REVIEW OF WORKING AND LIVING CONDITIONS
OF TOBACCO TENANTS AND
OTHER WORKERS ON TOBACCO ESTATES

By
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ABBREVIATIONS

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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>AECL</td>
<td>Association of Elimination of Child Labour</td>
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<td>DC</td>
<td>District Commissioner</td>
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<td>CFSC</td>
<td>Centre for Social Concern</td>
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<td>FGD</td>
<td>Focus Group Discussion</td>
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<td></td>
<td>International Labour Organization</td>
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<td>TAMA</td>
<td>Tobacco Association of Malawi</td>
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<td>TOTAWUM</td>
<td>Tenants And Allied Workers Union of Malawi</td>
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<td></td>
<td>Sub-Saharan Africa</td>
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<td></td>
<td>Tobacco Control Commission</td>
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<tr>
<td>US</td>
<td>United States</td>
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<td>WHO</td>
<td>World Health Organization</td>
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EXECUTIVE SUMMARY
Since its establishment, the Centre for Social Concern (CFSC) has recognized the problems faced by smallholder tobacco workers and their lack of protection. The study was therefore commissioned to assess the socio-economic; working and living conditions of the smallholder tobacco growers and their families on tobacco estates in Lilongwe, Mchinji, and Mzimba districts. A parallel investigation was carried out to research the profitability of the tobacco production industry in Malawi, with reference to international trends in tobacco production/consumption and the organization of tobacco markets in Malawi. Special emphasis was given to the issue of price transparency on the tobacco auction floors relating to the pricing of inputs/outputs at estate level. If the system was found to be exploitive to the smallholder farmers then it was anti-poverty reduction which needs a through review. The survey results would help Unions to open up debate on the production and purchase of tobacco in Malawi. Specifically the results of the survey would help TOTAWUM (Tenants and Allied Workers Union of Malawi) in its bargaining position with the major stakeholders in the tobacco industry. The results would also strengthen TOTAWUM demand for better living; working and social economic conditions for its members involved in tobacco production. Finally, it is also meant to give input in the newly drafted bill which soon is to be tabled in parliament.

(i) The Purpose of the Study
The study methodology involved the analysis of the available literature on tobacco industry. It also involved consultations with wide range of stakeholders aimed at obtaining their perception of the factors affecting the operations of the industry. In addition, a field survey was carried out which covered the districts of Lilongwe, Mchinji and Mzimba. The choice of the districts was based on the fact that this is where most of the tobacco estates are found in Malawi. The data in the field was collected through the use of questionnaire that was written in Chichewa. However, the technical team suspected that a lot of respondents seemed not to be free to give answers in the presence
of their managers. In order to fill in the holes, the missing information was collected through Focus Group Discussion (FGD) which were conducted in private away from their work place. It was observed that the respondents discussed sensitive topics more in FGD than through the individual interviews.

(ii) Tobacco—the main foreign exchange earner
Tobacco production is associated with economic development in Malawi. It provides employment to a cross section of Malawians and contributes over 70 per cent of the country’s foreign exchange earnings. The powerful force behind Malawi’s tobacco-dependent economy are U.S. subsidiaries Limber Leaf, Stancom and Demon which together purchase over 95 per cent of the tobacco crop and sell it to global cigarettes firms like Philip Morris and British American Tobacco.

(iii) The Tobacco Prices
The study results have revealed that the prices of tobacco prevailing on the auction floor have been generally declining over the last few years. The cause for the low prices at the auction floors has recently been a subject of controversy between the tobacco producers and tobacco buyers. On one hand, the producers believe that the low prices are as a result of deliberate manipulation of the international buyers who have developed monopolistic behavior of fixing tobacco prices for their own benefit. The producers believe that the price fixing by the multinational tobacco buyers coupled with various government levies on tobacco has grossly reduced their profit margins. However, the buyers blame the low quality and the presence of plastic in tobacco bales as the real contributors to current low tobacco prices at the auction floors.

(iv) Forms of Exploitation on Estates
The study has revealed that tobacco workers live in extreme poverty and are often subjected to high levels of exploitation. It was reported that situation has become more serious since the advent of market liberalization. The majority of the tobacco workers (tenants and contract workers) work without contracts written or oral. It was revealed that
their produce is under-priced due to deliberate under-grading done by the estate owners. This practice leaves most of the estates workers with heavy debt. Furthermore, many landlords on tobacco estates deny workers basic necessities such as medication; food when they run out of their monthly ration; safe drinking water and housing. In this survey, some respondents reported to have gone without food for two or more days in this survey.

On the conditions of service, estate workers are not entitled to annual leave; maternity leave; transport facilities; medical scheme; death gratuity e.t.c. If estate workers fall ill, they are neither entitled to sick leave nor provided transport to go to the hospital. The study also established that the degree of women’s involvement in tobacco production is same as that of men. In addition to tobacco production, women are also involved in domestic work in the household. However, despite their heavy schedules on the tobacco fields and household level, their contributions are not directly rewarded by the estate owners or their husbands. In one of the focus group discussions, the women claimed to have been subjected to mental; sexual and physical abuses from landlords and their own husbands. The majority of those interviewed claimed to have been sexually harassed or even raped by their own masters.

Most estates do not provide services for school going children leading to high incidences of child labour on tobacco estates. It was established that although primary school is free in Malawi, children become part of the workforce by working along side their parents on tobacco fields. There was also a lot of evidence that children as young as 10 years become full time workers on these estates and earning much less than their adults counter parts.

(v) The Way Forward

The study strongly recommend that the there should be signed contract agreements between the landlords and estate workers (seasonal labour and tenants) that stipulate what the landlords will provide as support services to the workers, how much lump sum will be
paid to the workers at the end of the season. The study also recommends that the Government through the Ministry of Labour should ensure that the signing of contracts by both parties should be made compulsory. The landlords should have farm record books in which all the advances made to estate workers are recorded at prevailing current prices. This will minimize cheating the estate workers at the end of every season.

The study has established beyond reasonable doubt that estate workers are usually helpless people whose welfare is at the mercy of their landlords. In the current political dispensation which promotes freedom of expression and respect of human rights, the circumstance surrounding the estate workers can no longer be tolerated. The study, therefore, advocate for the promotion of trade unions within the tobacco estates whose mandate is to ensure that estate workers have recourse to collective bargaining to express their grievance to their landlords. It is therefore recommended that TOTAWUM should carry out active publicity campaigns of forming trade unions. These unions will be used as channels for communicating all forms of abuse at work place.

In order to eradicate the child labour issue, the study recommends that government should make primary school compulsory for all school going age groups. This can be enforced through setting up of village level monitoring committees. The study proposes that the estate owners should have a social obligation to provide socio-economic amenities in area where there are no schools.

The study recommends that the draft Tenancy Labour Bill that was prepared by the Ministry of Labour be tabled in the next sitting of parliament. It was learnt that this Bill was drafted by the Ministry of Labour in 1995 and was sent to Ministry of Justice in 1997 where it sat idle until today. The draft legislation is a very important tool which has been designed to address all sorts of labour dispute at workplaces. This Bill emphasizes written contracts between tenants and landlords covering things like transportation of tenants, food provisions and accommodation, and fair loan repayments schemes.
Chapter 1:

1.0 Background to the Study

1.1 Introduction

Following independence in 1964, the Malawi government like many other Sub Saharan African (SSA) countries adopted interventionist policies for developing their economies. Due to its critical role in the country's economy, agriculture largely fell prey to various policy interventions supposedly aimed at maximizing national economic growth. In consequence, the country witnessed the evolution and consolidation of longstanding co-existence of distinct dualistic agricultural sectors characterized by the estate and smallholder systems. These sectors have played the complimentary roles of generating agricultural exports and feeding country's growing population respectively (World Bank, 1981). During the 1960s, the government policy favoured the estates with preferential access to extension services, credit and market primarily for the highest value crops such as tea, sugar and tobacco. Consequently customary land holdings, which were previously managed by smallholders were converted into leasehold land for estate sectors to expand production of the above cash crops. This therefore led to the creation of a poor landless class and reduction of land for smallholder cultivation.

Although the Malawi economy performed quite satisfactory due to the implementation of the above mentioned policies during the 1970's, the dual nature of the economy meant that the estate sector was masking poverty by destroying the smallholder sub-sector. As the population was increasing, land fragmentation was continuing to occur and livelihood systems were deteriorating too as a result of agricultural and marketing policies, which favoured the estate sector. During the 1990's the government policy towards the estate sector was reversed to allow smallholder farmers participation in tobacco production with a view of alleviating human suffering in the country. However, the liberalization created yet more misery to the smallholder farmers forcing them to seek employment in the estate sector because it has land and credit facilities. The purpose of this study, therefore, is to assess the social, economic and living conditions of the smallholder farmers currently seeking employment and working in the estate sector in Lilongwe, Mchinji and Mzimba,
1.2 Objectives of the study
The main objective of the study is to assess the present socio-economic, working and living conditions of the smallholder tobacco workers and their families on tobacco estates in Lilongwe, Mchinji and Mzimba districts. The survey results are to help trade unions to open up a public debate on the production and purchasing of tobacco in Malawi, from the perspective of the tobacco tenants and other associated stakeholders in the tobacco industry. Specifically, the survey wants to strengthen the position of Tenants and Allied Workers Union of Malawi (TOTAWUM) in its bargaining position with the Tobacco Association of Malawi (TAMA). Involving tenants in the drawing up and implementation of this survey was done in order to increase the capacity of TOTAWUM. This exposure enables TOTAWUM and some of its members to improve their strategising skills for the present and future benefit of the union and its members. The survey also strengthens the TOTAWUM demands for better living, working and social conditions for its members and others involved in tobacco production, and the investigations into the economic profitability of the tobacco industry will result in a new field of knowledge for TOTAWUM. The knowledge gained will enable TOTAWUM to improve its lobbying skills both nationally and internationally. The undertaking of this research by tenants and for tenants will enable TOTAWUM to become a more legitimate and recognized voice for this group vis-à-vis other players in the industry, among tenants and associated workers and with donors interested in funding future activities of the union. The situation of Women and children will be specifically highlighted and exposed allowing for debate on remedial action.

1.3 Methodology of the Study
The study has been conducted through analyses of the available literature on tobacco industry. The insights from the literature review were complimented by the consultations with various players in the industry aimed at obtaining their perception of the factors affecting the operations of the tobacco industry. In addition, data were collected from tobacco estates through the use of questionnaires. The questions were designed to expose socio-economic living and working conditions of estate workers as well as their families. The set of questions were, therefore, designed to collect information on work schedules, salaries/wages, working conditions and general attitude of tenants and the rest of the workers on an estate. In this study, special questions were also
It has been established by Chidzanja (2003), Mackay (2002), Phiri (2004) and Tsoka (2000) that tobacco has continued to be Malawi’s most important export crop and major foreign exchange earner since independence. The share in total domestic exports of tobacco has been rising over the years irrespective of huge drop in tobacco prices on the international markets. Tobacco now accounts for over 70 per cent of the country’s total foreign exchange earnings and it makes a significant contribution to rural employment and to general income spread of the country (Phiri, 2004).

2.2 The Origins of Tobacco Industry in Malawi

According to the publication by TAMA (2004), the first Virginia tobacco was grown in 1889 in Blantyre Township by David Buchanan on John Buchanan’s farm and it was also grown at Michiru and later in Zomba. The publication also revealed that the first parcel of tobacco weighing approximately 40 pounds was sent for auction to London in 1893. This was a very historic occasion for both countries, the first export of tobacco for the British Central Africa Protectorate and Britain’s first import from the empire. However, the price realized from the tobacco sales was very low due to poor quality. At the same time the two brothers were also making their own brand of cigarettes for domestic consumption in Blantyre area.

Our survey results has further revealed that the other pioneers in tobacco industry were active in 1893 in the names of Hynde and Stark and between 1898 to 1899, a record of 2,240 pounds of tobacco was said to have been exported (TAMA, 2004). Although there was still a problem of processing the tobacco leaf for the market, it has been established that a steady progress in tobacco farming was made from 1899 onwards. The survey has also established that Messrs Hynde and Stark are believed to have pioneered the first Tenant Tobacco Scheme in Nyasaland. Under this scheme the crops were grown by African tenants and not by paid labour on the owner’s estates. The publication from TAMA has revealed that the principal tobacco estate growers, manufacturers and exporters at that time were Blantyre & East Africa Ltd; Henry Brown, Thornwood Estate, Mlanje; Messrs Cox Brothers Nyamitete Estate; African Lakes Company Ltd, W.F. James, John Sinclair, and the British Central Africa Company Ltd. Tobacco farming was concentrated in the southern
province until 1919 when Andrew Barron and Roy Wallace secured a large piece of land in Lilongwe and started growing tobacco. Like the tobacco growers in the southern province, Baron and Wallace introduced the Tenancy system of tobacco growing in the central province.

As you have already noted from the above analysis, the growing of the lucrative tobacco crop was entirely by the white settlers during the colonial era. However, following the independence, Dr. Hastings Kamuzu Banda directed that Malawians should also grow tobacco. Various schemes were therefore established and various estates were designated for use as training schools to the local farmers who had little knowledge of tobacco production. Over the past decades the planting pattern has changed quite dramatically. The desk search has established that the month of February was accepted as the tobacco planting month before 1940 and in 1940s through to 1960s Christmas planting was the fashion while in the late 1960s favoured November planting. Tobacco can now be planted as early as October especially on big estates with irrigation system.

2.3 TOBACCO PRODUCTION

In her report, Mackay (2002) indicated that following the sharp expansion in tobacco hectarage over the last two decades, the quantity of all tobacco varieties produced has also increased. The report from TAMA Annual Conference of 2003 indicates that there has been a phenomenal rise in the Malawi tobacco crop of all types from 3.4 million kg at independence in 1964 to 154 million kg in 2004. The survey has therefore established that the sharp increase in tobacco production over the years is as a result of combination factors such as liberalization of the agricultural sector; improved agricultural research and management; liberalization of tobacco quota to the smallholder farmers; response to favourable prices; availability of credit facilities and contract growing in the case of Virginia flue cured tobacco. Tobacco production involves three phases of social and economic activities such as harvesting, drying and baling. Harvesting is normally a labour-intensive activity involving high amounts of child labour on most estates. Using only their hands, tobacco household members remove leaves from plant stalks. Bottom leaves are pulled first, then the other leaves as the leaves mature. Once harvested, the leaves are transferred to drying sheds, sewn together, placed on drying sticks, and air cured. Tobacco quality and storage time are dependent on weather conditions. After drying, leaves are classified by a registered grader and made into clusters. A
manual operated "jack" is used to make tobacco bales weighing up to 120 kgs. The workers load leaf of the same grade and compress it into bales. After receiving notification of delivery dates from the auction floors, bales are transported to rural distribution centers where they later are sent to auction.

2.4 Tobacco Buyers and the System of Auction in Malawi

According to TAMA (2004), selling season starts from April and it normally ends in September. During this period the survey has established that farmers sell tobacco to U.S buyers at the Lilongwe, Mzuzu and Limbe auction floors. The auction floors in Lilongwe is now said to be the largest tobacco auction floor in the World and the headquarters of the Auction Holdings Limited (AHL). The most important function of AHL is to ensure that the three auction floors in Lilongwe, Limbe and Mzuzu are operating smoothly. TAMA (2004) has it that there are currently seven tobacco buyers operating on the auction floors in Malawi and these include Limbe Leaf Tobacco Company Ltd; Tobacco Marketing Company; Standard Commercial Tobacco Company Ltd; African Leaf (Malawi) Ltd; R.W.J. Wallace Ltd; Dimon Tobacco Company Ltd; and Premier Leaf.

The auction floors sales take place on weekdays from approximately early April through to mid-October, or until the last of the tobacco have been sold. Officials of the Tobacco Control Commission (TCC) supervise the conduct of the sales, which follow a set of rules, laid down by statute. A representative from each licensed buying company takes up a position in a line parallel to the bases in which the bales of tobacco are laid out in rows. On the opposite side of the bales facing the buyers is the AHL selling team of three, the starter, the auctioneer and the ticket marker. The starter announces a price at which bidding starts and the auctioneer advances the bidding to completion. The ticket marker then records the final price, the buyers name and the grade mark.

The purchase is followed by a lengthy checking process. Because the buyers estimate the quality of the tobacco on the samples placed on top of the bale, it is necessary for representatives of the buyer's company to check the bales more closely. If the entire bale is not up to the standard, it is rejected by the buyer. The growers' representatives for the various tobaccos check the prices. Should these not be sufficient high, in their estimation, they may reject the price bid. The
arbitrators from the Tobacco Control Commission make the final decision as to whether to accept the price or reject it.

According to Chief Executive of the TCC, the U.S. subsidiary companies buy over 95 per cent of Malawi's tobacco and sell to cigarette makers like Philip Morris. According to the International Labour Organization (ILO) report (2003), Philip Morris and other global firms manufacture 5 trillion cigarettes a year. The report also indicates unlike the tobacco farmers, tobacco-manufacturing workers are among the best paid in the global tobacco industry. Each time a consumer lights a cigarette a relationship is established between smoker and tobacco farmer in Malawi. This relationship is concealed by global tobacco firms who profit from conditions of poverty in Malawi and from nicotine addiction of cigarette smoking. The World Health Organization (WHO) reports that about 5 million tobacco related deaths occur each year. Other harmful effects include the assault on the human dignity of agricultural workers in tobacco growing areas that receive little or no money from tobacco and are unable to meet their daily food requirements. It has been reported by Mackay (2002) that for each kg of tobacco produced in Malawi, workers contribute to over 1,200 cigarettes or 60 packs and a pack costs $7 in New York. Earning the minimum wage rate of MK40.70 (approximately $0.66), a tobacco worker would have to work over 10 days to buy one pack of cigarettes in New York comprised of tobacco that may have been cultivated on his farm plot.

2.5 Tobacco Prices on the Auction Floors

As it later will be established in subsequent paragraphs, the prices of the tobacco prevailing on the Auction Floor have been generally declining over the last few years as can be witnessed in graph 2 which shows the trend of tobacco prices from 1994 to 2003. The graph shows a sharp drop of burley prices on the auction by 25 per cent from 1.6 US$ per kg in 1996 to 1.2 US$ per kg in 2003. Similarly, the prices for flue cured tobacco dropped by 67 per cent from 2.4 US$ per kg in 1996 to 1.6 US$ per kg in 2003. The factors contributing to the sharp drop in the tobacco prices on the auction floors is at the moment a subject of contrivance among the stakeholders in the tobacco industry. Reports from the press indicate that the tobacco farmers have been blaming the tobacco
buyers for the collapse of the tobacco prices. As it has been reported in paragraph 2.4 above, there are currently 7 tobacco buyers operating in Malawi but around 40 per cent of Malawian tobacco is bought by three buyers namely Limbe Leaf Tobacco Company Ltd, Standard Commercial Tobacco Company Ltd and Dimon Tobacco Company Ltd at a pre-determined fixed cost of insurance and freight (C.I.F.) prices. It has been revealed that the C.I.F. price is, unfortunately, not negotiable by any other stakeholders including the tobacco growers in the industry.

On the hand, the buyers blame the tobacco farmers for recent production of sub-standard tobacco leaf, which attracts low prices on the auction floors. In addition to the low quality tobacco, the buyers attribute the low tobacco prices to presence of polypropylene (plastic materials) in tobacco bales at the auction floors. An official from TCC indicated that the presence of the plastic material in tobacco bales led to the reduction in tobacco orders from the tobacco manufacturers in the EU as well as in the US. It was explained by the official that this development is proving to be costly to the tobacco buyers as they are to incur additional costs to remove the plastic material from the tobacco bales. It was reported that some major buyers have registered their unwillingness to buy tobacco from Limbe auction floors because of high incidences of plastic materials in tobacco bales.

TAMA, however, had different views on this subject matter by attributing the low tobacco prices to wide range of factors prevailing on domestic and international scenes. The reduction in global demand for tobacco against over supply of the crop worldwide was cited as one of the major factors, which have drastically reduced the tobacco prices on the international market. In addition to supply and demand factors, government policies have also contributed to the declining tobacco prices on the local scene. One such policy reported to have negatively contributed to low prices is to allow some of the major tobacco buyers such as Limbe Leaf Tobacco Company to grow tobacco. As it might be expected with any other crops, allowing buyers to be growers would not only create market distortions in the system but also lead to price fixing by the heavy weights with view of monopolizing the tobacco industry. The contract tobacco growing has also been cited as another government policy, which has contributed to the downward trend in tobacco prices on the auction floors. The contracting tobacco growing is a system where a group of tobacco farmers grow tobacco on behalf of tobacco buyers. The disadvantage of the contract growing system is that the
group of tobacco farmers who are contracted to grow tobacco on behalf of the tobacco buyers have no capacity to adequately negotiate for a fair deal for their tobacco. Instead of allowing market forces dictate the prices, the tobacco growers take the price, which is offered by the tobacco buyers.

The survey results established the steps that are involved to determine and calculate the tobacco prices that are offered on the auction floors. In order to arrive at the tobacco prices offered at the auction floors, the tobacco buyers deduct all their overhead costs to be incurred during the purchase of tobacco leaf at the auction floors and exporting of the tobacco overseas from the prices that are offered by importers overseas. These overhead costs include the company’s operating costs, sea freight & insurance, inland freight, interest on working capital, buyer profit, processing & packaging, buyer commission and port charges. The profit margins are calculated by subtracting all taxes, various charges and levies imposed on tobacco at various stages during its production and auctioning processes. These charges include withholding tax, Auction Holdings Limited (AHL) commission, TCC cess & classification fees, Agricultural Research and Extension Trust (ARET) levy and TAMA levy. In addition to these levies and charges, the profit margin is further determined by other numerous costs like transport to the satellite depots and AHL, bank transaction fees, sellers’ sheet fee, TCC registration fees, hired labour and cash purchased inputs just to mention a few. According to the study by Chidzanja (2003), the net returns to family, land, labour and capital is less than 33 percent of the offered C.I.F. prices, while more than 66 per cent of the offered C.I.F. price is distributed across the whole range of the above mentioned overhead costs, fees, charges and levies. It should, therefore, be pointed out that one of the keys to reduce exploitation at the farm level, lays in the improvement of tobacco prices to be floated on the auction floors and reduction of various taxes/levies on tobacco during its production and processing stages. Phiri (2004) reported that the highest prices of burley tobacco were obtained in 1996 with an average of 227.09 US cents per kg for Flue and 161.27 US cents per kg for burley from 153.30 US cents per kg for flue and 128.62 US cents per kg for burley. Our survey results in Graph 1 below show the same trend for burley and flue tobacco during the period of 1993 - 2003.
Graph 2 shows that the average cost of producing tobacco per hectare is ever increasing in dollar terms while the average prices of burley tobacco have generally been declining on the auction floors. It is observed from graph 2, the average cost of producing a kg of burley tobacco was 200 cents while the same tobacco fetched an average price of 161 cents in 1996 crop season. Although tobacco prices were good, in general the profit margins were low during 1996 and 1997 seasons as the above graph shows a steady rise in tobacco production costs. Although average prices of tobacco were low during 1998 and 1999 seasons, the graph shows high tobacco gross margins emanating from low cost of production compared to the previous two seasons. The graph also shows that the tobacco industry only break-even during 2000 and 2001 tobacco seasons despite the fact that the average prices of tobacco were very low. This mark was achieved through low production costs. However, the industry made huge losses during 2002 and 2003 seasons due to rising production costs and declining tobacco prices on the Action Floors.
Table 1 below shows sales progress of burley tobacco up to the 9th July, 2004. It is observed that the average price of burley has slightly improved by 4.4 per cent over last year. This is below grower expectations of 125 US cents per kg, which the buyer had indicated before the opening of the Auction Floors. It is believed that the indicative average price of 125 US cents has not been achieved due to the presence of polypropylene in tobacco as buyers are spending additional costs to remove the plastic. Currently, the presence of plastic in tobacco bales is so serious that if not resolved immediately, Malawi tobacco would lose market next year.

Table 1 below also shows a 2.6 per cent decline in Virginia Flue Cured Tobacco from 5.87 million kg in 2003 to 1.51 million kg in 2004. The drop in production is mostly attributed to a reduction in extension of credit facilities to the traditional tobacco growers by most of the financial institutions. The prices for the auctioned Virginia too have slightly dropped from 179 US cents per kg to 155 US cents during the same period under review. As for NDDF, the table shows a huge decline in quantity sold from 3.30 million kg in 2003 to 0.69 million kg in 2004. The large drop is due to low
quality of the tobacco and over production worldwide, which has translated into low prices. The situation of SDF is similar to that of NDDF

Table 1: Production and Sales Progress up to July 2004

<table>
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<tr>
<th>TOBACCO TYPE</th>
<th>QTY SOLD 2004 (MIL KG)</th>
<th>AV. PRICE 2004 (USS)</th>
<th>QTY SOLD 2003 (MIL KG)</th>
<th>AV. PRICE 2003 (USS)</th>
<th>% CHANGE (PRICE)</th>
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<tr>
<td>Burley</td>
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<td>1.18</td>
<td>86.30</td>
<td>1.13</td>
<td>4.4</td>
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<tr>
<td>Virginia Auction</td>
<td>0.28</td>
<td>1.51</td>
<td>05.87</td>
<td>1.55</td>
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<tr>
<td>Virginia Contract</td>
<td>14.23</td>
<td>1.55</td>
<td>1.79</td>
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<td>-13.4</td>
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<td>NDDF</td>
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<td>SDF</td>
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<td>0.60</td>
<td>0.74</td>
<td>1.39</td>
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<tr>
<td>TOTAL</td>
<td>85.48</td>
<td>-</td>
<td>98.0</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>

Source: Tobacco Control Commision

2.6 Recommendations

One can therefore conclude from the above analysis that the low tobacco prices are seriously affecting the success of the tobacco industry and the entire economy bearing in mind the fact that tobacco accounts for 32 per cent of Malawi’s Gross Domestic Product (GDP). Apart from its contribution to GDP, tobacco also brings 70 per cent of the much needed foreign exchange earnings. The study proposes that all the major players in the tobacco industry should establish ways and means of encouraging free but fair trading practices for the tobacco product in order to boost up the morale of the tobacco producers. Malawi should also champion value added processes in order to get high returns from tobacco, which at the moment is being exported overseas as a raw product. There are severe advantages, which could emanate from value added tobacco products. Firstly, the value added tobacco products could no doubt attract high prices on both domestic and
international markets and bring maximum returns from a strategic crop whose immense potential value to the economy has not been strategically leveraged for the benefit of the country. Secondly, value added tobacco products could connect Malawi to a higher level of integration in this fast changing world. Thirdly, the value added tobacco products could promote healthy competition, which Malawi is currently lacking. And fourthly, the value addition could bring transparent and fair marketing systems, which will provide growers (owners, tenants and other workers) with long term equitable returns for their tobacco products.

Chapter 3.

3.0 The Study Findings

3.1 Types of Labour on Tobacco Estates

Our survey primarily targeted the head of the households to define the type of employment that they are currently doing at the estates they are working. The survey results reveal that there are several categories of workers that can be identified on tobacco estates in Malawi. These are managers, tenants with their family members hired to grow tobacco on behalf of their landlords, permanent seasonal labourers whose period of employment ranges from a few months to a year, wage labourers who are paid on monthly basis and casual labourers hired to assist during peak periods. In one of the FGD meeting held in Mchinji district, it was reported that small-scale tobacco farmers usually employ tenants and permanent seasonal labourers on their tobacco estates. An explanation given for this is that small-scale tobacco farmers have little cash to pay wages and salaries and instead they would rather engage tenants and permanent labourers who are paid at the end of the season when tobacco is sold at the auction floors. The money that they save from paying wages and salaries is used to purchase farm inputs and food to be distributed to the workers. Besides the point highlighted above, Phiri's (Phiri 2004) explanation for preference of tenancy labour system over the wage labour is that the former is cheaper than the latter in terms of take home cash. In this context take home cash or allowance is defined as the actual payment for the labour services.
On the other hand, the large tobacco estates mostly owned by the expatriates and big companies like Limbe Leaf prefer to employ direct labour, in this context categorized as wage and casual labourers who are paid on monthly fixed wages and salaries. One explanation for above preference is that the big tobacco estates have got enough financial resources to purchase agricultural inputs and pay monthly wages and salaries to workers for their labour services during the entire production period.

(Explanation of terms: ya pa mwezi: monthly laborer; ya pa chaka: on monthly fixed wages; ganyu: casual labour; wothandiza and za pa khomo: spouses, children etc.; zina: other)

The survey results, as demonstrated in figure above, show that the majority of the estate workers on most tobacco estates that were visited in this survey were employed as tenants and wage labourers while a very small proposition of employment at the tobacco estates is composed of the rest of the above mentioned categories of workers. Asked why the majority chose to be tenants as opposed to the other categories of workers, most of the respondents reported that tenants make their own time management decisions with regards to crop husbandry practices on the farm. Tenants also decide when to be on the farm and when not to.
Despite the above freedom that the tenants enjoy at the farm, tenancy system is associated with all sorts of exploitation ranging from under-grading of their tobacco and overcharging of agricultural inputs and implements by most landlords. Apart from the exploitation element, which affects the tenants more than the rest of the categories on tobacco estates, tenants are more often allocated too much land to grow tobacco on behalf of the landlords.

In order to capture the composition of tobacco estate workers by gender category, the survey included a question, which asked whether the respondent is male or female. Table 3.1 below shows the distribution of tobacco estate workers interviewed by gender. The results indicate that out of 787 tobacco estate workers interviewed on this particular question, around 75 per cent were males and 25 per cent were women. In the FGD meeting that were held in the three districts, it was established that a significant number of males choose to be employed as tenants and casual or seasonal labourers on the tobacco estates while their female counterpart choose to work as assistants to their male partners. In very few occasions would you find a female employed as tenant and most of these respondents were unmarried women. In this study, therefore, it was established that there are more men working as tenants and contract labourers while more women work either as assistants to their male partners or casual labourer. The explanation for the above differences between male and female has been that as poverty deepens, women have to assist the men to work as casual labourers on nearby estates to supplement their food and income. It could therefore be concluded from the statistics in figure1 that a lot of women on most tobacco estates are not directly employed as estate workers. Most of them work as assistants to their husbands and partners on the tobacco field. Apart from working as assistants to their partners, almost all the women on tobacco estates were reported to be involved in domestic work whose tasks include household chores, taking care of children, fetching firewood and water and growing crops for food.

Table 3.1 also shows the number of tobacco workers by district and the statistics indicate that 36.2 per cent of those interviewed were from Mchinji; 35.8 per cent from Mzimba; 27.8 per cent were from Lilongwe and a very insignificant percentage were from Rumphi. Table 3.1 however, does not necessarily show the place of origin of the respondents but indicate people interviewed in the districts under survey.
Table 3.1: The Number of Tobacco workers by Sex and District

<table>
<thead>
<tr>
<th>District</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lilongwe</td>
<td>152</td>
<td>67</td>
<td>219</td>
</tr>
<tr>
<td>Mchinji</td>
<td>181</td>
<td>104</td>
<td>285</td>
</tr>
<tr>
<td>Mzimba</td>
<td>191</td>
<td>91</td>
<td>282</td>
</tr>
<tr>
<td>Rumphi</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>525</td>
<td>262</td>
<td>787</td>
</tr>
</tbody>
</table>

In order to establish the place of origin of all the estate workers, the survey included a question, which asked where each one of them was coming from. The place of origin of the estate workers interviewed in Mzimba was mixed with significant numbers of workers coming from Mzimba and Chitipa while the rest were from the centre and the south. In Lilongwe, the same trend applied with the majority of the tenants from Lilongwe and only few individuals reported to have come from southern and the northern regions while in Mchinji the origins of tenants was mixed. Asked on the mode of recruitment, most of the estate workers reported that they were recruited after they themselves came to the estates to seek employment. Figure 2 below shows that out of 782 estate workers interviewed on whether they came looking for employment or were directly recruited by estate management, 71.2 per cent reported to have come on the estate seeking employment while only 28.7 per cent were recruited directly by the landlords from their respective homes. However, experience is that in most cases, landlords prefer to recruit estate workers from a far because they believe that they would be more dedicated to their duties. In one of the FGD held in Mchinji, it was revealed that there are various factors, which force estate workers to come and seek employment on tobacco estates. These factors among others include poverty, food insecurity, lack of financial resources to buy agricultural inputs and lack of employment opportunities elsewhere.
In his report on Tobacco tenants in Malawi, Tsoka (2000) indicated that education is very crucial. As in the running of any type of business, in tobacco production too, some form of basic education necessary as the tobacco workers need to know prices of agricultural inputs and outputs. Apart from knowing the prices of the agricultural inputs and outputs, basic education is also necessary to enable them to negotiate contracts with their landlords whose levels of education is higher. In order to capture the level of education of the people working on the tobacco estates, the estate workers were asked about the highest class attended before becoming estate workers. Figure 3 below shows a graphical representation of the education background of all the categories of estate workers interviewed in the three districts.

![Figure 3: Education Level of various categories of estate workers](image)

The results indicate that very few tobacco tenants have gone very far with their education compared to the rest of the categories. Figure 3 above shows that less than 20 of the tenants interviewed went beyond junior primary school while over 90 per cent reported to have never gone to school at all. The same trend applies for the rest of the workers in all the categories on the tobacco estates. Tsoka (2000) indicated that people with less than standard 5 in education are internationally classified as functionally illiterate. According to our survey results demonstrated in Figure 3, a relatively large proportion of the estate workers interviewed on various tobacco estates in the three districts were indeed illiterate. Against these low levels of education reported above, it is hardly surprising at all to assume that these estate workers are taken advantage of by their educated masters who are either
well educated politicians or foreigners. It is pretty obvious that these uneducated tobacco tenants who struggle with the easiest basic calculation will depend on the good faith of these educated politicians and foreigners.

In as far as staff turnover on tobacco estates is concerned; this study has established that most estate workers were previously estate workers, tenants or smallholder farmers before being employed in the tobacco industry specifically on tobacco estates. A relatively large proportion of the estate workers interviewed in one of the FGD said that they were either previously employed as tenants and causal labourers on tobacco estates or self-employed as smallholder farmers. Only very few were reported to have been employed in non-agricultural sectors such as business. In order to establish the rate of staff turnover on tobacco estates which could be costly to the land lords and signify lack of continuity, the workers were asked how long have they been working with the current landlord. Most of them indicated to have been with the current landlord for not more than two seasons. The survey results established that there is a high turnover of tenants and labourers as evidenced by the number of years spend on one estate. The statistics show that about 26 per cent of the estate workers interviewed in this survey reported to have stayed and worked on one estate for 1 year while 18 per cent reported to have worked on one estate for more than 5 years. The rest of the workers reported to have stayed up to 4 years on one estate. It was established in a FGDs in Lilongwe that those estate workers who stay more than one year on one estate have either too much debt to their landlords to be able to leave the estate or they can simply not afford to leave with no alternative employment in sight. However, it was also reported that long periods at the estate could mean that the management is treating the workers well.

3.2 Working conditions on Tobacco Estates

Estate workers on most tobacco estates or any other estate have been reported to live in extreme poverty and subjected to various forms of exploitation. Their produce is often under priced due to deliberate under-grading by the estate owners. In a report by Tsoka (2000), both tenants and labourers on tobacco estates are reported to be working without any form of contracts either written or oral. Figure 4 below shows the type of contracts of the estate workers interviewed in this survey. The results indicate that out of 733 participants interviewed 70.8 per cent of tenants and other
workers reported to have entered into an oral agreement with their landlords. Only 19.2 per cent of those interviewed reported to have been promised things while 10 per cent of the estate workers interviewed reported to have signed written contract with the estate owners.

It was also revealed that those who signed a written contract were mostly managers or supervisors in big estates. In the separate FGDs, the estate workers who had either signed the written contract or entered into an oral agreement or promised certain things were further asked as to what the written contract or promises covered. In a FGD meeting conducted in Mchinji and Mzimba, a lot of tenants indicated that these agreements, irrespective of them being written and signed or oral mainly cover the issue of credit deductions. It is therefore concluded that the practice of inflated prices was common and widespread in most tobacco estates all over Malawi. This is not surprising if one theory of estate owners is to make money by inflating prices of goods on loan to estate workers. A significant number of the respondents especially contract labourers reported that these agreements include work schedules, rules and regulations and food rationing on the estates.

In order to avoid unfair dismissals and disrespect of human rights in all tobacco estates in Malawi, this study recommends that there should be a formal written contract or agreement acceptable by the government and clearly signed by the landlord and the workers. The study also recommends the formation of Tenants Associations or Trade Unions which will act as avenues for discussing grievances that might arise between the two parties.
In addition to the contract and working conditions, the workers were asked on the state of prevailing conditions of service provided by the estate management. In response to this particular question, most workers in all the three districts under survey indicated that wages are bad, working and living conditions are no better and the provision and access to social services is even worse on most tobacco estates. Many estate workers who participated in FGDs claimed that there is no provision for annual leave, maternity leave, transport facilities, medical scheme, death gratuity, and housing in their conditions of services. There were also allegations that if estate workers fall sick, they are neither entitled to any sick leave nor provided with transport to go to hospitals. Any continued absence from duties due to illness result into rations being withheld. Pregnant women and those with infants experience particular hardships as they are not entitled to maternity leave or any sort of holidays on the farm. Neither transport nor transport money is given to those workers who are seriously sick on the estates understudy. On whether any form of assistance is provided to the relatives during the untimely loss of their loved ones, most of the workers admitted that some generous estate owners provide food, coffin and transport for the remains to the place of burial within Malawi. Although it was established that there are strict controls over the private lives of the estate workers in as far as funeral arrangements are concerned on the majority of the tobacco estates, many landlords have the courtesy of providing the much needed assistance during these difficulty times. Figure 5 below shows the kind of assistance reported to have been given to the bereaved families on tobacco estates that were visited during this survey. Out of 644 estate workers interviewed on this particular question, 74.2 per cent of them admitted to have received coffins, 6.4 per cent reported to have been given transport to carry the remains of the dead person back to their respective homes while 14.9 per cent claimed to have received food as assistance from the landlords during this difficulty time. Only few estate workers (0.8 per cent) claim to have received no assistance from their landlords when they lose one of their relatives at the estate. As regards to how much money and food is given to a particular individual, depends on the generosity of the landlord and the relationship between the estate worker and the landlord. According to the information gathered from the FGD meetings in Lilongwe, Mchinji and Mzimba, the majority of the participants claimed to have been given as little as K50 although 2 lucky tenants in Mchinji claimed to have been given MK10,000 each. For those who reported to have received food, 27.8 per of the participants claimed to have received 50kg of maize while the majority reported to have
received less than 25kg of maize. When asked on whether the assistance is deducted from their income at the end of the season, the survey results indicate that out of 771 people interviewed, 74.6 per cent indicated that the assistance is given free of charge while 20.6 per cent of reported that any form of assistance is converted into some form of a loan which is deducted from take home income at the end of the season.

In order to find out the alternative survival mechanisms in cases where the landlords do not provide any kind of assistance to the bereaved families, the estate workers were asked what other alternative options of assistance are available on tobacco estates. About 13.7 per cent of those who claim to have received no assistance in form of coffin, food and money when a relative dies on the farm, resort to borrowing from alternative sources, which are normally expensive. The remaining 86.3 per cent of those interviewed did not indicate how they go about resolving their problems. One would interpret their unwillingness to give a definitive answer on this particular question as way of expressing their anger on how some landlords treat them during these difficulty times.

![Figure 5: Type of Assistance during Funeral](image)

As asked on how many persons are allowed to attend the burial ceremony, the survey results indicate that only a few selected household members are allowed to attend if the burial ceremony is taking place on a nearby farm. If the remains of the dead body are being repatriated to the village in the home district, only one or two individuals are allowed to attend the burial ceremony. In fact the results of the survey indicate that 59.4 per cent of the 788 estate workers interviewed reported that
only one member is allowed to travel and attend the burial ceremony if the burial ceremony is far from the estate. From the FGDs conducted in Mzimba, Mchinji and Lilongwe, it was revealed that more often the relatives of dead man/woman/child in small tobacco estates are allowed a maximum of three days to mourn their beloved ones and are expected to back on duties on the fourth day. The statistics in this survey show the same results. The results indicate that three days was the most reported number as the maximum days allowed by most landlords accounting for 32.7 per cent to mourn their relatives. However, in big and well-established tobacco estates, workers are allowed seven days holiday to attend and mourn their loved ones. Asked on health safety regulations, almost all the estate workers interviewed indicated no protective clothing is given to those working with dangerous chemicals.

The study has established that estate workers are helpless people whose welfare is at the mercy of their landlords. In the current political dispensation, which promotes respect of human rights (not only the civil and political but also the socio-economic rights) to all the citizens irrespective of class, the circumstances surrounding estate workers can no longer be left unchecked. In order to improve the conditions of service of estate workers, the government should formalize the proposed Tenancy Bill, which contains clear set rules on the conditions of service for the estate sector, which protect all estate workers from all sorts of abuses.

3.3 Work Schedules and procedures

The tenants make their own time management decisions with regards to non-crucial activities such as land clearing, making of ridges, and the watering of tobacco nurseries during the first phase of tobacco production. The newly recruited tenants are given chance to settle down. They are allowed to build houses for their families. During the first phase of tobacco production, the majority of tenants interviewed in one FGD in Lilongwe indicated that they start work around 6.00 a.m. until 14.00 p.m. In the second phase of tobacco production most tenants are rarely given independence to make their own decisions on time management and work schedules. The second phase is characterized by activities like watering nurseries, uprooting, transporting and transplanting
tobacco seedlings, weeding and application of fertilizer. Significant numbers of tenants interviewed in the three districts under investigation admitted to have engaged family members in tobacco production during this period. It was reported by most of those interviewed that they do not follow any specific time schedules on the farm. Most of them claimed to work on the tobacco estates from morning until late hours from Monday to Sunday under close supervision of their masters. In tobacco production, it was reported that pressure builds up in the third phase whose main activities include green leaf picking, transporting tobacco leaf, tying the leaf, picking the dried tobacco and bundling. During this phase, tenants are under constant supervision and they work even at night and sometimes throughout the night.

As for seasonal and wage labourers, the work schedule is more regularized i.e. the work schedule is designed by the management. The workload depends on the type of management manning the estate. The survey results from FGD indicate that labourers start working on their various tasks from 6.00 a.m. in the morning and finishing at 5.00 p.m. in the evening with 30 minutes break in between. This practice is common in well-established big estates such as Press Agriculture, Limbe Leaf and any other estates owned by expatriates. The survey results also revealed that in some few big estates and almost all small tobacco estates, work schedule is not regularized. Seasonal and wage labourers work on their various assignments as the management wishes and most of the time are not given time to rest. Due to availability of land in Mzimba, labourers are reported to have been given a small piece of land to plant their own food crops in a few tobacco estates and some seasonal labourers reported to be using family members to look after their maize fields. Some few estate workers indicated to have even received fertilizers from their landlords for their maize plots. One labourer in Mpherembe reported to have harvested 15 bags of maize and some of it was sold on the local market to alleviate the household’s financial difficulties.

As has already been reported above casual labour is common on large estates such as Press Agriculture, Limbe Leaf or on white owned estates. Small estates are reported to more often engage casual labour only during the third phase of tobacco production. The daily work schedules for casual labourers are said to be dependent on casual labourer individual input and type of assignments given by their masters. In one FGDs conducted in Mzimba, it was reported that the
casual laborers start their day by reporting to their supervisors who give them individual tasks (ngwazo). In general landlords do not provide land to casual labourers to grow food and cash crops. The labourers survive on their wages to buy maize and other necessities. In some cases, labourers use their wages to buy their basic needs such as maize, soap, and salt. In some worse scenarios, labourers engage in some piece-work (nganyu) to supplement family income. However, it was established that it is not typical for casual labourers to use their families on the tobacco farm.

The study is urging all the landlords to give estate workers specific time schedules, with breaks in between, to perform their duties. The workers should also be allowed some days off duty to take care of their domestic chores or attend to some personal activities such as going to church or social gatherings such visiting relatives and friends.

3.4 Living conditions on tobacco estates

The estate workers were asked about the living conditions in terms of accommodation, type of housing structures currently existing, material used to build these structures and the person who built them. In as far as tenants are concerned, it was reported in FGDs conducted in Mchinji, Mzimba and Lilongwe that the majority of the tenants do not live in institutional houses on tobacco estates that were visited in this survey. It was revealed by those interviewed that when tenants are recruited to grow tobacco on behalf of the landlords, the first assignment is to find him/herself accommodation. The tenant’s first task, therefore, is to construct a house without any assistance from their landlords. In most cases, the only assistance from the estate owners is to provide the tenants with a piece of land to construct the house. Our survey results show that out of 743 estate workers interviewed on the living conditions on the estates they are currently working, 63.3 per cent have had to construct their own houses when they are recruited at the estate. It was, however, established that seasonal and wage labourers live in institutional houses built by the estate owners which are generally more permanent structures on well established estates. In conclusion the survey shows that 26.5 per cent of wage labourers reside in dwelling units which are built by the estate owners and only 10.2 per cent of the tenants were very lucky to have their house constructed by the estate owners.
As asked on the type of materials that are used to construct the above dwelling units, this survey has established that most of the houses are not permanent. The tenants interviewed in this survey reported that the walls of their houses are constructed from poles, mud and the roof is usually thatched with grass. In some cases, the entire structure is constructed from grass only. Our survey results indicate that 12.4 per cent claimed their houses are made from bricks and iron sheets while 12.4 per cent reported that theirs are made from bricks and thatched with grass. The data further show that 35.8 per cent of the respondents are reported to live in houses constructed from mud and grass while 23.3 per cent reside in houses made of grass only.

The majority of these houses have one room to be shared with children and sometimes livestock. In some estates where institutional houses are not available, seasonal and wage labourers either build their own dwelling units or they are accommodated in tobacco sheds while some workers reported to be operating from nearby villages. Depending on the size of the shed, participants in the FGDs in Mchinji and Mzimba reported that one tobacco shed could be shared by many families together.
with their children and livestock. The survey results indicate that 17.4 per cent of the respondents interviewed in the FGDs conducted in the above two districts reported to have been residing in tobacco sheds. From the above analysis, one would conclude that the living conditions of wage labourers on some estates in Mchinji and Mzimba are no different from that of the tenants. In general, the standard of housing of estate workers in most indigenous Malawian estates is well below that found in traditional nearby villages. The major reason for the difference is that the workers do not see why they should invest their unpaid time and energy into something that will benefit the landlord when they leave.

On the state of accommodation that has been found to consist of temporary shacks, not acceptable for human shelter in almost all the estates that were visited in this survey, this study recommends for acceptable mode of housing to be institutionalized and made compulsory in all estates in Malawi.

Apart from an investigation on accommodation as one of important infrastructure on tobacco estates, the survey also attempted to find out the state of water sources that are found on the estates in the area under study and Figure 7 below shows the sources of water in those tobacco estates which were visited during the survey.
It was established that boreholes, piped water and rivers were the main sources of water in most of the tobacco estates that were visited. The pipes and borehole were reported to be found in well established tobacco estates owned by either expatriates or companies like Limbe Leaf. The survey results indicated that rivers and streams are the main source water for the estate workers employed on small and medium size tobacco estates. The statistical results in this survey indicate that 71.8 per cent of estate workers interviewed reported to be drawing untreated water from rivers and streams while only 27.2 per cent reported to be drinking water from boreholes and pipes. Our survey results as demonstrated above indicate that the majority of estate workers regardless of category drink water from untreated sources. The survey results reveal safe drinking water is only found in big well established tobacco estates while the small and medium tobacco estates can not afford the provision of such service to its workers.

As far as food security is concerned, the survey results revealed that households reduce the number of meals taken per day when their food security starts to deteriorate. The number of meals taken per day can be used as indicator of food security status of the household in the estate sector. The data indicates that over 70 per cent of the estate workers reported that they eat twice a day and 23 per cent eat three times a day. Those who eat once a day could be regarded as food insecure and are merely 2 per cent of the estate workers interviewed. It can therefore be concluded that the living standards of estate workers in as far as food security is concerned is fairly good. This proves the point that Phiri (2004) made in his report that one reason why most people choose to become estate workers is food security. Our survey results indicate there are some instances where some respondents reported to have gone without food for a day or two. This normally happens when the estate owners run out of foodstuff meant for distribution to their workforce on the estate or when the family size is too big in relation to the size of the food ration given per period. Examining food
intake during the 2 weeks previous to the survey, statistics indicate that 74 per cent reported to have never gone hungry and 26 per cent of the respondents reported to have gone without food for one day or more during the past two weeks. The above analysis supports the conclusion made earlier on in this report that the food security in most estates is fairly good.

However, the above conclusion could be misleading if the nutrition value is taken into consideration of food normally eaten by the estate workers. In order to find out about the types of food eaten by estate workers, the survey included a question designed to capture what the workers had eaten for breakfast, lunch and dinner meals. In many parts of Malawi, the major staple food is Nsima, which is normally prepared from maize or cassava flour and rice. In the areas where this study was conducted, the most readily available staple food is Nsima. Both Nsima and rice is eaten with different kinds of relish. The study therefore captured types of relish, which goes with the Nsima as the main dish. The survey results indicate that 60.4 per cent of the respondents reported to have eaten Nsima with vegetables, 7.0 per cent with beans, 3.0 per cent with fish, and 0.9 per cent with meat. The remaining 37.7 per cent did not indicate the type of relish, which goes with Nsima as the main staple food. The most common vegetable was mustard (Mpiru) and pumpkin leaves (Mkhwani), Okra (Therere) and cassava leaves (Chigwada). It should be noted that the survey was
conducted in March/February when there was sufficient vegetable to consume and with little cash to buy fish and meat.

3.4 Remuneration

Because of lack of opportunities elsewhere, most tenants and other categories of estate workers join the tobacco estates with almost nothing. The survival of the estate workers, tobacco tenants in particular, is through a credit system whereby the landlords provide all the basic necessities on credit in return for their labour services. In the FGD meetings held in the three districts, the majority of the tobacco tenants and contract workers reported having no other sources of income apart from the estate management. Apart from the agricultural inputs and farm implements both tenants and seasonal labourers interviewed admitted to have received food rations on credit and even borrowed money from the landlords or other sources on the estates.

Figure 9: The items received from the estate management

Our survey results as demonstrated in Figure 9 above, show that out of 785 tobacco workers interviewed, 55.5 per cent admitted to have received agricultural inputs, farm implements and foodstuffs on credit from the landlords while 36.1 per cent declined to have received anything from
the landlord. The remaining 8.4 per cent did not give definitive response to the question. From the above analysis, it is presumed that the estate workers who admitted to have received farm implements and inputs are tenants and contract labourers while the remainder including those who did not give a definitive answer would be categorized as hired labourers and operate from their respective homes. On ways in which credit offered to the estate workers is paid back to the landlords, most participants in our FGD meeting in Mchinji and Lilongwe reported that the loans are settled by deduction from take home income in as far as tenants and seasonal labourers are concerned. In the case of wage labourers, it was reported that the loans are deducted directly from the monthly dues. In the event of low tobacco production seasons, some tenants are unable to pay back what they owed the landlords. According to the survey results, out of 717 estate workers interviewed on this particular question in this study, only 3 per cent of the estate workers employed at the visited tobacco estates admitted owing the landlords some money during the previous tobacco season. According to the statistical survey results, the overall average that each of the 16 estate workers owed the estate owners was MK20,000. Most of the estate workers in such predicament are either forced to stay another season in order to repay their debt or given chance to leave try their luck elsewhere. However, there are some occasions where some generous landlords forgive their workers all their debt. In such cases, the tenants may still not leave the estate because of lack of transport home or lack of employment elsewhere. On the part of the landlords, there are a number of reasons why they may cancel the debts. One is that they would not want to scare the workers and be forced to make a fresh recruitment exercise, which could cost them dearly. Another reason for the debt cancellation is that the landlords may never expect to recover the money after all. The third reason could be that the landlords are generous enough to understand the plight of the workers who are indebted to them. In general there is no doubt that the underpricing of the tobacco and overpricing of the inputs practiced by almost all the landlords, may still have left many landlords with high profit margins. In the final analysis, the overpricing of the agricultural inputs reduces the income of the tenants while the underpricing of tobacco makes the landlords reap where they did not sow. Against this background, it is hardly surprising that most landlords can afford to forgive debts accumulated by some lazy workers even in good crop season.
On capital inputs/implements related costs, the study is strongly proposing that all agricultural inputs and implements be treated as part of working capital, which is meant to be used in the production of tobacco and should not be taken as part of the variable costs that can deducted from the tenants' take home income at the end of the season.

From the FGD meetings conducted in the three districts Mchinji, Mzimba and Lilongwe, the wage labourers admitted earning less than tenants. The explanation for differences could be due to low minimum wages that the government has set for wage labourers in Malawi. Despite the wage differences that exist between the two categories of the labour forces, it was revealed from the FGDs that the wage labourers are reluctant to switch to tenancy due to the heavy workload that tenants have to endure throughout the season. The unpredictable weather conditions, which result in unpredictable crop earnings was cited as another factor, which contributes to the unwillingness of wage labourers to switch to the tenancy system. It was therefore established that the wage labourers were more than satisfied to receive a low constant wage compared to facing unpredictable earnings dictated by natural factors, which they can not control.

3.6 Women on the estate: Our survey results

The study by Tsoka (2000) revealed that participation of women in agriculture is as high as that of men. Our survey too shows the same. It was reported in the FGD meeting in Mchinji that the majority of the women in tobacco estates actively participate in both tobacco production and domestic work. There are various tasks that the women perform beginning from the first day at the farm and these include, among others, fetching water and firewood while their husbands receive verbal instructions on the work schedules from their masters. In addition, the women are expected to find and prepare food for the household during the first few hours of their arrival at the farm. As already indicated in this report, estate owners do not provide accommodation to the newly recruited tenants. During their first few days on the estate, the new arrivals together with their families are temporarily accommodated in large barns or sheds waiting to be allocated a piece of land to build their own houses. The reports from the FGD meetings revealed that tenants' wives/partners
participate in the construction of dwelling units alongside with their husbands. Specifically, these women are reported to assist their partners with the transportation of the building materials such as grass for thatching the roof and poles to construct the walls of the dwelling units.

In the first phase of the tobacco production, most of the women assist their husbands with almost everything including clearing of the fields, making of ridges, watering of nursery beds, marking of the planting stations and uprooting of the tobacco seedlings and transporting them to the fields ready to be transplanted. The second and third phases are considered to be very busy periods in tobacco production. In the second phase the wives of tenants along with their husbands and children are reported to take part in weeding of the tobacco fields and fertilizers application. Women are also reported to be actively involved in the picking and harvesting of the green leaves during the third phase. Where transport is not provided, women exhaustively transport the harvested green leaves to the barns ready to be sewed and dried.

In addition to tobacco production, women interviewed in this survey admitted to be involved in all domestic work at the household level. They are reportedly involved in food production, cleaning, washing clothes for their families, pounding and milling of maize, fetching water and firewood and bearing and looking after their little ones. At times women are assisted by their children in carrying out some of these tasks. In conclusion, this analysis demonstrates that women's schedules on tobacco estates are very tight compared to that of men as they are expected to carry out domestic work in addition to continuing working along with their husbands on the tobacco fields.

Despite their heavy schedules on tobacco production fields and domestic work, however, many women interviewed indicated that their contributions are not directly rewarded by the estate owners. They rely much on the mercy of their husbands who may choose to spend the income on something else other than on their families. It is during this period when the relationship between husbands and wives turns to be very bad.

In addition to the above financial abuse from their husbands and estate owners, wives of tobacco tenants in Mchinji and Mzimba also admitted to have been subjected to mental, sexual and physical
abuses from their landlords or supervisors. The majority of the women interviewed reported to have been physically assaulted by their own husbands, supervisors and even the landlords at the estates. A lot of them also admitted to have slept with their supervisors either in exchange for some food rations or some money and favours on the estates. Others reported to have been sexually harassed and even raped by their masters. There were some who reported to have been slapped or punched with either hands or heavy objects for either not completing their work schedules or refusing sexual advances from their superiors. In conclusion, therefore, the survey results indicate that many women on tobacco estates are subjected to all sorts of physical, mental and sexual abuses for which they have no redress.

As it has been concluded in this report, many women are exposed to all sorts of abuses, which they have nowhere to report. The study is urging the government, through Ministry of Gender, to put monitoring mechanisms in all tobacco estates, which would ensure that women are protected against any sort of abuse.

3.7 Incidence of Child Labour

This part of report focuses on the living and working conditions of Malawian children taking into consideration that Malawi is regarded as one of the countries with the highest incidence of child labour in the region. According to the report by Phiri (2004), child labour occurs if a school going child is denied the opportunity to go to school and works as labourer. It has been established by many studies and through casual observations that the incidence of child labour is quite high. Child labour is found in several sectors including large commercial farms, smallholdings, domestic work, micro industries and the informal sector. Many studies have associated child labour with poverty, lack of resources as well as poor institutional and regulatory settings. For instance, a report by Tsoka (2000) on child labour indicates that poverty and economic necessity exert pressures on families to engage children to assist in family survival at the expense of schooling. Besides poverty,
the lack of socio-economic amenities such as schools in the typical areas where tobacco estates are found, encourage child labour (Phiri, 2004). Other similar studies on tobacco have indicated that the system in tobacco estates is designed in such way that a tenant has no choice but to involve his entire family in the production of tobacco. The more recent study by Phiri (2004) on the tenancy system also indicates that the situation of child labour is becoming so desperate now due to continuously rising number of orphans most of whom live with their grand parents who are unable to adequately provide these children with basic necessities.

Despite the fact that primary education is free in Malawi, children become part of the workforce by working alongside their parents on the tobacco estates in the surveyed districts. This is evident from the participants in focus group discussions in all the districts under the survey who revealed that, all the children involved in child labour were of school going age and are recruited directly from their respective home districts far from the estates. There is also a lot of evidence that children under 10 years become full time workers on the tobacco estates and earn much less compared to adults for similar kind of assignments. Both boys and girls are involved equally although in some districts like Mzimba, girls are much more involved while boys are preferred to go to school.

In the FGD meetings that were held in all the three districts in this survey, the participants reported that children participate in almost everything in tobacco production. These children are reported to be heavily involved in potentially hazardous tasks such as clearing fields, making nursery beds, and watering nurseries, uprooting, transporting and transplanting tobacco seedlings and weeding during the second phase; picking, transporting, tying the leaf, picking the dried tobacco and bundling during the last phase. Apart from the agriculture related work, some children are reported to be involved domestic work. While a lot of boys are mostly involved in agricultural related activities, girls are much into household work. The household work includes cleaning, taking care of the children, cooking, and gardening. Some children have been reported to be engaged in piece works (ganyu) to supplement the already low family income. However, most participants in FGDs indicated that the assignment of these various tasks to their children is part of training and not child abuse or child labour as perceived by policy makers worldwide.
On the incidence of child labour, this study is proposing that the allocation of tenant farming land should never exceed one hectare for tobacco and anything beyond it should always have a set of "Ganyu" workers to be used as way of avoiding using tenant children. This proposal could be smoothly implemented by imposing stiff penalties to all estate owners who directly employ children and to all the estate workers using their children on the tobacco fields.

On child education, the CFSC is urging the government to make primary school compulsory for all school going age groups. In order to fulfill the above recommendation, CSFS is recommending all estates in each area to find means of building schools close to the estates or alternatively find ways of transporting children to school in case the school is far. While it very pleasing to note that this arrangement is currently been successfully implemented in very few estates where school children are transported to and from schools on tractors we ask why not in the rest of the estates.

3.8 The Voices of the Trade Unions

The living and working conditions of the estate workers in the majority of the tobacco estate sector in Malawi used to be very good in the early 1970s simply because most of the estate were owned mainly by rich expatriate farmers, who did not want to compromise their presence in Malawi. Therefore the cases of estate workers being mistreated were not common. However, the system started to become very abusive in the late 1970s when the government liberalized the smallholder agriculture sector, which allowed Malawians to lease land and grow tobacco. The tobacco industry saw the emergency of the small to medium size tobacco estates owned by indigenous Malawians creating employment to vast majority of people. It is well known fact that the majority of these farmers do not have enough capital to treat their workforce on the estate in the way the big and rich estate owners do. In addition, the small and medium estates do not have social infrastructures like
those found in well-established big estates. The liberalization of the smallholder tobacco sector has in fact led to the deterioration of the living, working and socio-economic conditions of the vulnerable groups like tenants together with their families; women and children.

The continued deterioration in the living conditions of the estate sector workforce in the late 1970s created a strong pressure to create an association whose main aim was to protect estate workers against all sort of exploitation by their landlords. The various forms of exploitation including poor living and working conditions, incidence of child labour, poor tobacco prices and poor conditions of services have already been discussed in this report. In Nkhotakota the Catholic Commission for Justice and Peace took to heart the plight of these workers. This led to organizing tenants workers and the participation in various meetings and negotiations with various stakeholders, among which TAMA to address the above listed problems. In 1995 the government came up with a Draft Tenant Labour Act to resolve the differences that were there between the landlords and the workers. Due to reasons best known to government, the Act has failed to be enacted into law. In February, 1996, the Catholic Commission in conjunction with the Malawi Congress of Trade Union (MCTU) exerted more pressure on government to turn the draft act into law. This pressure by the commission and the tenants led to the establishment of the Tobacco Tenants and Allied Workers Union of Malawi as early 1992. Some of its objectives include:

(i) to organize all the tenants, farm workers and those without licenses into the union;
(ii) to educate tenants and farm workers on their rights
to empower women and discourage child labour system
(v) to bargain collectively for all the issues that lead to exploitation of tenants and farm workers

The union is based in Nkhotakota with total registered members of 14,172 people in the 9 districts where tobacco is grown. These districts include Dowa, Mchinji, Mzimba, Lilongwe, Kasungu, Ntchisi, Salima, Rumphi and Nkhotakota.

The recent study by Phiri (2004), however, has revealed that despite the existence of this union, the problems of the estate workers as far as exploitations are concerned are far from over. The author
reported that many tobacco farmers still exploit tenants through the prices at which they buy tobacco from them. In addition to the poor tobacco prices, Phiri also reports that most landlords inflate prices on advances such as food rations, agricultural inputs and farm implements. Furthermore, it is through this system that estate workers including women are subjected to all sorts of physical, mental and sexual abuses. The system has promoted child labour on tobacco estates due to the fact that most tenants are overloaded with work. All the above leads to the following resounding recommendation:

While agreeing with studies like Phiri 2004 that the system is in itself a bad system, Malawi cannot do without it in the short and medium term. This being so, there is no reason not to improve it to levels which respect each individual's dignity as a human being. Therefore, this report strongly recommends that

In order to eradicate the exploitation of the tenants and estate workers in Malawi, the study is strongly recommends that the Tenancy Labour Bill which is designed to address all sorts labour disputes at workplace be tabled in the next sitting of Parliament.

Chapter 4

Conclusion

Tobacco production is typically associated with economic development in Malawi. It provides direct employment to many people and contributes monetary earnings to many Malawians. According to the report by Phiri (2004), tobacco generates over 70 per cent of the foreign exchange earnings for the country. The powerful force behind Malawi's tobacco-dependent economy are U.S. subsidiaries Limbe Leaf, Stancom and Dimon, which together purchase over 95 per cent of the tobacco crop and sell it to global cigarette firms like Philip Morris and British America Tobacco. It should, however, be noted that tobacco consumption has decreased in industrialized countries as a result, amongst others, of tobacco control measures and health campaigns. Simultaneously, the
international industry is increasingly controlled by a small number of state monopolies and multinational companies.

According to a study by Torres (2000), there are 22,000 estates in Malawi employing about 589,000 rural dwellers as tenants as the main labour force on the burley tobacco estates. However, this study has revealed that there is also relatively high and growing number of wage labourers on tobacco estates who in fact earn less than tenants. In addition, there are also a growing number of casual labourers on these estates. The wage labourers were reluctant to switch to tenancy due to too much work that tenants have to undergo as well as unpredictable earnings resulting from unpredictable weather conditions. Most wage labourers are therefore happier to receive a low constant wage compared to facing unpredictable earnings dictated by natural factors they cannot control.

As regards to accommodation, the study has revealed that the majority of the estate workers do not live in institutional houses. When tenants are recruited, their first assignment is to build their own dwelling units, which are rarely permanent or big. The majority of the dwelling units are constructed from simple poles and the roofs are thatched with grass and sometime lined with plastic papers. Overall the study has established that the living conditions of tobacco tenants, in as far as housing is concerned, is worse compared that of the wage labourer.

It has been reported throughout this report that the tobacco industry, particularly tobacco estates employ large numbers of smallholder farmers in Malawi. Their partners and children are equally and closely tied to the tobacco production. They receive just a minimum of what is necessary for them and their families to survive. Often, a landlord inflates the prices for food and inputs like tools and fertilizer. At the end of the season, landlords deduct the loan amounts and pay little or no money to tenants. Part of the explanation given to tenants is that buyers like Limbe Leaf pay low prices at the auction floor; therefore the landlord received insufficient amounts of money to cover his expenses. In addition, the earnings from tobacco the landlord purchased from his tenants were insufficient to cover the cash advances and loans for the inputs. The landlords often give the tenants
alternative of staying on the estate and work for the debts accumulated in the previous season or are forced to leave the estate.

The study has also established that the degree of women’s participation in tobacco production is equal to that of men. It has been revealed that the majority of the women in tobacco estate actively participate in both tobacco production and domestic work. Despite their involvement in various tasks that are related to tobacco production, women say to be subjected to mental, sexual and physical abuses from their landlords or supervisors. The majority of them reported to have been physically assaulted by their own husbands, supervisors and even the landlords. A lot of them also admitted to have slept with their supervisors in either exchange for some food rations or some money and favours on the estates. Others reported to have been sexually harassed and even raped by their masters.

There is general consensus that child labour is common in Malawi particularly in the commercial agriculture sub-sector. This study too has established and verified that children spend time with their parents helping with tobacco production and household chores. Only the children under-five are spared. In some instances even some under-five reported to having done some work related to tobacco production. Children above nine years are heavily involved in tasks like clearing fields, making nursery beds and watering nurseries, picking and transporting tobacco.

However, in view of the importance of the tobacco industry in Malawi and the already stiff anti-tobacco campaigns based on health concerns, there is a general fear that if the issue of child labour is not addressed, the demand for Malawian tobacco would decline further. It is, therefore, recommended that the government should make primary school compulsory for all school going age groups to avoid the proliferation of child labour in all the sectors of the economy. This could be enforced through setting up of village level monitoring committees. In the past few years, the child labour issue has appeared in corporate responsibility programs of tobacco firms. Against this background, the Association of Elimination of Child Labour (AECL) was formed in June, 2001. The AECL aims to develop independent research to produce an objective picture of the conditions and level of child labour particularly in commercial agriculture.
The study has revealed that tobacco workers live in extreme poverty and are often subjected to high levels of exploitation. It was reported that situation has become more serious since the advent of market liberalization. The majority of the tobacco workers (tenants and contract workers) work without contract written or oral. It was revealed that their produce is under-priced due to deliberate under-grading done by the estate owners. This practice leaves most of the estate workers in heavy debt. Furthermore, many landlords on tobacco estates deny workers basic necessities such as medication; food when they run out of their monthly ration; safe drinking water and housing. Some respondents reported to have gone without food for two or more days in this survey.

On the condition of service, estate workers are not entitled to annual leave; maternity leave; transport facilities; medical scheme; death gratuity e.t.c. If estate workers fall ill, they are neither entitled to sick leave nor provided transport to go to the hospital. The study also established that the degree of women’s involvement in tobacco production more less the same as that of men. In addition to tobacco production, women are also involved in domestic work at the household. However, despite their heavy schedules on the tobacco fields and household level, their contributions are not directly rewarded by the estate owners or their husbands. It was reported that women are also subjected to mental; sexual and physical abuses from landlords including their own husband. The majority of them reported to have been sexually harassed or even raped by their own masters.

Most estates do not provide services for school going children leading to high incidences of child labour on tobacco estate. It was established that although primary school is free in Malawi, children become part of the workforce by working along side their parents on tobacco fields. There was also a lot of evidence that children as young as 10 years become full time workers on these estates and earning much less than their adults counter part.

4.1 The Way Forward

The study strongly recommend that the there should be signed contract agreements between the landlords and estate workers (seasonal labour and tenants) which stipulates what the landlords will
provide as support services to the workers, how much lump sum will be paid to the workers at the end of the season. The study therefore recommends that the Government through the Ministry of Labour should ensure that the signing of contracts by both parties should be made compulsory. The landlords should have farm record books in which all the advances made to estate workers are recorded at prevailing current prices. This will minimize cheating the estate workers at the end of every season.

The study has established beyond reasonable doubt that estate workers are usually helpless people whose welfare is at the mercy of their landlords. In the current political dispensation, which promotes freedom of expression and respect of human rights, the circumstance surrounding the estate workers can no longer be tolerated. The study, therefore, advocates for the promotion of trade unions within the tobacco estates whose mandate is to ensure that estate workers have a collective bargaining to express their grievance to their landlords. It is recommended that the TOTAWUM should carry out active publicity campaigns of forming trade unions at work. These unions will be used as channels for communicating all forms of abuse at work place.

In order to eradicate child labour, the study recommends that government should make primary school compulsory for all school going age groups. This can be enforced through setting up of village level monitoring committees. The study recommends that the estate owners should have a social obligation to provide social-economic amenity in area where there are no schools.

The study recommends that the draft Tenancy Labour Bill, which was prepared by the Ministry of Labour should be tabled in the next sitting of parliament. The Bill was drafted by the Ministry of Labour in 1995 and was sent to Ministry of Justice in 1997 where it sat idle until recently. This draft legislation is a very important tool, which has been designed to address all sorts of labour disputes at workplace. This Bill stipulates written contracts between tenants and landlords covering things like transportation of tenants, food provisions and accommodation, and fair loan repayments schemes.
REFERENCES


