

A living wage for Malawian tea workers comes one step closer

- *The Tea sector in Malawi has narrowed the gap between current wages and a living wage by twenty percent*
- *The first ever Collective Bargaining Agreement has been agreed between the tea industry and Plantation Union*
- *Tea estate wages are more than fifty percent higher than the rural minimum wage in Malawi*
- *Workers receive a more nutritious diet every day*
- *Every fifth tea farmer has been trained to improve the quality of their tea farming; two thirds of these are women.*

Monday 24 October 2016 – One year after starting the journey towards a competitive and profitable Malawian Tea sector where workers earn a living wage and smallholders are thriving, the [Malawi Tea 2020](#) coalition has made significant progress. The coalition, which comprises companies all along the tea value chain including producers, retailers, as well as unions, NGOs, and government agencies, has successfully narrowed the gap between current wages and a living wage by twenty percent.

When in-kind benefits such as housing and welfare that workers receive are taken into consideration, workers' wages are now 2/3rds of a living wage. The tea sector has also seen improvements in general working and living conditions of tea estate workers including nutrition and worker representation.

Malawi is Africa's second largest tea producer after Kenya and Malawian tea is used in many tea blends sold in UK and European supermarkets. The tea industry is the largest formal sector employer in Malawi, employing 50,000 workers and providing livelihoods to more than 12,000 smallholders. Malawi is also one of the world's poorest countries with 62 percent of Malawians living below the World Bank's extreme poverty line and about half of all children lacking adequate nutrition.

Tea sector wages went up following the first ever Collective Bargaining Agreement (CBA) between the tea industry and the Plantation Union (PAWU) was signed in August 2016. This CBA is an important first step for the worker and employer dialogue, and for workers through the union to negotiate wages.

Living wage experts Richard and Martha Anker, who are part of the programme's independent wages committee, said: "We have seen a noteworthy increase in daily wages which will make a significant difference in the lives of the tea workers in Malawi. To afford a decent standard of living for a tea worker and family, wages will need to increase further but a significant step forward has been made.

"A challenge will be if inflation continues at this rate for the next year, then the August 2016 wage increase will be effectively eliminated by July 2017. Malawi has very high inflation and this means it is necessary that continuous changes are made to wages."

Rachel Wilshaw, Ethical Trade Manager at Oxfam said: "In 2013 [a joint report by Oxfam, Ethical Tea Partnership and IDH](#) showed that the approximately 50,000 tea pluckers in Malawi were trapped in poverty, despite receiving the legally required wage and some in-kind benefits. Malawi Tea 2020 is a rare coalition of parties which have the collective power to bring about positive change in the industry.

We welcome the progress made in the last year on wages, nutrition and worker representation, particularly in the face of a devastating drought caused by the El Nino effect. Nevertheless these vulnerable workers need all companies - retailers, buyers and producers - to step up further if a living wage is to become the norm by 2020.”

Richard Fairburn, Chairman of the Malawi Tea 2020 Steering Committee, said: “During the last year, the entire tea value chain has worked together to deliver the activities outlined in the Malawi Tea 2020 roadmap, and it is great to see the commitment of so many organisations to our common goals. All partners now realise that only a thriving and sustainable Malawian tea industry can deliver long term impact for workers and smallholders.”

Sarah Roberts, Executive Director of the Ethical Tea Partnership, which brings together companies which buy, trade and retail tea, said: “I am greatly heartened by the progress that has been made in what is a very challenging situation. I applaud the efforts of companies which have enabled them go beyond the status quo and of the broader partnership which both supports and challenges us all to go further.”

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Notes to Editors

Based on an on-the-ground assessment of progress on wages in October 2016, the Ankers found that “basic wages were 33% of the living wage on average from January 2014 until September 2015 when the Malawi Tea 2020 programme started, compared to an average of 40% from September 2015 to October 2016, indicating a considerable increase in wages and narrowing of gap between the living wage and tea sector wages.”

The Malawi Tea 2020 partnership brings together the organisations which can deliver the changes required to achieve a competitive and profitable Malawian tea industry where workers earn a living wage and smallholders earn a living income. The action-oriented multi-stakeholder coalition of Malawian tea producers, trade unions, large international tea buyers, relevant certification standards, NGOs and donors agreed on a joint vision in September 2015 which culminated in a roadmap, activities and guidance on how to achieve the set targets.

The following 21 organisations have signed up to the Malawi Tea 2020: Ethical Tea Partnership; Ethical Trading Initiative; Fair Trade; IDH, the Sustainable Trade Initiative; Jacobs Douwe Egberts; GIZ; Malawian Tea Traders Association; Marks and Spencer; Mother Parkers; OTG, Oxfam; Rainforest Alliance; Ringtons; Tata Global Beverages; Taylors of Harrogate; Tea Association of Malawi; Tesco; Twinings; Unilever; UTZ Certified; Van Rees.

Timeline of the Malawi Tea 2020 coalition:

1. [Joint report](#) by Ethical Tea Partnership, Oxfam and IDH published in May 2013. The report found low wages in both Malawi and in Assam, India.
2. Richard Anker and Martha Anker, world experts in assessing a living wage carried out a [living wage benchmarking study](#), published in January 2014

3. The Malawi Tea 2020 coalition was launched in Blantyre, September 2015, based on a [roadmap to revitalize the tea industry](#).
4. Members of the coalition held their first Annual Progress Meeting in Blantyre, October 2016.

Other achievements

Other achievements in the first year include that 18,800 workers are now receiving a more nutritious diet. Midday meals are fortified with essential mineral and vitamins, and in addition, all tea estates are providing fresh vegetables once a week. Plans are at an advanced stage to cater for another 12,000 workers. The fresh vegetables are coming from the estates' own gardens or local markets. Some estates are creating business opportunities for women to engage in growing vegetables on the estate.

The first year of the Malawi Tea 2020 programme has also led to the training of over 2000 smallholder farmers. This is every fifth tea farmer in the country, two thirds of them being women. At these Farmer Field Schools, farmers build their knowledge and skills to improve the quality of their tea farming, business management and standard of living. Currently 66 Farmer Field Schools are up and running.

Cash wages for tea estate workers are now more than fifty percent higher than the rural minimum wage in Malawi. In 2015, a tea estate worker received 660 Malawian Kwacha per day; this has now increased to K1178 per day (without in-kind benefits). In comparison, while the minimum wage increased somewhat in October 2015 (to K688) and has remained at this level since then, the basic wage for tea estate workers increased four times since August 2015 and by much larger amounts.

Annual Progress Report

The Annual Progress Report 2015 – 2016 highlights the progress made in the first year since the Malawi Tea 2020 programme started. Besides the Annual Progress Report is a copy of the independent Malawi Tea 2020 Wages Committee progress report 2016 attached.

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