/xtgfk/global_194_8?w=5

28 B. O'Keefe 'Behind a Bittersweet Industry' *Fortune*, 1 March 2016. <http://fortune.com/big-chocolate-child-labor/>

29 M. Vigneri & S. Kolavalli (2018) 'Growth through pricing policy: The case of cocoa in Ghana', Rome: FAO. <http://www.fao.org/3/I8329EN/I8329en.pdf>

30 Verité (2018) 'Country Report: Ghana'. <https://www.verite.org/wp-content/uploads/2018/01/SSA-Verite-Country-Report-Ghana.pdf>

31 M. Vigneri & S. Kolavalli (2018) 'Growth through pricing policy: The case of cocoa in Ghana'.

32 See FAOSTAT website: <http://www.fao.org/faostat/en/#data/QC>

33 M. Bigg (2016) 'Update 2-Ghana sets 2016-2017 season farmgate cocoa price at \$1,914 per tonne', *Reuters*, 1 October 2016. <https://www.reuters.com/article/ghana-cocoa-idUSL8N1C70DK>

While cocoa has traditionally depended on the unpaid 'family labour' of farmers' children and women, in recent years, there has been a trend towards commercialisation within the industry. As Vigneri and Kolavalli describe, 'this has meant less family labour available on demand and for free, and an increasingly unaffordable supply of waged labour in the cocoa village (mostly due to cocoa becoming a very unattractive livelihood in rural areas relative to other cash crops)'.³⁴ Our research has found that rather than a net deduction in unpaid family labour, however, there has merely been a shift towards dependence on cocoa workers' wives and children, rather than farmers' wives and children.

In addition to farm owners, there are three main modes of employment in cocoa today: leaseholders; caretakers; and day and contract labourers. For leaseholders and caretakers, the exact character of their engagement varies according to the sharecropping arrangement in practice. Broadly speaking, leaseholders work under a 'share in two' arrangement, whereby the farm owners' land is split into two and the leaseholder takes responsibility for the cultivation of one half of the land. All the produce from this half of the land then belongs to the leaseholder.³⁵ By contrast, caretakers typically work under a 'share in three' arrangement, whereby they are hired by the farm owner to cultivate the land on a seasonal basis.³⁶ Under this arrangement, caretakers are paid one third of the proceeds from the sale of the cocoa, with the farm owner taking two thirds. Finally, contract and day labourers are hired by the farm owner (or sometimes the leaseholder or caretaker) to carry out particular tasks on the cocoa farm for a set price. For contract labourers, the amount of work (and how much they are paid) is usually calculated by the hectare, with a contract lasting from several days to several weeks. Day labourers, on the other hand, are paid a fixed daily fee for carrying out tasks such as spraying pesticides or weeding, at an average rate of 15 to 20 GHS (approximately £2.43–£3.24) per day.

Our sample includes all three types of cocoa workers: leaseholders; caretakers; and day and contract labourers.

3.3 Labour Standards in the Contemporary Cocoa Industry

This study comprised a survey and in-depth interviews with cocoa workers, as well as domestic and international business actors from the producer level to the multi-nationals at the top of the supply chain. The research with workers focused on measures relevant to the categories of 'forced labour' and 'exploitation,' which, as we've explained, we found to be porous and overlapping.

In contrast to claims from several government and international organisation employees that there is little to no labour exploitation in cocoa because it is a family business,³⁷ all of the workers interviewed and surveyed in our study had experienced some form of labour exploitation. A smaller number of the workers interviewed had also been subjected to forced labour, which sometimes entailed physical violence, sexual violence, verbal abuse, threats of violence and dismissal, and threats of supernatural retaliation.³⁸

Our research uncovered three key patterns of exploitation taking place in the cocoa industry: 1) the underpayment of workers; 2) the requirement of additional unpaid labour; and 3) the lending of money to workers and charging high interests on their debts.

34 M. Vigneri & S. Kolavalli (2018) 'Growth through pricing policy: The case of cocoa in Ghana', 15.

35 Interestingly, we found that leaseholders are often dually employed, working as both leaseholders and caretakers on the farm owner's half of the land.

36 For an in-depth discussion of crop-sharing arrangements in Ghana see, for example, Robertson, A.F (1982) 'Abusa: The structural history of an economic contract', *The Journal of Development Studies*, 18:4, 447-478.

37 Government 3, UN Agency 4, 8, 10, 11

38 In this context, supernatural retaliation took the form of a farm owner threatening to curse a cocoa worker for failing to perform certain tasks on the farm.

3.3.1 The Underpayment of Workers

We found that many farmers seek to minimise costs by underpaying workers. According to workers, this takes a number of forms, including:

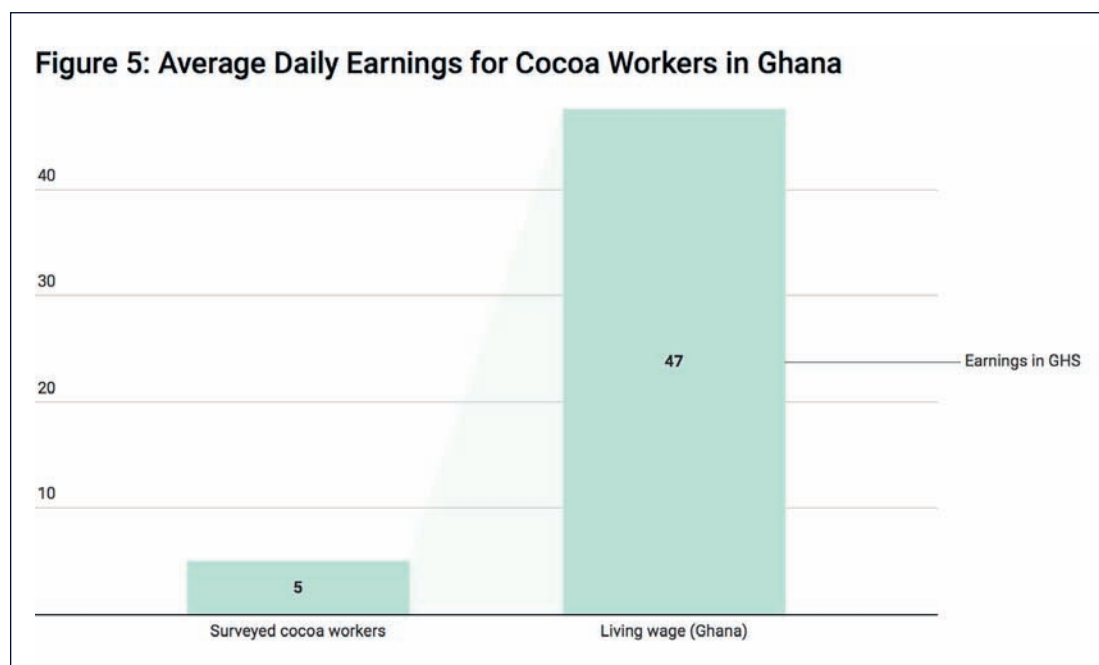
- Not being paid for all of the work performed;
- Deductions for equipment (e.g. cutlass, machete), fertiliser, pesticides, food, or transportation (including for items which were never actually provided);
- The imposition of fines or deductions leading to 'nnaho' or involuntary labour;
- The imposition of fees for securing a job as a farm worker;
- The non-payment of wages altogether.

The Ghanaian Government stipulates a National Daily Minimum Wage (NDMW) for both public and private sector workers in Ghana. At the time of research in 2017, the NDMW was 8.80 GHS (approximately £1.43).³⁹

In practice, our study found that the average income for a cocoa worker is 1880 GHS

(approximately £304.78) per year, or just 5.15 GHS (approximately £0.83) per day. Moreover, many of the workers in our study explained that they effectively earn no money from cocoa farming over the course of a season since their earnings (in the form of cocoa beans and wages) are spent paying off debts, fines, and/or deductions imposed by employers and lenders, often as practices of debt bondage (see section 3.3.3). As one worker explained, 'Even the little that you sell the cocoa for, by the time you finish...then basically, you're left with almost nothing'.⁴⁰ Figure 5 below shows how cocoa workers' daily earnings compare to the living wage in Ghana.⁴¹

"Even the little that you sell the cocoa for, by the time you finish...then basically, you're left with almost nothing."



Cocoa workers' payment arrangements are varied and complex. The form of payment (e.g. cash vs. cocoa beans) and timing of payment (e.g. daily vs. seasonal payment) varies according to a worker's mode of employment and informal arrangements are often made with farmers. As noted above, cocoa farming operates on a sharecropping system. This means that some workers are paid

39 This was recently raised to 9.68 GHS. See: http://www.melr.gov.gh/wp-content/uploads/2017/07/Scan-7_14_17-15_05.pdf

40 Cocoa worker 2

41 This figure is based on the 2017 living wage calculated by ISEAL Alliance (https://www.isealalliance.org/sites/default/files/resource/2017-12/LivingWageReport_Ghana.pdf). While the ISEAL Alliance living wage calculations are based on the banana sector, they are the closest reliable calculations.

through seasonal shares of the crop and/or crop earnings; these are caretakers and leaseholders. Contract labourers, on the other hand, carry out a prescribed set of tasks for an agreed price, while day labourers are paid a set daily fee. Within our study, workers in all modes of employment and payment arrangements had experienced underpayment.

This often took the form of employers directly failing to pay them the amount promised for their work. Within our survey, 23% of workers reported having performed work that they were not paid for. As one worker described, 'I did work for someone and the person promised to pay me upon completion, but it's been over two months now and I am still yet to be paid. The amount is about 900 GHS but he paid 240 GHS from that, so he owes me 660 GHS'.⁴² One worker explained that farm owners often pay less than promised for work performed,⁴³ while another worker reported that some farm owners do this in order to keep workers' wages for themselves.⁴⁴

23% of cocoa workers have performed work they were not paid for.

In addition to straightforward underpayment, some workers reported earning less than they expected due to unauthorised or unexpected deductions from their wages, typically for the cost of fertiliser and/or pesticides (ranging from 1/3rd of the cost to the full cost); work equipment; loans; fuel; the cost of hired labour; deductions or fines related to 'nnaho' or involuntary labour (see [section 3.3.2](#)); cost of food for hired labour; and transportation costs. Historically, some caretakers working under 'share in three' arrangements in Ghana have borne part of the cost of farm inputs (although this was not universally practised and the degree of the worker's contribution varied considerably).⁴⁵ Our research suggests that workers are increasingly being charged for goods or services that were traditionally covered by farm owners and/or are being charged the full costs for goods and services that were traditionally shared between the worker and the farm owner. These unexpected and unfavourable shifts in the practices and conditions of sharecropping mean that cocoa workers are paid different amounts for the same work. As one worker explained,

'It depends on your farm owner because there are some farm owners that every penny that they spend on maintaining the cocoa throughout the entire period for the cocoa season, they will make sure that it is deducted from the sale of the cocoa beans before the farm worker is paid so it is like it will be deducted from your wages at the end of the period so we are not paid equally'.⁴⁶

Workers also reported fraudulent deductions, i.e. deductions for goods or services which have not actually been provided to them by their employers. As one worker described, 'Sometimes, some of them [farm owners] will tell you that they bought fertiliser and some pesticide to apply on the farm and they will deduct all that...and sometimes some of them lie, they did not buy anything but they will still deduct'.⁴⁷

Another form of underpayment reported by workers relates to employers' imposition of fees and fines in exchange for obtaining a job within the cocoa sector. Workers described being charged sometimes up to 400 GHS (around 1/5th of the average annual income from cocoa for workers in

42 Cocoa worker 44

43 Cocoa worker 7

44 Cocoa worker 50

45 A.F. Robertson (1982) 'Abusa: The structural history of an economic contract', *The Journal of Development Studies*, 18:4, 447-478.

46 Cocoa worker 46

47 Cocoa worker 37

our study).⁴⁸ As one worker explained, 'If you want to work on the cocoa farm as a farm worker you have to pay either 200, 300 or 400 GHS. They have turned it into a business venture'.⁴⁹ Workers told us that this is another departure from customary practices in cocoa farming, whereby a worker would offer a bottle of schnapps to the farm owner as part of the ritual of joining a cocoa farm. Again, this suggests that farm owners are seeking to reconfigure sharecropping arrangements and practices in order to maximise their profits, at the expense of workers.

Often, workers are given the option of paying these fees through unpaid labour (see section 3.3.2). As one worker described, '... either you have to every year give one bag of cocoa in monetary terms or a bag of cocoa to your farm owner as part of the conditions of working on the cocoa farm; or if you don't want to pay that ... then you have to go and work on other cocoa farm that belongs to your farm owner for free without payment'.⁵⁰ Deductions are also made to punish workers if they are unable to complete all of the work they were assigned in a day.⁵¹

Workers told us that they often tried to recover wages lost due to underpayment, but rarely succeed. One worker explained that they had little recourse to justice because of the power asymmetry between workers and farmers. As the worker explained:

'Sometimes some farm workers are not treated fairly by their farm owners...there are some who are very good and there are some who are not very good. And if you meet the one who is not very good then you are in trouble because some farm owners don't appreciate what you have done on the farm. He will ask you to do this particular thing, you will do it and yet he will not appreciate it. So sometimes when it happens like that they use that as a means to make deductions from your wages at the end of the day and when you complain he will not mind you and you can't take him anywhere because he has money. Because money makes him very powerful so there is nothing you can do.'⁵²

3.3.2 Requirement of Unpaid Labour

Our research found that many farm owners are requiring workers to perform unpaid and additional labour as a condition of their employment within the cocoa industry.

Referred to as *nnaho* in Twi (which translates to 'adding something on top' in English), cocoa workers are commonly compelled to work on the farm owner's land for free for a set period of time. For the workers in our study, the typical timeframe for this mandatory unpaid labour ranged from one week to one month, though some workers reported being required to work for up to three months unpaid. As one worker described:

'Some owners, once they accept you as a worker on the farm, ... will ask you to go and work for them for free for three months (in the local language it is called "*nnaho*"); you will go and work for the person on other cocoa farms or other farmland for free without you benefiting from it. And some too have very strict rules even to the extent that sometimes when your farm owner is a male then if they have wives who have farmlands they are cultivating cocoa you may have to go and work on the cocoa farm for them too... some of the farms can be as big as 4–5 acres and you have to work on it. And this thing is a cycle so every new season that they agree that you can work on [their farm] as a farm worker, you will have to go and work 3 months for them for free.'⁵³

48 Cocoa worker 46

49 Cocoa worker 53

50 Cocoa worker 50

51 Cocoa worker 35

52 Cocoa worker 54

53 Cocoa worker 46

Another worker explained, 'There are some farm owners who make you perform other tasks which are not part of the initial task agreed on. Some farm owners go for extra farm lands which are not supposed to be the duty of the farm worker and later ask the farm worker to take a month off from the initial farm and work on the new land. Sometimes you don't only work on cocoa farms but other farms such as yam farms and others.'⁵⁴

Workers also reported being compelled to take on additional unpaid work within the cocoa industry, such as weaving baskets or drying mats for fermenting and carrying cocoa beans, as a condition of their employment.⁵⁵ They reported a variety of consequences for failure to comply with these conditions of work, including being fired, deductions from workers' wages or share of the cocoa, non-payment, withholding of payment, and the imposition of steep fines – typically ranging from 475 to 950 GHS (£77–£154). As one worker explained, 'There are some [farm owners] who will even take their farmlands away from you for refusing to do the other tasks that they ask you to do... In other places they will deduct some money from your share of the produce ...'⁵⁶

3.3.3 The Role of Debt

In the context of extremely low wages, inadequate and inconsistent income, and food security, our research found that debt significantly impacts workers' livelihood and employment conditions. Two forms of debt are especially important here.

The first are debts incurred by workers to obtain the basic necessities of life in the face of underpayment and low wages. Indeed, 60% of workers in our survey reported having needed to take out a loan. The average loan taken out by workers in our study was 690 GHS (approximately £110.69). Loans were usually obtained from a farm owner or cocoa purchasing clerk. Interest rates varied, but were frequently 100% of the amount loaned. As one worker explained, '...Although I need the money to save my child's life I am forced to borrow the money and pay 100% interest rate. I usually do that once cocoa season is in session at the end of the year. Once I get money from the cocoa proceeds then I can pay.'⁵⁷

60% of cocoa workers have gone into debt.

"Although I need the money to save my child's life I am forced to borrow the money and pay 100% interest rate."

The debts incurred by workers within our study were overwhelmingly for the purpose of buying food – particularly in the lean season when food is scarce – and covering medical bills. As one worker described, 'I am finding it very difficult to fend for my children, I have to borrow. I have to fall on borrowing.'⁵⁸

The second are debts incurred by migrant workers (both children and adults) to recruiters/ community members who bring workers to and from cocoa farms, usually for transportation and recruitment fees. One worker explained that children aged younger than 15 are brought to their community from another region within Ghana. They owe debts to the person who transported them, and their income is used to pay for this. As the worker described, 'In a year, they can pay the child 700 Ghana GHS. It's negotiable. The one who brings the children has to negotiate with the landowner. So that the child will be registered with you for one year.'⁵⁹

54 Cocoa worker 48

55 Cocoa worker 43

56 Cocoa worker 28

57 Cocoa worker 36

58 Cocoa worker 36

59 Cocoa worker 4

Dynamics of debt bondage were widespread amongst the workers in our study. Debt bondage takes place through a complex system of indebtedness that involves a combination of loans; the dynamics of deduction and underpayment described above (see 3.3.1); and other financial penalties, including fines for failing to carry out unpaid additional labour; fees for becoming a tenant or worker on the farm; and deductions for the cost of farm inputs. This system of indebtedness means that cocoa workers frequently spend the entirety of their income paying off debts and interest, which are often carried over from one season to another. It is in this context that many cocoa workers reported effectively making no money from cocoa each year, but rather being stuck in cyclical debt bondage.

According to workers, farm owners cultivate these dynamics to maximise profits and to prevent workers from leaving their farms. One worker explained that farmers also withhold wages to prevent workers from changing farms at the end of the season: 'When the season is coming to an end, most of the time farm owners will also withhold some portion of the wages of farm workers until they are entirely done with the work they are supposed to do on the farm, because when the cocoa season is coming to an end, you are supposed to re-maintain your cocoa farm.'⁶⁰

The loans that workers incur in an effort to cover basic needs can have long term consequences for their income and working conditions, depending on the interest charged. Because workers typically have little to no ability to earn extra money, and because wages are so low, they are often unable to pay back the principle of the money borrowed, and end up in situations of debt bondage.

3.3.4 Violence and Coercion

The widespread forms of exploitation discussed above – underpayment, involuntary labour, and debt bondage – are sometimes accompanied by violent treatment, threats, coercion, and gender-based violence by employers.

As one worker described, '... there is violence, physical assault by farm owners, they will beat up their farm workers and they come back later and apologise for their behaviour'⁶¹ Another worker reported that their employer became violent when wages were due to be paid: 'They sometimes don't pay you on time and when they know it is time to pay you that is when they pick up a fight with you.'⁶²

Managers' use of verbal abuse, threats, and coercion was more widespread than physical violence. In one worker's words:

'Sometimes they don't treat us well. There are some who will even insult us or even shout at us, even when we want to make a suggestion, they shout at us because the farm belongs to them... Sometimes they verbally assault the farm workers especially when it is getting to harvest time and they know that if they are going to pick up a fight with you, you are going to lose and at the end of the day they are going to benefit so they sometimes do that.'⁶³

Workers reported that verbal abuse is often used as a form of labour discipline. As one worker explained, 'Insults and maltreatment are meted out to you. For instance, while you work and he can stand there and say you are not doing it well and will be barking out so many instructions even though you can't see what you are doing wrong.'⁶⁴

60 Cocoa worker 46

61 Cocoa worker 27

62 Cocoa worker 47

63 Cocoa worker 25

64 Cocoa worker 40

Another worker noted that employers mistreat the workers employed on their farms: 'Some farm owners are greedy, sometime they don't take care of their children [i.e. workers] very well. They don't let them eat regularly... I have not heard of them being violent to the worker but I know that sometimes they can starve a little bit and when they are sick, [the owners] don't pay attention to them'.⁶⁵

3.3.5 Inability to Exit and Exert Rights

Most workers reported being unable to leave the cocoa industry as a result of both individualised and structural factors.

Individualised factors include debts to employers; debts to recruiters; not wanting to walk away from unpaid wages owed to them by employers; and violence, sexual violence, and threats of violence from employers. Workers explained that it is difficult to leave the farms, and also difficult to contest unfair treatment when they remain on the farm. In one worker's words, 'Because you are in need, you need the money, you wouldn't say anything'.⁶⁶

The vast majority of workers, however, reported staying on farms because they lack the sufficient resources they would need to leave and skills required to secure alternative employment. Most cocoa workers have little to no savings. Our survey found that cocoa workers had an average life savings of 468 GHS (approximately £75.87), with 55% of workers reporting they had no savings. The remote location of many cocoa communities means that it is challenging to find additional work to supplement their incomes.

55%

of cocoa workers have no savings.

In short, most cocoa workers endure unfair treatment because they have no alternative. Our study found that many cocoa workers are enduring severe labour exploitation due to a lack of viable alternative means of obtaining subsistence, and due to the threat of starvation and destitution, as a worker explained: 'I have no other alternative livelihood. That is how come I am still doing it. If I stop right now there is no way I can be able to take care of myself'.⁶⁷

Most cocoa workers endure unfair treatment because they have no alternative.

3.3.6 Producer's Perspective

The cocoa farm owners we spoke to emphasised that there are slim margins in cocoa and that some seasons may not be profitable at all, depending on bushfires, weather conditions, pests, the cost of fertiliser and pesticides (some of these are supposed to be free or subsidised by the government, but in reality, distributors charge for them).⁶⁸

One farmer we interviewed reported earning 5000 GHS (approximately £810.57) a year for his cocoa (the government price per bag plus 14 GHS extra per certified bag). He noted that from this, he pays at least 1000 GHS (approximately £162.12) for day labour, and much of the rest is spent on costs of production (such as fertiliser and tools). Ultimately, he only earns around 1500 GHS a year as profit (approximately £244), which he uses to support himself and his family. He explained that this was

65 Cocoa worker 5

66 Cocoa worker 7

67 Cocoa worker 50

68 Cocoa sellers 1 and 2

not enough for a comfortable life, 'because the expenses that I made for the year, and concerning my family, the income of 1,500 is not enough for me but I have to manage with that money'.⁶⁹

In this context, it is not surprising that farmers are seeking to cut costs and maximise revenues through the exploitative business models described above.

3.3.7 Conclusion

The workforce at the base of the global cocoa supply chain is caught in a trap of poverty and debt. Most cocoa workers are not earning enough to obtain the basic necessities of life. Our research suggests that workers in the cocoa industry are experiencing severe labour exploitation, including forced labour. These are not anomalous or randomly occurring incidents. Rather, dynamics of labour exploitation operate according to clear and stable patterns. Farmers' demand for exploited labour is contextualised by the low prices they receive for cocoa, which preclude them from making a living income. These dynamics occur at the base of a highly lucrative supply chain: the top ten chocolate manufacturers bring in dozens of billions of pounds each year. The business of forced labour and exploitation in the cocoa industry therefore needs to be understood within the context of highly uneven value distribution along the chocolate supply chain, and especially, the disproportionate market power and monopolisation of the companies at the top of the supply chain.

4. Gaps in Global Supply Chain Governance

As mentioned in the introduction, in recent years, business and civil society organisations have created various initiatives to combat forced labour in global supply chains. One prevailing initiative is ethical certification schemes. This section of the report presents an overview of our findings with respect to the effectiveness of ethical certification as a strategy to address and prevent forced labour within tea and cocoa supply chains.

4.1 Ethical Certification

In the face of widespread concern amongst consumers, advocacy organisations, and others over exploitative labour standards; environmental degradation; and unfair terms of trade for producers which have accompanied the global retail economy, ethical certification schemes have become a popular means of differentiating products to consumers. These schemes comprise private, voluntary standards and norms relating to social and environmental issues. Well-known examples include FSC (Forest Stewardship Council), Fairtrade, RSPO (Certified Sustainable Palm Oil), and BCI (Better Cotton Initiative).

Ethical certification organisations often give consumers the impression that buying certified products means that their purchasing choices are not contributing to labour exploitation. For instance, Fairtrade's popular campaign slogan encourages, 'Don't Feed Exploitation – choose Fairtrade'. Rainforest Alliance's website encourages consumers to 'Shop Smart', noting that 'choosing products with the little green frog seal is an easy way to help protect forests, conserve wildlife, and support communities around the world'.¹ The Ethical Tea Partnership's website claims the organisation is 'creating a fairer, better, more sustainable tea industry'.² The underlying principle of these schemes is that it is possible for consumers to shop their way to a more socially and environmentally responsible world.

Ethical certification schemes vary with respect to how standards are set; their degree of transparency; how standards are enforced, including the timing, frequency, and methodology of auditing; and in terms of the claims made about the practices linked to goods that carry certifier logos.³ Most ethical certification schemes rely on private, for-profit audit firms to enforce or verify that standards are being met. For instance, as Fairtrade's website describes, 'Fairtrade sets social, economic and environmental standards for both companies and the farmers and workers who grow the food we love...We independently check that our standards have been met by the farmers, workers and companies that are part of products' supply chain'.⁴

Ethical certification encompasses a large and growing proportion of the tea and cocoa industries. A 2017 report by the International Trade Center (a joint agency of the World Trade Organization and the United Nations) estimates that 23% of the global cocoa area in 2015 was certified by one of the four major labels: UTZ, Fairtrade, Rainforest Alliance, and Organic. By comparison, only 11% was certified in 2011.⁵ Tea is not far behind, with an estimated 16.5% of production certified by Fairtrade International, Organic, RA/SAN, and UTZ in 2015.⁶ Some big brands are even pushing towards 100% certification. For instance, Tata Global Beverages notes, 'At the start of 2010, Tetley announced its commitment to purchase all of the tea for its branded tea bag and loose tea products from Rainforest Alliance Certified™ farms. In FY 16/17, 86% of all Tetley branded black, green (camellia Sinensis) and red (rooibos) tea, including flavoured and decaffeinated varieties, sold by us is Rainforest Alliance Certified™ and we are working towards full certification'.⁷

1 Rainforest Alliance website: <https://www.rainforest-alliance.org/about>

2 Ethical Tea Partnership website: <http://www.ethicalteapartnership.org/>

3 See for instance ISEAL website: https://www.isealalliance.org/sites/default/files/resource/2017-11/ISEAL_Credibility_Principles_Brochure.pdf

4 Fairtrade website: <https://www.fairtrade.org.uk/What-is-Fairtrade/What-Fairtrade-does>

5 International Trade Centre (2017), 'The State of Sustainable Markets 2017: Statistics And Emerging Trends' http://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/State-of-Sustainable-Market-2017_web.pdf

6 *Ibid.*, 120.

7 Tata Global Beverages (2017) 'Slavery and Human Trafficking Statement 2016/2017'. <http://tataglobalbeverages.com/docs/defaultsource/default-document-library/slavery-and-human-trafficking-statement-2016-17.pdf?sfvrsn=0>

Our study includes tea plantations that hold a range of ethical certifications, including Rainforest Alliance, Fairtrade, Ethical Tea Partnership, and Trustea. Some plantations held multiple certifications. Our study also included cocoa producers who are members of the Fairtrade and UTZ certified cocoa growing co-operative, Kuapa Kokoo.

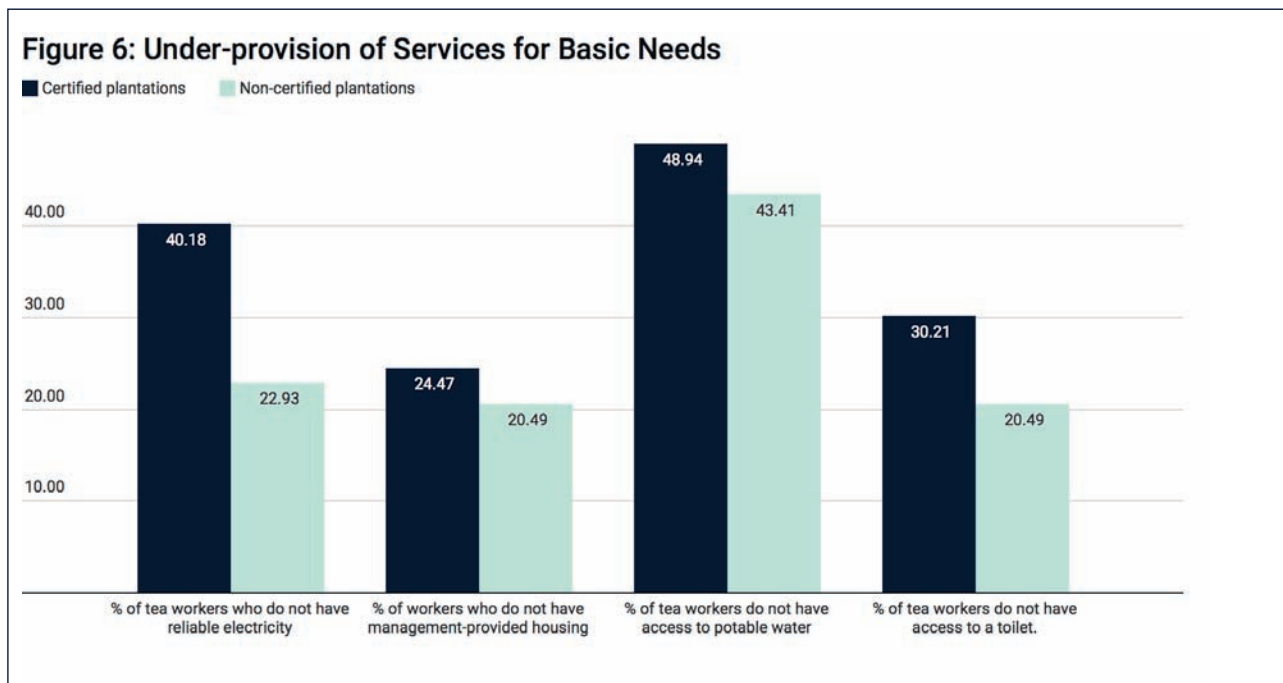
4.2 Ethical Certification Findings: Tea

Overall, our research finds that ethical certification programs are largely ineffective in combating labour exploitation and forced labour in tea supply chains. All of the certification schemes within our research set standards, for instance, with respect to working and living conditions, unfair treatment, forced labour, debt bondage, underpayment, and occupational health. Yet, we found that these standards are routinely violated by employers on the ground. Overall, we found that certification has little to no impact on labour standards within the tea industry. Certified plantations fared worse against some indicators of living standards, and some of the most severe cases of abuse and exploitation documented within our research occurred on certified plantations.⁸

Whilst there was some variation between the different certification schemes, this was highly volatile; there was insufficient and inconsistent evidence that any one scheme was outperforming others according to a wide range of indicators. The data presented here offers a summary analysis across all four certification schemes.

4.2.1 Impact of Certification on Basic Service Provision

All of the ethical certification schemes within our study set standards around basic services, including the provision of potable water, electricity, and toilets. We found that these standards are routinely violated by employers. The patterns regarding under-provision of basic services described in [section 2](#) were broadly similar across certified and non-certified plantations. On some measures, certified plantations fared even worse.



Our study found that:

- 40% of tea workers on certified plantations do not have electricity at all times, compared to 23% of tea workers on non-certified plantations.

⁸ Tea workers 4, 6, 7, 8, 9, 30, 55.

- 49% of tea workers on certified plantations do not have access to a water pump, compared to 43% of tea workers on non-certified plantations.
- 30% of tea workers on certified plantations do not have access to a toilet, compared to 20% of tea workers on non-certified plantations.

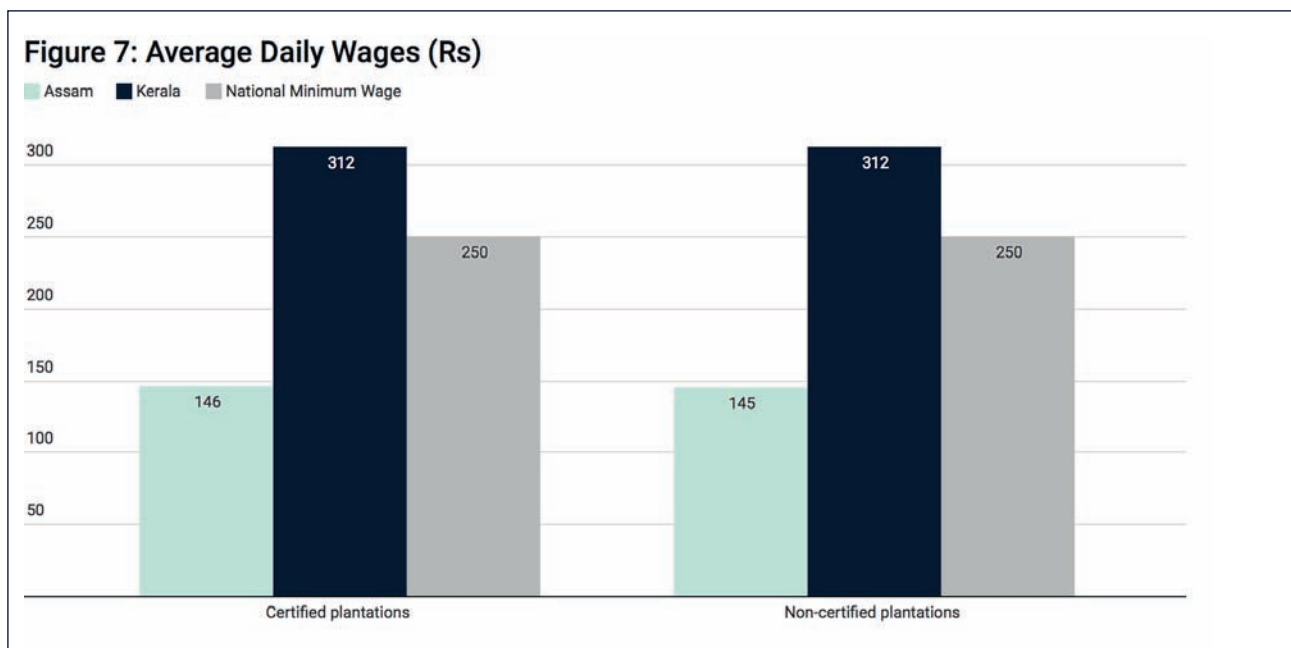
In interviews, workers on certified plantations described having no access to housing, toilets, or water. In addition, some workers who did have access reported that their services were inadequate and poorly maintained by employers, for instance, because the water supply was unreliable and/or the number of pumps was insufficient for the size of the communities; or because housing provided by the plantations had wide-ranging issues, including dilapidated buildings, unreliable or no electricity, and inadequate bathroom facilities.

4.2.2 Impact of Certification on Wages and Unfair Treatment

All of the ethical certification schemes within our study set standards around workers' wages; however, we found that these too were frequently violated by employers.

At a minimum, the schemes within our study required that employers pay the minimum wage required by local or national law, and that employers pay legally required benefits. The minimum wage for unskilled agricultural workers in India was 250 Rs (approximately £2.72) at the time of our research, and the minimum wage for semi-skilled workers was 290 Rs (approximately £3.16). In Assam, there is also a daily wage set for tea workers through an agreement between the dominant union and employers' associations of 137 Rs (approximately £1.50). Three of four certification schemes require that workers be paid the higher of legally mandated wages, which for tea workers in Assam would be 250 Rs.

Workers on certified and non-certified plantations reported almost identical patterns with respect to the underpayment of wages. In Assam, workers on certified plantations reported daily wages of 146 Rs (approximately £1.59) while those on non-certified plantations reported daily wages of 145 Rs (approximately £1.58). In Kerala, workers on both certified and non-certified plantations reported daily wages of 312 Rs (approximately £3.40).

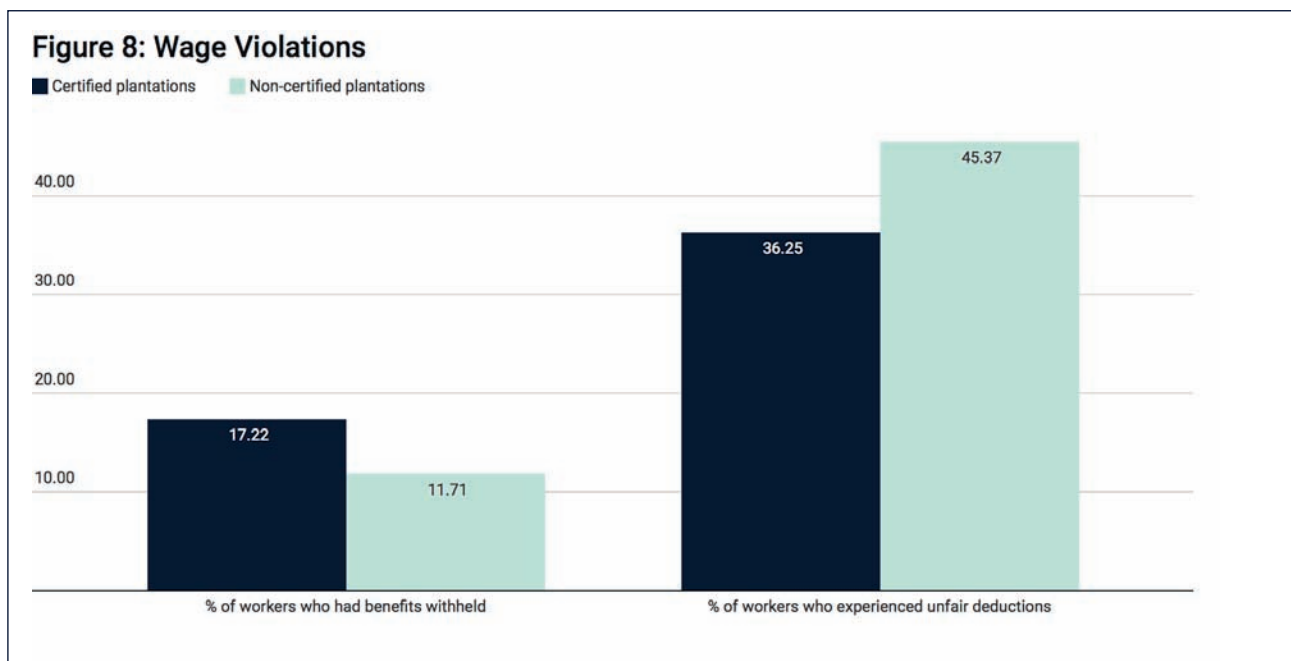


In Assam, most tea workers are being paid less than the standard set by certifiers. Where the certification scheme standard requires that employers pay the higher figure of 250 Rs, they are being dramatically underpaid. Where the lower figure is used, worker wages would appear to be just over the threshold. However, in reality, many workers still receive wages below this standard since, as

described in [section 2](#), large proportions of workers' cash wages are being unfairly deducted for benefits and services that should be provided *in addition to* their wages, as well as the repayment of interest on debts. In Kerala, most tea workers are being paid above legally mandated wages and their wages meet the standard set by certifiers. However, workers reported similar problems with respect to unfair deductions and underpayment.

Overall, the patterns of unfair deductions and withholding of benefits on certified plantations were similar to those on non-certified plantations. We found that:

- 17% of tea workers on certified plantations have had their benefits withheld by the management of the plantation, compared to 12% of tea workers on non-certified plantations.
- 36% of workers on certified tea plantations reported unfair deductions from their wages by employers, compared to 45% of tea workers on non-certified plantations.
- 2% of tea workers on certified plantations have done work that they have not been paid for, compared to 4% of tea workers on non-certified plantations.



Tea workers on ethically certified plantations reported multiple types of deductions from their pay for goods and services that are supposed to be provided by the plantations, including rations, blankets, firewood, tea, and electricity. They also reported wage deductions for failing to meet targets, for taking sick leave and annual leave, and for minor infractions such as late arrival to work. In addition, workers reported issues with underpayment resulting from manipulation of the weighing scale used to weigh the tea leaves.

In terms of employment status, tea workers on ethically certified plantations highlighted discrepancies between the daily wage paid to temporary and permanent workers for the same amount of work, namely that temporary workers were being paid less than permanent workers. Finally, tea workers on ethically certified plantations reported similar experiences of underpayment and irregular payment to workers on non-certified plantations. All of these practices violate standards set by ethical certification schemes.

4.2.3. Impact of Certification on Worker Debt

All but one of the certification schemes within our study sets standards prohibiting the use of debt bondage and usurious loans to employees. Yet, we found that the patterns of worker indebtedness on certified plantations was similar to that of non-certified plantations. Within our study:

- 54% of tea workers on certified plantations have gone into debt. Of those workers, 69% have gone into high-interest, potentially usurious debt, as measured by an interest rate higher than the 21% stipulated by Indian law.
- 53% of tea workers on non-certified plantations have gone into debt. Of those workers, 42% have gone into high-interest, potentially usurious debt, as measured by an interest rate higher than the 21% stipulated by Indian law.

In our interviews, tea workers on certified plantations described taking on loans due to their extremely low incomes, material hardship, and delays in the payment of wages, as well as to cover the costs of basic needs and services such as food, healthcare, and education. Employers are legally required to provide many of these goods and services to tea workers; however, as noted above and in [section 2](#), these are frequently under-provided or not provided at all.

4.2.4 Impact of Certification on Health and Safety

Tea workers on ethically certified plantations reported wide-ranging issues relating to inadequate access to and provision of safety equipment, particularly for workers involved in spraying pesticides. Tea workers also reported health problems resulting from undertaking hazardous work, from carrying excessive loads, and from working long hours without a break.

Workers also told us that they were instructed to alter their working practices (e.g. in relation to safety equipment) to meet standards during annual audits by certifiers, but then reverted to breaking standards the following day. As one worker described, 'For safety equipment, when the [certifier] team visits, in that period alone there is a strict process of enforcement -- like wearing this strip with safety equipment. But only when [the certifier] visits'.⁹ Another worker described:

'The [certifier] visits once a year ... and they address 10 issues, including sanitation of the workers, the quality of the leaves, the quality of the environment of the leaves and the workers' safety measures. Everything is checked by [the certifier]. The workers who spray pesticides go to the garden wearing their own dress and they change their dress in the muster room where their dress and equipments are kept. Then they go to the field and after the work is complete they have to go back to the muster room change their dress and wash themselves and then come back. [The certifier] checks all these. This has to be followed regularly but the company does this only when [the certifier] comes.'¹⁰

This suggests that employers covered under ethical certification schemes are seeking to manipulate and cheat audit processes put in place by certifiers to monitor standards within tea supply chains.

4.2.5 Impact of Certification on Abuse, Threats, and Coercion

All of the ethical certification schemes in our study set standards around the treatment of workers, including prohibiting violence, threats and abuse. Despite this, our research found patterns of physical and verbal abuse, threats, coercion, and intimidation on certified plantations that were similar to those on non-certified plantations. Indeed, in our interviews, workers on ethically certified plantations reported multiple instances of physical violence from plantation managers and supervisors, as well as experiences of physical and verbal intimidation, threats, and sexual violence. Workers also reported threats from supervisors, including relating to enforced overtime, threats of withholding work or wages, threats of wage deduction, and other instances of abuse.

In addition, two ethical certification schemes within our study set standards around workers' rights, including collective association and freedom from discrimination. Those standards were also routinely violated by employers. On tea plantations covered under those schemes, tea workers reported retributory, punitive, and discriminatory actions on the part of management due to participation in strike action and involvement in unions. Workers on one plantation reported that

⁹ Tea worker 51

¹⁰ Tea worker 45

management sought to intimidate and suspend workers following their participation in a protest over working conditions. On another plantation, workers reported that benefits were withheld from workers following a strike over working conditions, even once the strike was finished. Workers also reported that those involved in the strike were 'targeted' by management, and some faced threats to have their work suspended.

4.2.6 Summary

Overall, we found very little difference between the labour practices and living standards of ethically certified and non-certified tea plantations. This reveals a profound gap in implementation between certification standards and the realities of labour conditions and practices in tea supply chains.

Overall, we found very little difference between the labour practices and living standards of ethically certified and non-certified tea plantations.

4.3 Ethical Certification Findings: Cocoa

Our research uncovered extensive confusion at the base of the cocoa supply chain over the arrangements and practices of ethical certification schemes; 95% of cocoa workers did not know whether the farm they were working on was certified or not. Confusion over certification extends well beyond the workers themselves, with government actors, agricultural officers, buyers, farmers, and community leaders unable to systematically or consistently identify which farms and producers were certified; how exactly the systems for monitoring and reporting on certification standards work; and whom they apply to in the context of smallholder farming. Although we set out to do a similar study comparing the labour standards on certified and non-certified cocoa farms, after extensive desk and field-based research, we determined this wouldn't be possible. This lack of transparency and traceability raises serious questions over the integrity of ethical auditing and certification schemes in cocoa supply chains.

95% of cocoa workers did not know whether the farm they were working on was certified or not.

4.3.1 Confusion About Who is Certified

As described in [section 3](#), Ghana's cocoa industry consists primarily of smallholder farmers. Ethical certification is typically held at the level of the farmer co-operative.¹¹ Kuapa Kokoo, for instance, is a farmer co-operative that holds Fairtrade and UTZ certification, and notes on its website that it has over 100,000 member farmers around Ghana.¹²

¹¹ Certifier 3

¹² Kuapa Kokoo website: <https://www.kuapakokoo.com/index.php/our-projects/>

As described in the introduction, our team obtained lists of cocoa communities from government agricultural extension officers for the districts in our study. Some districts also provided a list of farmers who sell their cocoa beans to various ethically certified co-operatives. However, many of these farmers were unable to confirm whether or not they were encompassed within ethical certification schemes or not, explaining that they sold both certified and non-certified beans and the labour standards for all beans were the same. Among those that sold to certified co-operatives, there was also lacking awareness of the labour standards that were required by those buyers, and how these differed from the standards of non-certified buyers.

There was similar fuzziness with respect to membership at the level of the co-operatives. One co-operative representative told us they were unsure which farms were covered since this changed year to year, and it is up to farmers to decide if they want to sell their beans as certified or not. In addition, there was confusion about how the process of certification worked between the co-operatives and the farms. One farmer explained that he was not required to do anything to become certified beyond selling beans to buyers from certified co-operatives. Others noted that they received training from co-operatives and certifiers around issues like child labour, but it was unclear whether or how this training influenced their practices.

Finally, there was confusion surrounding which workers were encompassed in certified schemes and which practices would be considered violations of the standards set forth by these schemes. There was confusion amongst certifiers and buyers as to whether farmers in ethically certified co-operatives needed to meet standards above and beyond those established through Ghanaian law. For instance, one buyer from an ethically certifier explained:

'In Ghana, we have our own labour law so standards confirm what the labour law is saying, how the organisation should employ and treat workers and how the farmers should employ and also treat their workers. So, in terms of labour conditions the standards set up some of the things that we need to comply with which are tandem with the labour law – where a country has a labour law, the labour law supersede that of the standards with so we are just using the labour law.'¹³

In this case, however, the ethical certification scheme sets standards for living and working conditions that went above the thresholds set by national laws.

Through interviews with certifiers, we also found that most ethical certification programs in the cocoa industry exclude the most vulnerable cocoa workers, including all of those interviewed within our study. This is because the remit of such programs does not include hired or waged workers, only farmers. As one explained, 'the hired labour of smallholders is still an area we can't reach. Because you imagine, how much work it is to inspect groups of 4,000 smallholders and then to meaningfully control how they treat their hired labour... we don't have a system for that.'¹⁴ Given our research findings that labour exploitation and abuse are widespread amongst hired cocoa workers, their exclusion from ethical certification programs is a serious concern.

4.3.2 Financial Challenges of Meeting Standards

Some farmers who sell to certified buyers were aware that those buyers required different standards. However, they explained they could not meet those standards because certification does not pay enough to be financially viable. Yet, they still sold beans as certified.

One farmer we interviewed explained that when he sold beans to ethically certified buyers, he receives 12 GHS (approximately £1.95) premium per bag of cocoa more than he receives for the bags he sold as uncertified. The farmer had been selling to the certified buyer for many years and was aware of the requirements attached to certified cocoa. However, he noted that the premium received was insufficient to meet the higher costs attached to these standards, particularly around labor which already amounts to 50% of costs.

13 Cocoa buyer 4

14 Certifier 3

Another farmer, who had been selling certified beans for three years, explained that while he received 14 GHS premium per certified bag of cocoa, this was insufficient to cover the additional costs of meeting the standard. As he explained, 'If I made the comparison, the expenses [of running the cocoa farm] is more than the premium.'¹⁵

4.3.3 Weak Verification Systems

Unsurprisingly, given the sprawling confusion about whether farms and producers were certified or not, our research found that verification systems for ethical certification programs in the cocoa industry are weak. The scale, scope, and frequency of audits and inspections, and whether these are internally conducted by the farmers themselves or by an external independent auditing company, varies across scheme. Our interviews with farmers, ethically certified co-operatives, and certifiers reveal that only a small proportion of farmers encompassed within the schemes are audited to ensure compliance. We also uncovered extensive confusion regarding the actors and processes involved in monitoring and enforcing compliance with ethical certification standards, raising questions about the robustness and integrity of enforcement systems.

Most ethical certification schemes within the cocoa industry are heavily dependent on self-verification, wherein farmers self-report to co-operatives that they are meeting the standards set by ethical certification schemes. This means that certifiers are not actually checking whether their standards are being upheld on the ground. Rather, the co-operative organisations self-report on whether their farmers are meeting standards. As one certifier explained, 'We are working with around 11800 cocoa farmers so we have not been able to visit any farms as of now but groups like [certified co-operative] for instance, they have workers who are mandated to visit farmers and check plantation on our behalf but us [certification scheme] workers personally we haven't been able to visit every farmer's farm due to their numbers.'¹⁶ This creates opportunity for farmer co-operatives to misrepresent farmers' practices.

Some ethical certification schemes do use external auditors, but only for a proportion of the farmers within their co-operative. One ethically certified cocoa co-operative representative told us that they audit a sample of only 5% of the farms within the co-operative.¹⁷ As he explained, 'We have been doing [certification scheme] since 1995 so what we are doing now is that we have

One ethically certified cocoa co-operative representative told us that they audit a sample of only 5% of the farms within the co-operative.

come to an agreement with them that at [certification scheme] we use the sample system, we don't visit all the farms, we use a sample of 5% so that we would see that what we have been trained to do we are complying with'. Another co-op explained that audits occur annually but only for a small proportion of their members.¹⁸ Certifiers confirmed these low levels of verification. As one explained, 'when you speak of groups with thousands of members you know they have been inspected by the internal inspections, and a sample of them has been inspected by the external auditor who also reviews the internal management system. But it's like traffic controls, you cannot control everybody every time'.¹⁹

At times, the structures and processes for monitoring and auditing ethical certification scheme standards described to us by cocoa buyers, co-operative members, and government representatives were exceedingly complex and confusing. One description of an ethical certification scheme's

¹⁵ Cocoa seller 2

¹⁶ Certifier 5

¹⁷ Cocoa buyer 4

¹⁸ Cocoa buyer 3

¹⁹ Certifier 3

verification system involved over a dozen actors, including 'extension officers', 'liaison officers', 'community executives,' 'society executives,' 'zone executives,' 'district executives,' 'child protection committees,' 'volunteers' and a 'control committee'.²⁰ The exact role and authority of these actors within verification systems was unclear.

Representatives of the same certification schemes gave different and competing accounts of how their own verification systems work to monitor, audit, and enforce labour standards within cocoa differently. In contrast to the process described on the organisation's website, one ethical certification organisation representative said his organisation's role within verification was primarily about training, while farmers enforce their own standards. As that representative noted:

'We as officers frankly are not able to visit every farm but that's why we work with organisations, the farm organisations they have system and control committees they have environmental committees so we train these control and environmental policies when sometimes we also work in tandem with the cocoa health and extension division so that as we visit the farm they also are able to enforce these standards and trainings so usually training of trainers to ensure that these are been adhere to because to kind of having over a 100,000 workers is a tall order that's why they have structures we work with.'²¹

The lacking clarity at the base of cocoa supply chains around how ethical certification verification systems operate – and who is ultimately responsible for checking that standards are being upheld – raises questions about the integrity of these systems.

4.3.4 Summary

Our research unearths extensive confusion at the base of the global cocoa supply chain regarding the arrangements and practices of ethical certification. It also suggests that farmers are selling beans as 'certified' that may not meet the standards set by certification organisations. In part, this is due to low premiums for certified cocoa beans, which farmers explained are insufficient to meet the cost of changing practices to meet certification standards. In addition, we found that ethical certification schemes' verification systems are weak and inconsistent, and that only a small number of farms are visited to ensure compliance with standards. There is lacking clarity as to where and with whom responsibility for enforcement ultimately lies. Overall, there are profound gaps in transparency and traceability, raising serious questions over the integrity of ethical auditing and certification schemes in cocoa supply chains.

4.4 Conclusion

When interviewed about the gaps and challenges our research uncovered regarding ethical certification schemes in cocoa and tea supply chains, certifiers repeatedly claimed that their standards do not provide a guarantee that they are being met. According to one certifier, 'there is no guarantee. We don't use the word guarantee'. Another certifier explained, 'I mean, [certification scheme] doesn't guarantee that there would not be any child labour in your systems...We can't guarantee that there is no child labour but we are making efforts to make sure that there would not be any child labour in our supply chain'.²²

MNCs who use certification systems confirmed that ethical certification schemes do not guarantee that ethical standards are being used within supply chains. As one MNC representative explained, 'Certification is like a life insurance policy. It's not an immunisation. And the certifications, like life insurance schemes, vary in terms of their coverage and robustness. They give you some coverage but not immunity'.²³

20 Cocoa buyer 3, see also Certifier 4

21 Certifier 5

22 Certifier 5

23 MNC 5

In this light, the way ethical certification schemes are portrayed to consumers and government needs to be revisited. Ethical certification schemes are clearly not leading to worksites that are free from labour exploitation, including forced labour. Yet, not only are ethical certification schemes marketed to consumers as a means of

Ethical certification schemes are clearly not leading to worksites that are free from labour exploitation, including forced labour.

contributing to a more just and sustainable world through their purchasing decisions, but MNCs are increasingly citing their efforts to source certified products as a key component of their strategy to prevent and detect forced labour in global supply chains. Our research documents the widespread failures and shortcomings of these schemes in addressing forced labour, raising serious concerns about the effectiveness of ethical certification schemes as a strategy to combat forced labour in global supply chains.

Ethical certification schemes are lucrative for certification organisations and the auditing companies who monitor and enforce standards. And they are expensive for the business actors who pay for certification, as well as the consumers paying higher prices for ethically certified products. Yet, our research suggests that the market for certification in tea and cocoa supply chains is doing little to financially benefit workers at the base of these supply chains, nor is it leading to improved working or living conditions for workers.

As mentioned, there was some variation across certification schemes; however, unfortunately, a full discussion of this variation lies beyond the scope of this report. For all certification schemes, we discovered sizable gaps between standards and processes set by certification organisations, and the wages, working and living conditions and practices reported to us by workers and producers on the ground. Notably, several of our interviewees expressed ambivalence as to whether there were credible differences between certification schemes. According to one industry association representative, there is not much difference between certification schemes. He described, 'It is like buying candy. The colours and shapes are different, but it all does the same thing'.²⁴

5. Conclusion

This section of the report summarises the study's key findings and offers recommendations for government, retail and brand companies, and ethical certification organisations to strengthen approaches to address and prevent forced labour in global supply chains.

5.1 Review of Key Findings

5.1.1 The Business of Forced Labour in Cocoa & Tea Supply Chains

As sections 2 and 3 of this report document, labour exploitation including forced labour is thriving at the base of cocoa and tea supply chains. In both industries, workers are paid severely low wages that are insufficient to secure the basic necessities of life and are routinely subjected to exploitation including: physical violence; 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); the non- and under-payment of wages; and requirements to complete unpaid labour as a condition of employment. In both industries, workers face severe constraints on their ability to exit their worksites. In the tea industry, the remote location of many tea plantations combined with workers' low wages means that transportation costs are often beyond reach and workers depend on their employers for housing; they do not have the savings they would need to secure alternative housing for their families. Many workers are also stuck in situations of debt bondage, and some are under the impression that they are legally bonded to their tea plantation. In the cocoa industry, the remote location of many cocoa communities combines with workers' low wages to make relocation challenging. Low wages also make it necessary for workers to borrow money in order to sustain themselves and their families, who often find themselves in situations of debt bondage. For workers in both industries, the threat of starvation and destitution is a credible and urgent concern, and workers reported having no alternative means of generating an income.

These are not randomly occurring instances of abuse. Rather, the dynamics of labour exploitation in global tea and cocoa supply chains operate according to clear and stable patterns rooted in the business 'demand' for forced labour among producers within each industry. In the tea industry, producers are

Forced labour emerges as a business strategy for producers to cut cost and generate revenue.

struggling to balance rising costs for inputs (e.g. machinery, petrol, and labour) and the impacts of climate change, with the stagnant prices they receive for tea leaves. Producers are often receiving the same price for tea they have for decades, yet, in that time period, the costs of growing tea have risen sharply. This makes tea producers' businesses financially volatile and in particularly bad seasons, potentially unviable. Similarly, smallholder cocoa farmers are struggling to balance rising costs and responsibility for inputs (e.g. fertiliser and pesticides) and the impacts of climate change (e.g. bushfires) with the low prices they receive for cocoa. This makes cocoa producers' businesses financially volatile and potentially unviable during particularly bad seasons. The margins for producers in both industries are very slim. Cocoa farmers, in particular, are struggling to make a living income. The business of forced labour in the cocoa and tea industries therefore needs to be understood within the context of highly uneven value distribution along agricultural supply chains, wherein large companies at the top of supply chains are absorbing a disproportionate share of profits, and the share going to producers and workers is disproportionately low. In this context, forced labour emerges as a business strategy for producers to cut cost and generate revenue.

5.1.2 The Failures of Ethical Certification to Combat Forced Labour

As [section 4](#) of this report documents, ethical certification schemes are not helping yielding worksites that are free from exploitation and forced labour. Our research found that these schemes are falling far short of their claims and objectives. In the tea industry, the patterns of worker abuse and exploitation are broadly similar across ethically certified and non-certified plantations. For instance, there is little difference between certified and non-certified plantations when it comes to indicators like under-provision of basic services, unfair treatment and debt bondage of workers. In the cocoa industry, our research uncovered such extensive confusion at the base of the cocoa supply chain over the arrangements and practices of ethical certification schemes that we were unable to systematically assess differences between labour standards across certified and un-certified worksites. Farmers who sold cocoa beans to ethically certified buyers reported the same labour standards were used for certified and non-certified beans, and that the premium received for certified beans was insufficient to meet the costs of higher standards required by ethical certification. We also found that ethical certification schemes create loopholes around the most vulnerable workers in the cocoa industry. Clearly, there are major problems with these schemes, and marketing that suggests that purchasing ethically certified tea and cocoa leads to better and more fair lives for workers is misleading.

5.2 Recommendations

A series of policy briefs accompanying this report comprehensively spells out recommendations to address the problems uncovered by our research. These are available in targeted formats for different types of organisation, including government, certification organisations, and brand and retail companies.¹ This section of the report outlines our key recommendations for addressing the problems uncovered in our research, and strengthening global efforts to prevent and address forced labour in global supply chains.

Review ethical certification programs. Our research brings to light the lack of effectiveness, transparency, and traceability in ethical certification schemes, and suggests they are ineffective tools for addressing and preventing forced labour in global supply chains. A public inquiry or independent review should be held to examine the integrity of such schemes, their value to consumers, and their adoption as governance tools to create a more just and fair global economy. Ethical certification organisations should undertake comprehensive reforms of their initiatives so that they can adequately deal with the problem of forced labour. Five changes stand out as most urgent, given the problems uncovered in our research. First, ethical certification organisations should identify ways to close the implementation gap between certification standards such as those relating to wages and debt, worker's rights, health and safety, and the realities of labour conditions and practices in tea and cocoa supply chains. Second, they should collaborate with other business actors to ensure that producers have the financial and non-financial resources they need to meet ethical certification standards. Third, they should reform the institutional design of their programs so that they encompass rather than exclude the workforces most vulnerable to forced labour within the supply chain. Fourth, ethical certification organisations and their auditors need to confront cheating and manipulation in audits, and the reality that the faulty data produced through such practices may be misleading companies, government, and the public about labour conditions in supply chains. Fifth, where certifiers are unable to close gaps between standards and practices on the ground, they should refrain from misleading marketing that gives consumers the impression that buying ethically certified products means they are preventing worker exploitation. Government should establish regulatory oversight over audit firms and ethical certification organisations, including a requirement that they report incidents of suspected exploitation or criminality.

¹ See Global Business of Forced Labour website: <http://globalbusinessofforcedlabour.ac.uk/>

Tackle the business demand for forced labour. In both the cocoa and tea industries, buyers are demanding that producers comply with labour and environmental law and voluntary corporate social responsibility commitments around social standards. Yet, in both industries, producers are systematically failing to meet those demands, and problems like forced labour and exploitation remain endemic. In part, producers' inability to meet social standards stems from the low prices that they are receiving for their products. A new approach to combatting the business of forced labour is needed. Our research confirms that forced labour is not a result of a few 'bad apple' employers within global supply chains, but is rather bound up with broader structural dynamics of how certain supply chains and sectors are organised. In tea and cocoa, these dynamics include: irresponsible sourcing practices by companies at the top of the supply chain (e.g. buying at the lowest price, even where the lowest price is insufficient to allow producers to meet social standards); the unequal distribution of value between buyers, suppliers, and producers, including the low prices that producers receive for their products compared to the high profits of retail and brand firms; dangerously low wages for workers in some portions of the supply chain; and the refusal of more powerful and profitable actors at the top of the supply chain to share the rising costs of inputs. These business dynamics need to be confronted if Sustainable Development Goal 8.7 is to be reached.² In particular:

MNCs, brand and retail companies should: identify whether they are undermining their own efforts to tackle slavery in supply chains, by using sourcing practices that make it difficult for their suppliers to meet CSR policies; move beyond ethical auditing regimes and identify new enforcement-driven strategies for tackling and preventing forced labour in supply chains that centre worker engagement and empowerment; comply in full with the 2015 UK Modern Slavery Act by reporting where abuses are found and specifying to which parts of their supply chain their efforts to tackle abuses are targeted; publically state how their business plans take into account and respond to forced labour considerations, and how they are engaging with subcontractors, supply chain intermediaries, and workers to address forced labour.

Government policymakers should: enforce the laws they have on the books to protect workers and increase 'boots on the ground' as increased enforcement and inspection along the supply chain will disrupt the business of forced labour. In the UK, policymakers should enforce and strengthen the UK Modern Slavery Act, including by requiring companies to report consistently and year on year on the risks of forced labour in their supply chain and whether their efforts to address these are effective; recognise the lacking effectiveness of prevailing industry-led private governance or 'corporate social responsibility' initiatives in tackling labour exploitation; engage with business, NGOs, labour organisations and academics to understand and address business practices that create a demand for forced labour; create policies to address the material and financial drivers that structure practices of forced labour at the base of global supply chains.

Ethical certification organisations should: make available the information they have collected on the drivers and patterns of forced labour in supply chains; discuss the challenges they face with respect to implementation gaps of standards relevant to forced labour with government, academics, business, and workers organisations, and collaborate to address these; be open and transparent about the business dynamics that lead to forced labour in supply chains, and the limited capacity of ethical certification schemes to address these.

Unless the core drivers of forced labour unearthed in this report are tackled, efforts to address forced labour in supply chains are likely to fall short.

² The United Nations Sustainable Development Goal target 8.7 reads: 'Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms'. See: Sustainable Development Goal website: <https://sustainabledevelopment.un.org/sdg8>

Pay living wages and protect workers' rights. In both the tea and cocoa industries, workers are receiving far less than minimum wage and living below the poverty line. They face far-reaching constraints and intrusions on their rights. This creates a climate that is ripe for exploitation. At present, producers claim they are not receiving enough for their products to obey labour law and pay the minimum wage. Companies at the top of the supply chain and producers need to ensure that workers are receiving a living wage. This includes ensuring that buyers are paying sufficient prices to allow producers to meet legal wage requirements and the company's voluntary social standards. In addition, companies need to ensure that workers are able to exert their rights, including to freedom of association. To facilitate this, they should provide workers within their supply chain an accessible means of reporting abuses from employers accompanied by robust systems to address these abuses.

Sector-wide collaboration. The challenges in tea and cocoa sectors are urgent and widespread and will require sector-wide collaboration to address. While MNCs headquartered in the global north have a major role to play in addressing these issues, it is not their problem alone. Domestic companies in emerging economies, small and medium enterprises, intermediaries, ethical certification organisations, unions, and

workers' organisations all need to play a part. Tea and cocoa workers are a valuable resource in the quest for sector-wide solutions. They are experts on the patterns of exploitation within the tea and cocoa industries and their experiences should be front and centre in discussions of sustainable, long-term solutions to the business of forced labour in supply chains. Establishing worker-driven social responsibility programs³ in tea and cocoa sectors, and emulating those in other agricultural sectors like tomatoes and dairy, would go a long way towards combatting exploitation and would give workers a central and meaningful role in solutions to the problem of forced labour in global tea and cocoa supply chains.

Workers' experiences should be front and centre in discussions of sustainable, long-term solutions to the business of forced labour in supply chains.

3 See Worker-driven Social Responsibility Network website: <https://wsr-network.org/>

APPENDIX I: TABLES OF INTERVIEWEES

Table 1 - Tea Workers

No.	Interviewee	Industry	Region
1	Tea worker 1	Tea	Assam
2	Tea worker 2	Tea	Assam
3	Tea worker 3	Tea	Assam
4	Tea worker 4	Tea	Assam
5	Tea worker 5	Tea	Assam
6	Tea worker 6	Tea	Assam
7	Tea worker 7	Tea	Assam
8	Tea worker 8	Tea	Assam
9	Tea worker 9	Tea	Assam
10	Tea worker 10	Tea	Assam
11	Tea worker 11	Tea	Assam
12	Tea worker 12	Tea	Assam
13	Tea worker 13	Tea	Assam
14	Tea worker 14	Tea	Assam
15	Tea worker 15	Tea	Assam
16	Tea worker 16	Tea	Assam
17	Tea worker 17	Tea	Assam
18	Tea worker 18	Tea	Assam
19	Tea worker 19	Tea	Assam
20	Tea worker 20	Tea	Assam
21	Tea worker 21	Tea	Assam
22	Tea worker 22	Tea	Assam
23	Tea worker 23	Tea	Assam
24	Tea worker 24	Tea	Assam
25	Tea worker 25	Tea	Assam
26	Tea worker 26	Tea	Assam
27	Tea worker 27	Tea	Assam
28	Tea worker 28	Tea	Assam
29	Tea worker 29	Tea	Assam
30	Tea worker 30	Tea	Assam
31	Tea worker 31	Tea	Kerala
32	Tea worker 32	Tea	Kerala
33	Tea worker 33	Tea	Kerala
34	Tea worker 34	Tea	Kerala
35	Tea worker 35	Tea	Kerala
36	Tea worker 36	Tea	Kerala

37	Tea worker 37	Tea	Kerala
38	Tea worker 38	Tea	Kerala
39	Tea worker 39	Tea	Kerala
40	Tea worker 40	Tea	Kerala
41	Tea worker 41	Tea	Kerala
42	Tea worker 42	Tea	Kerala
43	Tea worker 43	Tea	Kerala
44	Tea worker 44	Tea	Kerala
45	Tea worker 45	Tea	Kerala
46	Tea worker 46	Tea	Kerala
47	Tea worker 47	Tea	Kerala
48	Tea worker 48	Tea	Kerala
49	Tea worker 49	Tea	Kerala
50	Tea worker 50	Tea	Kerala
51	Tea worker 51	Tea	Kerala
52	Tea worker 52	Tea	Kerala
53	Tea worker 53	Tea	Kerala
54	Tea worker 54	Tea	Kerala
55	Tea worker 55	Tea	Kerala
56	Tea worker 56	Tea	Kerala
57	Tea worker 57	Tea	Kerala
58	Tea worker 58	Tea	Kerala
59	Tea worker 59	Tea	Kerala
60	Tea worker 60	Tea	Kerala
61	Tea worker 61	Tea	Kerala

Table 2 - Cocoa Workers

No.	Interviewee	Industry	Region
1	Cocoa worker 1	Cocoa	Ashanti
2	Cocoa worker 2	Cocoa	Ashanti
3	Cocoa worker 3	Cocoa	Ashanti
4	Cocoa worker 4	Cocoa	Ashanti
5	Cocoa worker 5	Cocoa	Ashanti
6	Cocoa worker 6	Cocoa	Ashanti
7	Cocoa worker 7	Cocoa	Ashanti
8	Cocoa worker 8	Cocoa	Ashanti
9	Cocoa worker 9	Cocoa	Ashanti
10	Cocoa worker 10	Cocoa	Ashanti

11	Cocoa worker 11	Cocoa	Ashanti
12	Cocoa worker 12	Cocoa	Ashanti
13	Cocoa worker 13	Cocoa	Ashanti
14	Cocoa worker 14	Cocoa	Ashanti
15	Cocoa worker 15	Cocoa	Ashanti
16	Cocoa worker 16	Cocoa	Ashanti
17	Cocoa worker 17	Cocoa	Ashanti
18	Cocoa worker 18	Cocoa	Ashanti
19	Cocoa worker 19	Cocoa	Ashanti
20	Cocoa worker 20	Cocoa	Ashanti
21	Cocoa worker 21	Cocoa	Ashanti
22	Cocoa worker 22	Cocoa	Ashanti
23	Cocoa worker 23	Cocoa	Ashanti
24	Cocoa worker 24	Cocoa	Ashanti
25	Cocoa worker 25	Cocoa	Ashanti
26	Cocoa worker 26	Cocoa	Ashanti
27	Cocoa worker 27	Cocoa	Ashanti
28	Cocoa worker 28	Cocoa	Ashanti
29	Cocoa worker 29	Cocoa	Ashanti
30	Cocoa worker 30	Cocoa	Ashanti
31	Cocoa worker 31	Cocoa	Western
32	Cocoa worker 32	Cocoa	Western
33	Cocoa worker 33	Cocoa	Western
34	Cocoa worker 34	Cocoa	Western
35	Cocoa worker 35	Cocoa	Western
36	Cocoa worker 36	Cocoa	Western
37	Cocoa worker 37	Cocoa	Western
38	Cocoa worker 38	Cocoa	Western
39	Cocoa worker 39	Cocoa	Western
40	Cocoa worker 40	Cocoa	Western
41	Cocoa worker 41	Cocoa	Western
42	Cocoa worker 42	Cocoa	Western
43	Cocoa worker 43	Cocoa	Western
44	Cocoa worker 44	Cocoa	Western
45	Cocoa worker 45	Cocoa	Western
46	Cocoa worker 46	Cocoa	Western
47	Cocoa worker 47	Cocoa	Western
48	Cocoa worker 48	Cocoa	Western
49	Cocoa worker 49	Cocoa	Western
50	Cocoa worker 50	Cocoa	Western

51	Cocoa worker 51	Cocoa	Western
52	Cocoa worker 52	Cocoa	Western
53	Cocoa worker 53	Cocoa	Western
54	Cocoa worker 54	Cocoa	Western
55	Cocoa worker 55	Cocoa	Western
56	Cocoa worker 56	Cocoa	Western
57	Cocoa worker 57	Cocoa	Western
58	Cocoa worker 58	Cocoa	Western
59	Cocoa worker 59	Cocoa	Western
60	Cocoa worker 60	Cocoa	Western

Table 3 – International Business

No.	Interviewee	Anonymisation code	Industry
1	Director, certification organization	Certifier 1	Tea; cocoa
2	Manager, certification organization	Certifier 2	Tea; cocoa
3	Monitoring and evaluation officer, certification organization	Certifier 3	Tea
4	Director, MNC	MNC 1	Tea; cocoa
5	Vice-president, MNC	MNC 2	Tea; cocoa
6	Head of sustainability, MNC	MNC 3	Tea
7	Global head, supply chains, MNC	MNC 4	Cocoa
8	Director of research, MNC	MNC 5	Tea; cocoa
9	Director of research, MNC	MNC 6	Cocoa
10	Head of strategy, audit organization	Auditor 1	Tea; cocoa
11	Director, industry association	Industry association 1	Cocoa; tea
12	Director, certification organization	Certifier 4	Cocoa
13	Business support officer, certification organization	Certifier 5	Cocoa
14	Partnerships and program manager, auditor	Auditor 2	
15	Senior coordinator, certification organization	Certifier 6	Tea
16	Coordinator, international programmes, certification & audit organization	Certifier 7	Tea
17	Senior manager, certification & audit organization	Certifier 8	Tea
18	Coordinator, certification & audit organization	Certifier 9	Tea
19	Manager of sustainability, industry association	Industry association 9	Cocoa; tea

Table 4 – Domestic Business

No.	Interviewee	Anonymisation code	Industry
1	Outreach officer, workers cooperative	Workers coop 1	Cocoa
2	Chairman, industry association	Industry association 2	Tea
3	Secretary, industry association	Industry association 3	Tea
4	Chairman, industry association	Industry association 4	Tea
5	Head of sustainability, industry association	Industry association 5	Tea
6	Secretary, industry association	Industry association 6	Tea
8	Director, certification organization	Certifier 10	Tea
9	Manager, packaging factory	Manager 1	Tea
10	Senior manager, tea estate	Manager 2	Tea
11	Manager, tea estate	Manager 3	Tea
12	Owner, tea estate, and exporter	Estate owner	Tea
13	Manager, factory	Manager 4	Tea
14	Manager, industry association	Manager 5	Tea
15	Vice president, industry association	Industry association 7	Cocoa
16	Executive director, industry association	Industry association 8	Cocoa
18	Manager, industry association	Industry association 10	Cocoa & tea
19	Chief executive, industry association	Industry association 11	Cocoa
20	Buyer, cocoa buying company	Cocoa buyer 1	Cocoa
21	Buyer, cocoa buying company	Cocoa buyer 2	Cocoa
22	Seller, cocoa	Cocoa seller 1	Cocoa
23	Seller, cocoa	Cocoa seller 2	Cocoa
24	Supervisor, cocoa buying company	Cocoa buyer 3	Cocoa
25	Manager, cocoa buying company	Cocoa buyer 4	Cocoa

Table 5 – Government and International Organisations

No.	Interviewee	Anonymisation code	Industry
1	Senior official with responsibility for tea industry, national government	Government 1	Tea
2	Former chief inspector, provincial government	Government 2	Tea
3	Senior official with responsibility for agriculture, national government	Government 3	Cocoa
4	Chief advisor with responsibility for modern slavery, national government	Government 4	Tea; cocoa

5	Regional representative, United Nations organization	UN organisation 1	Cocoa
6	Senior official with responsibility for human trafficking, United Nations organization	UN organisation 2	Tea; cocoa
7	Senior official with responsibility for human rights, United Nations Commission	UN commission	Tea; cocoa
8	Senior official with responsibility for labour standards, European Union Institution	EU institution 1	Tea; cocoa
9	Official with responsibility for trade, European Union Institution	EU institution 2	Tea; cocoa
10	Official with responsibility for external relations, European Union Institution	EU institution 3	Tea; cocoa
11	Director of projects, United Nations organization	UN agency 1	Cocoa
12	Official with responsibility for child rights, United Nations organization	UN agency 2	Cocoa
13	Official with responsibility for labour standards, United Nations organization	UN agency 3	Tea
14	Chief advisor, United Nations organization	UN agency 4	Tea; cocoa
15	Senior official with responsibility for employment and labour markets, United Nations organization	UN agency 5	Tea; cocoa
16	Official with responsibility for forced labour, United Nations organization	UN agency 6	Tea; cocoa
17	Official with responsibility for Africa, United Nations organization	UN agency 7	Cocoa
18	Senior statistician, United Nations organization	UN agency 8	Tea; cocoa
19	Senior official with responsibility for labour market, United Nations organization	UN agency 9	Tea; cocoa
20	Senior official with responsibility for cocoa industry, United Nations organization	UN agency 10	Tea; cocoa
21	Senior official with responsibility for forced labour, United Nations organization	UN agency 11	Tea; cocoa
22	Senior official with responsibility for business engagement, United Nations organization	UN agency 12	Tea; cocoa
23	Researcher, United Nations organization	UN agency 13	Tea
24	Official with responsibility for recruitment and migration, United Nations organization	UN agency 14	

25	Specialist, transport and maritime, United Nations organization	UN agency 15	
26	Senior official with responsibility for India, United Nations organization	UN agency 16	Tea
27	Labour inspector, national government institution	Government 5	Cocoa
28	Auditor, national government institution	Government 6	Cocoa

Table 6 – Experts (civil society, academic, trade unionists)

No.	Interviewee	Anonymisation code	Industry
1	Director, INGO	NGO 1	Tea; cocoa
2	Researcher, INGO	NGO 2	Tea
3	Specialist, social policy, INGO	NGO 3	Tea; cocoa
4	Coordinator, NGO	NGO 4	Tea
5	Director, NGO	NGO 5	Tea
6	Director, NGO	NGO 6	Tea
7	Executive director, NGO	NGO 7	Tea
8	Chairman, NGO	NGO 8	Tea
9	Researcher, NGO	NGO 9	Tea
10	Human rights specialist, INGO	NGO 10	Tea; cocoa
11	Senior program officer, NGO	NGO 11	Tea
12	Director, NGO	NGO 12	Tea; cocoa
13	Regional director, NGO	NGO 13	Tea
14	Senior researcher, NGO	NGO 14	Tea; cocoa
15	Academic, university, Ghana	Academic 1	Cocoa
16	Academic, university, Ghana	Academic 2	Cocoa
17	Lecturer, university, UK	Academic 3	Cocoa
18	Professor, university, India	Academic 4	Tea
19	Professor, university, India	Academic 5	Tea
20	Professor, university, India	Academic 6	Tea
21	Professor, university, India	Academic 7	Tea
22	Researcher, research institute, Ghana	Academic 8	Cocoa
23	Academic, university, Ghana	Academic 9	Cocoa
24	Academic, university, Ghana	Academic 10	Cocoa
25	Professor, university, India	Academic 11	Tea
26	Professor, university, UK	Academic 12	Cocoa; tea
27	Associate professor, university, USA	Academic 13	Tea
28	Professor, university, USA	Academic 14	Tea
29	Associate professor, university, India	Academic 15	Tea

30	Lecturer, university, Ghana	Academic 16	Cocoa
31	Academic, university, USA	Academic 17	Cocoa
32	Lecturer, university, Ghana	Academic 18	Cocoa
33	Independent unionist, India	Unionist 1	Tea
34	Independent unionist, India	Unionist 2	Tea
35	Independent unionist, India	Unionist 3	Tea
36	Head, trade union, Ghana	Unionist 4	Cocoa
37	General secretary, trade union, India	Unionist 5	Tea
38	Unionist	Unionist 6	Tea
39	Unionist	Unionist 7	Tea
40	Director, research and innovation, labour group	Unionist 8	Cocoa; tea

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