Study on Child Labor and Forced Labor in the Malawi Tobacco Supply Chain

Report

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Abbreviations

CARD	Centre for Agricultural Research and Development of the Lilongwe University of Agriculture and Natural Resources
EPA	extension planning area
FCTC	Framework Convention on Tobacco Control
FGD	focus group discussion
GDP	gross domestic product
ILO	International Labour Organization
IPS	integrated production system
JTI	Japan Tobacco International
KII	key informant interview
MWK	Malawi Kwacha (national currency)
NGO	non-governmental organization
TC	Tobacco Commission
TTC	transnational tobacco company
WHO	World Health Organization

Terms

Integrated Production System (IPS)—a model of tobacco production in Malawi that involves contractual obligations between land-owning tobacco farmers/farm owners and tobacco leaf buyers for the production and marketing of tobacco. In this system, leaf buyers provide inputs on loan to contracted farms and agree to purchase a contractually specified amount of tobacco from the farmer at the end of the season.

Auction Selling System—a method of selling tobacco in Malawi where tobacco producers, often farmers, bring their harvested tobacco to a designated auction house for grading and sale. In this system, the tobacco is sold to leaf buyers, including tobacco manufacturers and processing companies, through a competitive bidding process.

Executive Summary

Purpose of Study

This qualitative study aimed to identify the potential presence of child labor and forced labor in the tobacco supply chain in Malawi. To this end, the study examined the risk factors for both forced labor and child labor in tobacco production, the impact of power dynamics among the various supply chain actors on labor conditions, and stakeholder perceptions of the effectiveness of industry monitoring to prevent labor exploitation. In addition, this study aimed to map the domestic supply chain of tobacco, including the degree to which it is possible to trace tobacco that was obtained using child labor and/or forced labor through the wider tobacco supply chain. These efforts included examining the extent to which tobacco from Malawi made with forced labor and/or child labor can be traced after export. Mapping of the supply chain included determining the main leaf buying and industry stakeholders involved in both domestic and international supply chains. The study pays particular attention to differences in labor conditions and supply chain dynamics between integrated production system (IPS) and auction selling farms.[1] This comparison point was selected because the IPS system and auction selling system are the two methods for tobacco production and marketing in Malawi.

Methodology

Kasungu and Mzimba districts were selected for data collection as they are prominent tobacco-growing districts in the main tobacco-growing regions of Malawi. Within the selected areas, the research team used convenience sampling, a non-probability method, to select farm sites and purposeful sampling, a non-probability method, to select workers for the interviews. The criteria for selection for surveys, worker interviews, and focus groups were as follows: respondents had to be 18 years of age or older; and they had to be currently working on a tobacco farm as either a hired worker or farm owner. A focus group was conducted in each district and contained both IPS and auction selling farm workers. Study findings are not representative of workers at the selected sites, nor within the selected districts, nor the sector as a whole. International shipping and trade data were used to identify export methods, destination markets, and potential end-use products.

Primary data collection took place from July through September 2023, and secondary data collection of existing documents and trade data occurred from February through August 2023. Adult workers provided information about the presence and working conditions of children as well as their own working conditions. In total, 21 individual worker interviews, 2 focus groups, and 11 stakeholder key informant interviews were conducted in Kasungu and Mzimba districts. Stakeholder key informant interviews (KIIs) were conducted with government officials, non-governmental organizations, farmer associations, international experts, and industry representatives (including trade unions). To be eligible for selection, KIIs had to possess knowledge about either the labor conditions in the tobacco industry of Malawi or the supply chain of Malawian tobacco.

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[1] **Integrated Production System (IPS)**—a model of tobacco production in Malawi that involves contractual obligations between land-owning tobacco farmers/farm owners and tobacco leaf buyers for the production and marketing of tobacco. In this system, leaf buyers provide inputs on loan to contracted farms and agree to purchase a contractually specified amount of tobacco from the farmer at the end of the season.
Auction Selling System—a method of selling tobacco in Malawi where tobacco producers, often farmers, bring their harvested tobacco to a designated auction house for grading and sale. In this system, the tobacco is sold to leaf buyers, including tobacco manufacturers and processing companies, through a competitive bidding process.

Key Findings

Malawi's economy is driven by the production and export of agricultural goods, which accounted for approximately 92.8% of total exports in 2020 (World Bank, 2023d). Of the agricultural goods that Malawi produces, tobacco has, and continues to be, the predominant crop. Furthermore, 84.5% of the total labor force is employed in the agricultural sector, with many individuals working as smallholder farmers. As of 2019, the total number of tobacco farmers in Malawi was approximately 177,893 persons producing tobacco on nearly 95,000 hectares of land across the country (Foundation for a Smoke-free World, 2023). Tobacco is primarily grown across the northern and central regions of the country with Kasungu and Mzimba, the two districts of focus for the study, being two of the largest tobacco-producing districts in Malawi.

The study found that the highest risk for child labor as well as forced labor is within the harvesting and subsequent drying and bailing stages of the tobacco supply chain. Specifically, IPS workers are at an increased risk for forced labor compared to auction selling workers while the risk for child labor is higher on auction selling farms than IPS farms. The study found that child labor in tobacco production is driven by factors such as the labor-intensive nature of the crop, cultural norms and traditions, poverty, and gaps in child labor monitoring. The study found that child labor appears to be more common under the auction system than the IPS system. Under the IPS system, there are monitoring systems put in place by the leaf companies to prevent and address children's involvement in tobacco production. However, while child labor was more likely to be present on auction selling farms within the sample, the findings of the study show that child labor remains present on both auction selling and IPS selling farms.

The primary risk factors for forced labor were recruitment and contracting practices, loan practices, inducing payment schedules, and a lack of awareness of workers' rights. Workers in the tobacco industry were found to experience multiple indicators of forced labor according to International Labour Organization frameworks (ILO,1930, 2012). Importantly, many of these indicators and risk factors are related to tenancy system practices that have continued despite the Government of Malawi outlawing the practice in 2021 (Government of Malawi, 2021). The study found that workers in both the IPS and auction selling systems experience indebtedness and are at risk for debt bondage through deceptive contracting and loan practices, the withholding of wages, wage deductions, and end-of-season payment schedules that create situations where workers are vulnerable and reliant upon their employer for survival (including for food and shelter). When examined as a whole, these conditions include elements of both involuntariness and coercion, the two elements required to define a situation as forced labor. Auction workers within the study sample were more likely to experience hazardous working conditions and were more likely to feel that they were forced to work additional jobs that they had not consented to work. IPS workers tend to have more formal contracts than auction system workers; however, this did not mean that IPS workers were more likely to receive their contracted wages. In both cases, workers were subject to unexplained deductions at the end of a harvest and workers seldom received their full promised wages.

This study produced several key findings regarding the impact of stakeholder power dynamics on labor exploitation within the tobacco sector of Malawi. The power dynamics in the IPS system are multitiered with leaf buyers having the most power over the system. Farm owners lack negotiating power when signing an IPS contract and are unable to negotiate terms. The lack of power held by farm owners creates a risk for forced labor within the IPS system, particularly through debt bondage. Farm owners opt to pay back their loans to leaf buyers at the expense of paying their workers, particularly when crop yields are low, while the same workers are still expected to repay any loans they have to the farm owner despite not receiving their full pay.

Conversely, IPS power dynamics aid in the prevention of child labor in tobacco production, as farm owners fear losing their contract if caught using children in the production of tobacco. The power dynamics between farm owners and farm workers in both the IPS and auction selling system, at the time of this study, still contain the same imbalance and practices as the tenancy system. This study found that farm workers, either in the IPS or auction selling systems, are entirely reliant on the farm owner for their livelihoods (farming inputs, food rations, housing, access to medical care, etc.). The reliance of farmers on farm owners creates an increased risk for child labor on auction selling farms. This is in part due to the lack of child labor monitoring on auction selling farms. This research shows that production demands for individual workers contribute to the involvement of children on auction selling farms. In addition, research into ongoing efforts to address labor exploitation through monitoring uncovered that within both the IPS and auction selling systems, monitoring efforts are primarily focused on child labor prevention and significant gaps exist in efforts to address labor exploitation of adult workers.

The investigation into the Malawian tobacco supply chain revealed that, regardless of the type of farm, tobacco farmers typically cultivate, harvest, and cure tobacco at the farm sites before it is sold to buyers through either the IPS or auction system. It is important to note that under both systems, the domestic production, transportation, and sale of tobacco is overseen and administrated by Malawi's Tobacco Commission. Findings revealed that tobacco loses its domestic traceability at the point of purchase within both systems of sale, as tobacco leaves from various farms are mixed before sale at auction and are also mixed by tobacco buyers after sale under the IPS system. Domestic processing of tobacco is generally limited to the curing of raw tobacco leaves into unmanufactured, or cured, tobacco. Once purchased by leaf buying companies, the majority of Malawian tobacco is exported out of the country to foreign buyers for use abroad in the production of downstream tobacco products. As a result, the Malawian tobacco industry is highly export oriented. Export and shipping data have revealed that the major importers of Malawian tobacco are Germany, Russia, Ukraine, Poland, and Belgium. Once abroad, traceability of Malawian tobacco utilized in downstream tobacco products is lost due to it being mixed with other tobacco as components of company-specific proprietary tobacco blends. However, given the findings of this study as well as the wider extant research, cigarettes and other tobacco products containing tobacco from Malawi are at risk for containing tobacco obtained through child labor and/or forced labor. This risk is present for tobacco purchased through either the IPS or auction systems.

Key Recommendations

Government of Malawi

- The Government of Malawi, through the Ministry of Labor, the Tobacco Commission, and other relevant agencies, should enhance enforcement of applicable laws, including the minimum age for admission into employment, the minimum wage, and prohibitions against forced labor. In addition, although the tenancy system was outlawed, the practice continues on many tobacco farms. The Government of Malawi, through the Ministry of Labor and development partners, including the International Labour Organization's office in Malawi, should also develop special initiatives to address forced labor within the tobacco industry in Malawi, including oversight mechanisms to ensure that contracts used by leaf buying companies do not replicate tenancy system practices.
- The Ministry of Labor should strengthen its child labor and forced labor monitoring systems by working more directly with extension officers hired by leaf buying companies to monitor IPS farms. This research suggests that, currently, labor inspectors in Malawi are assigned hundreds of farms and cannot feasibly monitor for forced labor or child labor on all of them. Extension officers from leaf companies, on the other hand, have a much smaller workload; however,

workers indicated that extension officers do not prioritize labor conditions when visiting a given farm. Cooperation between the Malawi government and the leaf buying companies to ensure that extension workers and government labor inspectors follow the same labor exploitation monitoring processes when visiting a tobacco farm is one possible avenue through which industry and government cooperation could increase labor exploitation monitoring efforts nationwide.

- There is need to create more awareness on forced labor issues among tobacco farm workers in Malawi. According to this report, while there are ongoing, multistakeholder efforts to address child labor, few such programs exist for forced labor in the tobacco industry. These efforts should be incorporated into government inspection efforts on all farm types as well as the contract compliance visits by extension workers for IPS farms. One such strategy would be to host trainings in a given district for hired farm workers about their employment rights and what the outlawing of tenancy means for their status as hired workers. This study indicated that workers are often unaware of their rights or the channels to go through to redress violations of those rights.
- Since poverty was found to be among the main drivers of child labor, the Government of Malawi should continue to expand its existing social cash transfer program into additional tobacco growing areas to provide support to tobacco farm workers.
- The Government of Malawi, through agencies such as the Tobacco Commission, should institute a policy wherein IPS leaf buyers must include mandatory crop insurance in the contracts. Currently, the financial risks associated with production issues, including repaying input loans each season, are passed from the leaf buyer to the contracted farmer. Furthermore, according to this report's findings, financial risks associated with poor production drive the utilization of child labor and forced labor in tobacco production. Instituting a crop insurance program, financed by leaf buyers with the possibility of government subsidies, would, in part, alleviate the pressures stemming from poor production and poor leaf quality seasons.

Industry

- Currently, due to the proprietary nature of tobacco blends, it is nearly impossible to account for the origin of tobacco utilized by downstream tobacco product manufacturers. Transnational tobacco companies and additional importers of tobacco products should require that cigarette blends provide the country of origin for the tobacco in those goods. By requiring downstream tobacco product manufacturers to disclose the origin of tobacco utilized in production, importers of those downstream goods (such as cigarettes) would be able to identify if the tobacco within those goods contains tobacco from countries that are known to produce tobacco through exploitative labor practices. This can be accomplished without disclosing the proprietary proportions of the tobacco while simultaneously improving supply chain accountability and transparency.
- There is a need for the transnational tobacco companies, in conjunction with the Tobacco Commission of the Government of Malawi, to hold Malawi leaf buying companies accountable for labor conditions utilized in the production of purchased tobacco. This would serve to protect buyers from the purchase of tobacco sourced through labor exploitation, promote increased traceability amongst buyers and stakeholders involved in the tobacco supply chain, and incentivize producers to comply with buyer labor requirements to continue their relationship.
- There is a need for the introduction of more robust supply chain tracing practices within leaf buying organizations in Malawi. As outlined by this report, the traceability of purchased tobacco is lost due to mixing of tobacco from various sources at two points: at the IPS and auction house

and upon purchase by leaf buyers. By implementing more stringent corporate responsibility practices among leaf buyers and requiring more detailed records of the origin of tobacco purchased, leaf buying organizations will be positioned to improve traceability efforts and the transparency of their supply chains.

Future Research

- Future, longitudinal research should continue to examine the presence of tenancy system practices across the agricultural sector of Malawi. This research should pay particular attention to the core practices that led to tenants being dependent on their employers for survival, such as farming input loan systems, food and shelter provisions, and end of harvest payment schedules that put tenants at risk for debt bondage. Longitudinal research should also examine whether the living and working conditions of workers have improved as enforcement of the ban on the tenancy system becomes more regularly enforced or if exploitative practices continue without the label of "tenancy."
- Future research should build upon the findings of this study by continuing to examine if there is an inverse relationship between addressing child labor and creating risks for forced labor on IPS-contracted farms. While this study cannot generalize beyond its sample, the findings do point to a correlation between child labor and forced labor rates. Representative research could potentially address causality.
- Given that both KII and worker respondents indicated that tobacco farmers in Malawi are transitioning from growing tobacco to alternative crops, future research should examine the labor conditions in groundnut production in Malawi. This research should specifically seek to answer if the main risk factors for forced labor and child labor in tobacco production, mainly tenancy system practices, are present.
- Future research should compare the effectiveness of industry-led vs. government-led (through the Tobacco Commission and Ministry of Labor) monitoring efforts to prevent forced labor and child labor in tobacco production in Malawi. This research found that the responsibility for monitoring for labor exploitation differs between the two production systems, with IPS farms being primarily monitored by leaf company employees and auction selling farms being monitored by the Malawi government. Research on the effectiveness, as well as the gaps, within the monitoring efforts by industry and government actors can help to improve monitoring across all tobacco farms in Malawi and could potentially lead to further cooperation between industry and government actors to improve labor conditions across the entire tobacco sector.

1. Purpose and Context

The objective of this qualitative study was to explore the supply chain of tobacco potentially obtained through forced and/or child labor on tobacco farms in Malawi, with particular attention paid to the differences between auction and integrated production system (IPS) selling farms. Qualitative methods were used to develop a nuanced picture of the risk factors for and presence of child labor and forced labor in the tobacco supply chain. The focus on IPS and auction selling systems allowed researchers to explore the nuances in labor conditions and compare the unique dimensions of each selling system as it relates to exploitative labor practices. This focus also allowed for comparison points in the traceability of supply chains in the tobacco industry.

The study examined the potential domestic processing of tobacco into downstream goods—such as pre-rolled cigarettes, chewing tobacco, and loose-leaf tobacco blends—sold to consumers domestically and internationally. The study traced the value chain of tobacco as it moves from farms, through auction houses, and into domestic and export markets. The study aimed to shed light on the flow and traceability of tobacco within the domestic supply chain to better understand points where tobacco produced with child and/or forced labor is mixed with tobacco that is not produced with that type of labor abuse. The original data collection took place from July through September 2023. Secondary data collection of existing documents, policies, and trade data occurred from February through August 2023. The study interviewed 21 adult workers in Mzimba and Kasungu districts and 11 stakeholders. Interviews with key stakeholders occurred in the same districts as well as in the capital, Lilongwe. In addition, several interviews with international experts were conducted virtually. The study was carried out by ICF and the Centre for Agricultural Research and Development (CARD), a leading research firm located in Lilongwe with experience conducting studies on labor conditions, including in the tobacco industry of Malawi.

2. Literature Review

2.1 Tenant Farming

Both smallholder and estate farms rely on tenant farmers to grow and harvest tobacco on subplots, a practice going back to British rule. Within the tenant labor system, tenant farmers purchase starter crop, fertilize, pesticides, and food for their families (often maize) alongside a land-lease fee attached to a plot of land on loan, with the condition that the money earned from the sale of the year's harvest on that plot will be used to pay off that loan, and any remaining money is profit for the given tenant farmer (Boseley, S., 2018; Sangala, 2019; Verite, 2020)**.** Tenant farmers in Malawi do not own the land they work on, instead renting plots from individual smallholder or estate farm owners. Desk research revealed no reported cases of tenant farmers working on land owned by leaf buyers or tobacco companies. In 2021, with the passing of an amendment to the Employment Act, tenancy labor was removed from the definition of employment in Section Three and banned as a labor practice under penalty of fine in Section Four; however, enforcement of the law is weak (Government of Malawi, 2021; U.S. Department of Labor, 2021)**.** The abolishing of tenancy was meant, in part, to transition all tobacco workers into having written contracts with their employer, to ensure that workers are paid in a timely manner as wage laborers rather than being paid based on quotas at the end of a production season, and

to address international criticism of the risk for child labor and forced labor inherent to the tenancy system (Sangala, 2019; Verite, 2020).[2]

The scoping trip conducted by ICF and its in-country consultant indicated that tenancy practices, such as deferring payments to workers until the end of the season, farm workers living on land rented from farm owners, and farm workers relying on farm owners for tobacco inputs and food on loan, were still widespread. The desk research phase revealed no articles that mentioned the use of the tenancy system in any other crop in Malawi. Based on the information gathered through preliminary desk research and through discussions with contacts, research confirms the presence of forced labor and child labor in the tenant farming system in tobacco farming in Malawi.

2.2 Evidence of Forced Labor

Researchers and the international community alike have raised concerns of tenancy labor leading to situations of debt bondage wherein the tenant farmer is forced to stay in contract with a given smallholder or estate for as long as it takes to repay any debts accrued (Smith & Lee, 2018; U.S. Department of Labor, 2022). In a 2016 document, the International Labour Organization (ILO) indicated that it had been in an ongoing dialogue with the nation of Malawi over reports of forced labor and debt bondage; however, it was noted that the government reported that no official complaints of forced labor had been made to national labor inspectors (ILO, 2022). Existing research indicates that tenant farmers are increasingly recruited by third-party persons using oral contracts rather than through district labor offices (U.S. Department of State, 2022). A 2019 lawsuit against British American Tobacco and Imperial Brands includes claims of 12-hour workdays for seven days a week, lack of access to water, withholding of wages, small daily subsidies of food, and substandard housing (Boseley, S., 2018; Davies, 2020; Sangala, 2019). There are reports of tenant farming families living in one-room huts made from mud or previously harvested tobacco stalks that lack windows and access to water (Malawi24, 2019; Sangala, 2019). These experiences of workers mentioned by the extant literature represent various facets of the two elements that make up the definition of forced labor; involuntariness and menace of penalty (coercion) (ILO, 1930, 2012).[3] Involuntariness is seen in the above literature through the reports of workers living in degrading conditions that are imposed on them by the employer, working in hazardous conditions without the workers' consent, and working with limited or no freedom to terminate their employment (due to debt). Menace of penalty (coercion) is seen in the above literature through the reports of debt bondage, withholding of wages, and the abuse of workers' vulnerabilities by controlling their access to food.

The economic reliance on tobacco in Malawi, falling prices of tobacco leaf globally, lack of a standardized (fluctuates yearly) minimum price of purchase for tobacco leaf, poor yields due to inconsistent rain, the concentrated power of the transnational tobacco companies (TTCs), and exploitative production contracts for both farm owners and tenant farmers are all cited as risk factors associated with forced labor through debt bondage in the tobacco industry (Centre for Social Concern, 2015; Kulik et al., 2017; Sangala, 2019; Smith & Fang, 2020; Smith & Lee, 2018).

2.3 Evidence of Child Labor

The extant literature shows a connection between reports of forced labor and child labor in Malawi with the common thread being the tenant farming system (Boseley, 2018; U.S. Department of State, 2022;

[2] Information cited here also obtained from scoping trip interviews.

[3] See Appendix 6 for a full list of the sub-elements of coercion and involuntariness.

Smith & Lee, 2019; Sangala, 2019; Verite, 2020; Ramos, 2018; U.S. Department of Labor, 2021). Researchers found that child labor among tenant farmer families is used in an attempt to harvest enough tobacco to make a profit at the end of a season (Verite, 2020; Boseley, 2018; Sangala, 2019). Child labor on tenant farms includes planting, weeding, spraying of fertilizer and pesticides, harvesting, and the tying of leaves for curing. Children working on tobacco farms are often unable to attend school either because they are needed for production to offset loan costs or they lack proper identification to register with a school upon moving to the location farm (Ramos, 2018; Sangala, 2019). Children are placed in hazardous labor environments where they are exposed to pesticides and chemicals, sun and heat, and tasked with using sharp tools (Boseley, S., 2018; Frempong, 2022; Verite, 2020). Of additional concern related to the use of child labor on tobacco farms in Malawi is the risk of contracting green tobacco sickness. Green tobacco sickness, a form of tobacco poisoning, is caused by the absorption of nicotine through the skin, and wet leaves are known to increase the rate of absorption (NIOSH, 2014). It is reported that children tasked with handling wet leaves, such as tying leaves for curing, do so without safety equipment (Boseley, 2018; Ramos, 2018). One of the only reports indicating the prevalence of child labor in the tobacco industry in Malawi indicated that in 2015, upwards of 78% of children ages 10–14 and 55% of children ages 7–9 work in the production of tobacco (Verite, 2020). Research in a non-representative sample of tobacco growing families found that 63% used child labor at some stage of production.

2.4 Leaf Buyers

All tobacco is sold on one of four auction floors located in Mzuzu, Chinkhoma, Blantyre, and Lilongwe (Auction Holdings Limited., 2021). Since the implementation of the IPS, nearly 80% of all tobacco sold at auction is done through pre-existing contracts with TTCs and leaf purchasing companies (Agricultural Research and Extension Trust, 2015; International Tobacco Growers Association0, 2022). Of the TTCs, Japan Tobacco International (JTI) most commonly utilizes contracts with growers (JTI, 2022). The main leaf purchasing companies in Malawi are Limbe Leaf Tobacco Company and Alliance One Malawi. Additional leaf producing companies that purchase Malawian tobacco include Africa Tobacco Services, Premium Tobacco Malawi Limited, Malawi Leaf Company LTD, and Premium Tama Tobacco Ltd. (The Tobacco Commission, n.d.). U.S. Customs and Border Protection issued a withhold release order for Malawi tobacco stemming from what was described as “reasonable indicators” of production through forced labor and child labor (United States Customs and Border Protection, 2019). As of 2021, Alliance One Malawi, Limbe Leaf Tobacco Company, and Premium Tobacco Malawi Limited have been removed from the order (United States Customs and Border Protection, 2021).

2.5 Economic Overview of Malawi

Malawi, located in southeastern Sub-Saharan Africa, is a low-income country with a gross domestic product (GDP) of $12.63 billion USD and a GDP per capita of $634.8 USD in 2021 (The World Bank Group, 2023a, 2023b, 2023c). The economy of Malawi is heavily agro-based, with the agricultural sector contributing over 22.6% of the country’s GDP, accounting for over 82.5% of its foreign exchange earnings, and supporting upwards of 90% of the population (Government of Malawi, 2019).

Furthermore, 84.5% of the total labor force is employed in the agricultural sector, with many individuals working as smallholder farmers. The smallholder subsector contributes approximately 25% of total GDP; however, it employs 95% of the total agricultural labor force (Government of Malawi, 2004). Malawi’s economy was significantly impacted by the COVID-19 pandemic, with Malawian GDP growth dropping

from 5.4% in 2019 to 0.8% in 2020 (The World Bank Group, 2023d). As of 2019, the total number of tobacco farmers in Malawi was 177,893 persons (Foundation for a Smoke-free World, 2023).

Malawi's economy is driven predominantly by the production and export of agricultural goods, which accounted for approximately 92.8% of total exports in 2020 (World Bank, 2023d). Of the agricultural goods that Malawi produces, tobacco has, and continues to be, the predominant crop cultivated throughout the country. Given the importance of tobacco production, Malawi has been identified as the world's most tobacco-dependent economy, with tobacco accounting for over half of Malawian traditional commodities exported year-on-year (Government of Malawi, 2023). The other export earners for Malawi (i.e., sugar, tea, edible nuts, and pulses) do not contribute as much individually as tobacco.

Table 1. Export values of Malawi's traditional commodities ($ million USD)

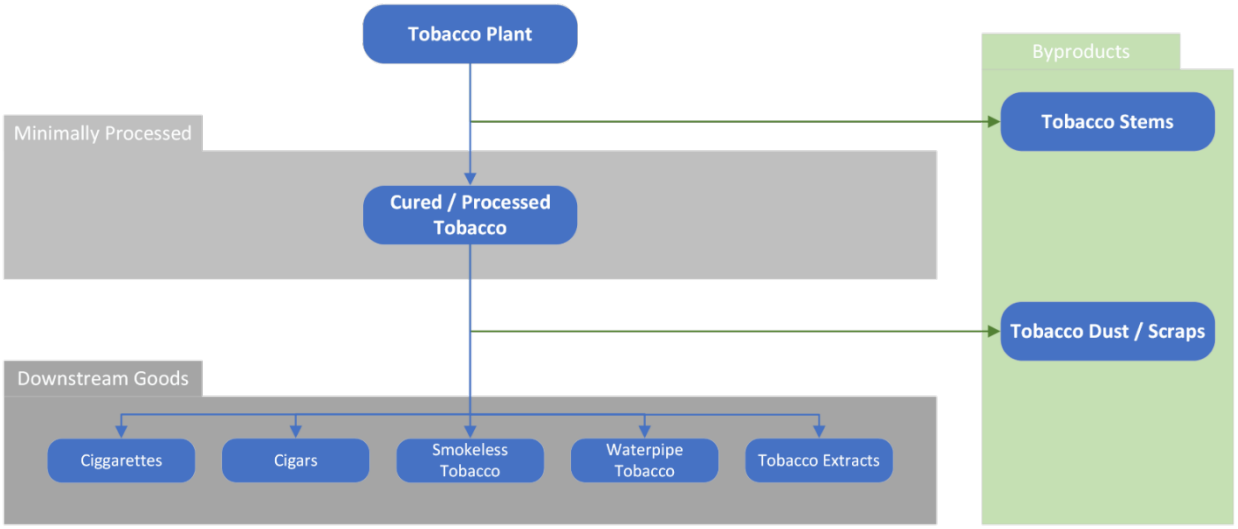
Commodity	2021	2022	2023
Tobacco	403.8	342.3	410.4
Tea	72.2	76.4	76.9
Sugar	74.5	76.4	76.9
Cotton	4.5	10.3	11.2
Pulses	12.4	52.0	53.0
Edible nuts	87.6	135.5	136.8

Source: Malawi 2023 Annual Economic Report

2.6 Tobacco Description

For tobacco plants to grow and mature to a point where their leaves are ready for harvest, plants must be grown for approximately 100 to 130 days in a frost-free environment in nutrient-rich soil (McMurtey, 2023). Generally, soil is sterilized through burning or the use of chemicals, which is done to control plant diseases, weeds, insects, and other environmental factors that could prove harmful to the plant. There are three types of tobacco leaf produced in Malawi. The overwhelming majority of tobacco grown in Malawi is Burley leaf tobacco, in addition to flue-cured (Virginia) and dark fire-cured tobacco. Once the tobacco plant and its leaves are mature, leaves are manually harvested through either the cutting and splitting of plant stalks or the individual removal of leaves from the plants as they mature (McMurtrey, 2023). Once tobacco leaves have been harvested, they are collected and stored in preparation for the curing process. Based on the type of tobacco harvested, curing methods include air curing, where leaves are hung in well-ventilated structures; flue curing, where heated air is utilized to dry the leaves; and sun curing, where leaves are exposed to sunlight to dry (Philip Morris International, n.d.). Burley, Virginia, and oriental tobacco are typically air cured, flue cured, and sun cured, respectively (Philip Morris International, n.d.). At processing facilities, tobacco leaves may be further processed and dried for uniformity before being either sold or blended and further processed into downstream tobacco products (Philip Morris International, n.d.). Tobacco is utilized in the production of cigarettes, cigars, pipe tobacco, smokeless tobacco products (e.g., chewing tobacco, snuff, snus, etc.), waterpipe tobacco, and tobacco extracts (National Institute on Drug Abuse, 2021). Figure 1 outlines product processing, byproducts, and downstream products for tobacco; a more detailed definition of each product follows.

Figure 1. Overview of tobacco processing steps and resulting byproducts and end uses



2.7 Tobacco: Minimally Processed Good, Byproducts, Downstream Products, and End Uses

Minimally Processed Good

Cured Tobacco: Cured tobacco is derived through the processing of collected tobacco leaves, which undergo a drying and curing process to reduce their moisture content and develop the desired flavors (National Institute on Drug Abuse, 2021). There are various leading methods of curing that can be employed, including: air curing, where leaves are hung in well-ventilated structures, flue curing, where heated air is utilized to dry the leaves, and sun curing, where leaves are exposed to sunlight to dry (Philip Morris International, n.d.). The method of curing chosen often relates to the type of tobacco being processed, with Burley, Virginia, and oriental tobacco being air cured, flue cured, and sun cured, respectively (Philip Morris International, n.d.).

Downstream Goods

Cigarettes: Tobacco for cigarettes is produced through the blending of different tobacco varieties, cutting the leaves into smaller pieces, and introducing additives to enhance flavor and burn characteristics. The processed tobacco is tightly packed into cigarette tubes, usually made of paper, and then sealed to create the final product (Phillip Morris International, n.d.).

Cigars: Cigars are produced from three tobacco components: the filler, the binder, and the wrapper. The filler and binder are made by selecting appropriate strains of cured tobacco leaf, often following a blend recipe for desired flavor, sorting them based on size and quality, and then rolling the filler leaves into the binder in a tightly packed cylindrical shape before being placed into mold and compressed to achieve the desired final shape. The rolled tobacco leaves are then encased in a wrapper made from high-quality, specifically selected tobacco leaves that have had their stem removed and are subsequently sealed to create a cigar. Cigars are typically handcrafted and often undergo additional aging to develop desired flavors (Alexander, 2017).

Smokeless Tobacco Products: Smokeless tobacco products are noncombustible tobacco products that are consumed orally through the dissolving of tobacco in the mouth, generally by placing the product between the gum and the cheek or lip (U.S. Food and Drug Administration, 2023a). This includes chewing tobacco, dry and moist snuff, snus, and dissolvable tobacco products. Chewing tobacco, dry and moist snuff, and snus consist of either loose or pouched tobacco that has been cut and packaged for consumption (IBID). Dissolvable tobacco products include lozenges, strips, or sticks that are coated in a tobacco formulation made from tobacco material and additional additives such as water, flavorings, binders, and pH adjusters (Dube et al., n.d.; U.S. Food and Drug Administration, 2023b).

Waterpipe Tobacco: Production of waterpipe tobacco, also commonly known as *shisha*, begins with the selection of appropriate cured tobacco leaves; a mixture of Virginia and dark-leaf tobacco is often used. Once collected, the tobacco is cut into small pieces before being sweetened and moistened through a fermentation process in which it is combined with various sweeteners such as honey, molasses, and vegetable glycerin to improve the tobacco's heat tolerance and increases smoke output. Fermentation can range between two days to several months, after which tobacco is moved to a flavoring machine to begin the flavoring process. Once the process is completed, waterpipe tobacco is packaged for distribution (World Health Organization, 2015).

Tobacco Extracts: There are various types of tobacco extracts and methods of extraction based on the desired component that will be extracted. The most popular tobacco component extracted from tobacco leaves is nicotine, which is utilized in the production of e-cigarette liquids, nicotine gums, and nicotine patches. Nicotine, amongst other desired chemicals and oils, can be extracted from tobacco leaves through various extraction methods including solvent extraction, steam distillation, acid-based extraction, and aqueous extraction (Kheawfu et al., 2021; Black Note, n.d.; Zhang et al., 2012).

Byproducts

Tobacco Stems: Tobacco stems hold the leaves together during growth and processing; however, they are often removed at the time tobacco leaves are processed into downstream tobacco products (Alexander, 2021). Tobacco stems that are not removed before processing are occasionally mixed into the filler for cigarettes (FDA Center for Tobacco Products, 2016).

Tobacco Dust/Scraps: Tobacco dust, or scraps, are remnants of cured tobacco leaves that have undergone processing and handling. While not necessarily the most desirable components, tobacco dust and scraps are utilized by cigarette manufacturers as filler components in cigarettes (FDA Center for Tobacco Products, 2016). In addition to use in cigarette production, tobacco dust and scraps are also used as an organic fertilizer in both gardening and farming (Keith, 2021).

3. Methodology and Study Implementation

3.1 Study Objective and Research Questions

The research was guided by the following research questions:

- What are the perceived risk factors and drivers of forced and child labor in tobacco production in Malawi reported by stakeholders?
    - What are the perceived differences noted between contract and auction selling?

- How do market influence and power dynamics among farmers, leaf buyers, and other market actors vary between the integrated production and open auction systems?
    - How do these dynamics impact risk factors and drivers of forced labor?
    - How do these dynamics impact risk factors and drivers of child labor?
    - Who are the other main actors in the Malawi tobacco sector and how does their engagement vary between these two production systems?
- To what extent are industry monitoring and compliance mechanisms effectively identifying forced and child laborers in the production of tobacco?
    - What gaps remain?
- What are the distinctions in standards and product traceability between the IPS and open auction systems?
- Given currently available data, to what extent can Malawi tobacco be tracked both within and outside the country? What limitations exist?
    - Who are the major stakeholders, including all registered leaf-buying entities, involved in the supply chain from production to export?
- How important is the tobacco produced in Malawi to downstream tobacco manufacturers, both as a percent of suppliers' needs as well as the quality of tobacco from Malawi?

3.2 Research Methodology

Research design and methodology were shaped by ICF's experience with similar studies and by a scoping exercise that ICF conducted in Malawi. ICF global research instruments informed the development of data collection tools, and the scoping exercise was used to collect useful contacts from tobacco stakeholders and gather relevant information that helped shape the study design and methodology. Data were collected through primary and secondary sources, using six research activities:

- Collection of background research and materials
- Research instruments development
- Training and data collection preparation
- Worksite visits, worker interviews, and observations
- Key informant interviews (KIIs)
- Supply chain tracing

3.2.1 Collection of Background Research and Materials

The review of secondary data and reports was guided by the thematic areas of focus, including child labor, forced labor, the tobacco supply chain, and working conditions. Reports and data available on child labor, forced labor, and the tobacco supply chain were sourced from the Internet and from relevant organizations.

3.2.2 Research Instruments Development

Two research instruments were developed to guide primary data collection—the workers' interview guide and the KII guide. These instruments were adapted from ICF's global version of these research instruments. With input from CARD, instruments were adjusted to contextualize them to the Malawian tobacco supply chain. All instruments were translated into the local language (Chichewa) to standardize the administering of questions. Instruments were piloted among workers and stakeholders different from those targeted for the study, and based on the pilot experience, necessary adjustments were made.

3.2.2a Defining Child Labor

Child Labor: Child labor is defined by ILO Convention 138 on the Minimum Age for Admission to Employment and ILO Convention 182 on the Worst Forms of Child Labor. Broadly, child labor is "work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development" (ILO, n.d.). Child labor refers to work that is "mentally, physically, socially or morally dangerous and harmful to children; and/or interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work" (ILO, n.d.). The ILO Convention on Child Labor, 1973 (No. 138) aims to abolish child labor by requiring countries to establish a minimum age for work as well as for employment (typically 14–15 years of age), while also allowing for light work for children under that age (ILO, 1973). The convention also requires nations to establish policies to eliminate child labor. In Article 3, the convention defines the "minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals of young person" to be 18 years old (ILO, 1973).

This definition does not apply to work specifically authorized by national laws, including work done by children in schools for general, vocational, or technical education or in other training institutions, in which such work is carried out in accordance with international standards under conditions prescribed by the competent authority, and does not prejudice children's attendance in school or their capacity to benefit from the instruction received (ILO, 1999b).

ILO Convention No. 182 defines the worst forms of child labor to include the following:

- All forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict.
- The use, procuring, or offering of a child for prostitution, for the production of pornography or for pornographic performances.
- The use, procuring, or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties.
- Work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children.

The last element from ILO Convention No. 182, often referred to as hazardous work by condition, is of particular importance for the children studied in this report. Guidance for governments on some hazardous work activities that should be prohibited are noted in Article 3 of ILO Recommendation No. 190 (ILO, 1999b) and can be found in Appendix 6. Additional guidance on hazardous work activities comes from national legislation in Malawi including the Employment Amendment Act of 2021 and the Prohibition of Hazardous Work for Children Order 212.

3.2.2b Defining Forced Labor

Article 2 of ILO's Forced Labor Convention, 1930 (No. 29) defines forced or compulsory labor for the purposes of the Convention as "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily" (ILO,1930). For statistical purposes, a person is classified as being in forced labor if engaged in any work that is both under the threat of menace of a penalty and is involuntary (see Appendix 6).

3.2.3 Worker and KII Interview Guides

A worker interview guide was developed in both English and Chichewa to aid in the collection of qualitative data from workers. The guide was split into two interview guides, one for adults with children working in the tobacco industry and one for adult workers without children working in the tobacco industry. Respondents who did not have children working in the tobacco industry were asked a series of questions about their own working conditions in order to explore the potential presence of forced labor conditions.

A key informant interview guide was developed in both English and Chichewa to lead discussions with tobacco supply chain experts, child labor experts, and forced labor experts including representatives from workers' unions, government officials, and civil society representatives, who were interviewed as key informants. The tool aimed at eliciting the knowledge, views, opinions, and perspectives of local experts in the sector.

3.2.4 Observational Tool

To complement and contextualize the data collected, an observation checklist was developed. The field research team used this tool to record observations at a selection of farms visited. Observations included farm types, labor conditions, transportation methods, transportation networks, and trading activities.

3.2.5 Supply Chain Tracing

All research instruments were designed to collect data that would enable the tracing of tobacco from farms and estates to domestic use or export. The instruments sought to explore supply linkages between farms; transportation modes; the existence of processing facilities; and whether any final products were processed in Malawi. Macroeconomic trade data, obtained through UN Comtrade, provides a high-level overview of the general flow of unprocessed tobacco out of Malawi to global importers. In addition, supply chain tracing efforts included gathering international trade and shipping data on the export of Malawi tobacco, highlighting and identifying specific suppliers of Malawian tobacco and major international buyers. Available shipping records were utilized to identify the major suppliers of Malawian tobacco to the international market, as well as the major international buyers of Malawian tobacco. Furthermore, as available shipping records indicated that major buyers of Malawian tobacco act as regional/international distributors of tobacco to downstream buyers and producers, an investigation of downstream supplier shipping records was performed to identify destination markets for Malawian tobacco. Using these data, the research sought to provide an accurate depiction of what happens to tobacco once it is exported from Malawi. Trade and shipping data were gathered from numerous sources, including UN Comtrade, Panjiva, and government and industry databases (see Appendix 1 for all data sources).

3.2.6 Site Selection, Sampling and Recruitment, and Final Sample

Based upon desk research of main tobacco producing regions, findings from scoping, and the subcontractor's previous research experience and existing knowledge of the tobacco industry, Kasungu District in the Central Region and Mzimba District in the Northern Region were selected as sites for the study. Selecting two primary tobacco growing districts in the main tobacco growing region allowed for analysis of a wider variety of farmer perspectives.

Adults aged 18 or older who work in the tobacco industry were eligible to participate in the study. Eligible participants included both IPS selling farm owners and workers and auction selling farm owners and workers. In many cases, due to the smallholder nature of tobacco farming in Malawi, the farm owner was also the primary farm worker. In these cases, interviews focused on the child labor portion of the research. All participants were current workers; researchers recruited workers who were present at the selected sites on the day they visited. Adult workers provided information about the work of children as well as their own working conditions. Children were not interviewed directly due to legal, ethical, and feasibility considerations. Before entering a tobacco farm, the research team gained permission from the farm owner. The research team ensured that study participants were out of hearing distance from other workers. A total of 32 qualitative interviews were completed with 21 workers and 11 key informants. In addition, two focus group discussions (FGDs) were conducted with a combination of auction farm and IPS workers in Kasungu and Mzimba. Key informants were purposively selected based on their role, experience, and knowledge of the tobacco supply chain, child labor practices, or forced labor practices.

3.2.7 Data Analysis

Prior to qualitative analysis, worker and key informant interviews were transcribed and translated into English. Once translated, interview transcriptions were thematically coded using a codebook developed for the study. Codes were initially developed based on research questions, previous literature, and scoping findings. Additional codes were developed as they emerged during content analysis of the transcripts. Qualitative coding utilized Dedoose Version 9. Inter-coding reliability was performed at both the initial coding and the final thematic coding stages.

3.3 Training, Pilot, and Preparation

A training of data collectors was conducted June 20–21, 2023, in the CARD Conference Room, at LUANAR, Bunda Campus, in Lilongwe, Malawi. The training involved reviewing the data collection instruments, cross-checking the accuracy of the translation from English to Chichewa, and role-playing exercises. In addition, the training covered study design, definitions of child labor and supply chain tracing, data collection roles and ethics, and additional data collection policies.

A pre-test and piloting of the research tools was conducted on June 22, 2023, at Demela Extension Planning Area (EPA) in Lilongwe District. After the pilot, the team spent time debriefing, reviewing their experiences from the piloting exercise, and making necessary adjustments to the instruments and the overall data collection approach.

3.4 Data Collection

All research designs and instruments underwent a review by ICF's Institutional Review Board (IRB). Researchers were trained on and required to adhere strictly to ethical guidelines, including informed consent, confidentiality, and data security. The research was performed in compliance with 45 Code of Federal Regulations Part 46 on the Protection of Human Subjects. At the beginning of each interview,

the enumerator read the consent statement to the participant in Chichewa. Survey participants signed a written consent and respondents had the option to consent or not consent to audio recordings. All personal identifying information of respondents was redacted from the data before analysis.

Data collection began July 3, 2023, and extended until the end of September in order to include additional KII respondents. Data from tobacco workers were collected from Santhe and Lisasadzi Extension Planning Areas (EPAs) in Kasungu District, as well as Mbalachanda EPA in Mzimba District. A total of 21 farm workers were interviewed (see Table 2). Of these, 14 were not only farm workers, but also farm owners. This implies that they work on their own farm, growing tobacco but at the same time, they also hire workers to work alongside them. KIIs averaged 60 minutes and worker interviews averaged 45 minutes, depending on the participant's responses.

Table 2. Interviews with tobacco workers in Kasungu and Mzimba districts

Region	District	EPA	Sample achieved
Central	Kasungu	Santhe and Lisasadzi	8 IPS workers
			5 Auction workers
			2 FGDs (8 IPS and 6 Auction workers)
Northern	Mzimba	Mbalachanda	6 IPS workers
			2 Auction workers
			1 Case study (auction selling former IPS farm)

Among the 14 workers/owners who were working on IPS farms, seven were affiliated to Alliance One Leaf Company; three were affiliated with JTI; and the remaining four were working on farms that were contracted to Limbe Leaf Tobacco Company. In addition to the worker interviews, two focus group discussions (FGDs) were conducted with tobacco workers in Santhe EPA and Lisasadzi EPA. The FGDs comprised both tobacco workers under IPS and those under the auction system.

Data were also collected from tobacco industry stakeholders and experts at both the district level and the national level. Government stakeholders who were interviewed at the district level include officials from the District Labor Office; District Agricultural Office; District Community Development Office; and one primary school teacher (in a school that is surrounded by tobacco estates). Among the non-governmental organizations (NGOs), an official from the Eliminating Child Labor in Tobacco Growing Foundation (ECLT) as well as representatives from the National Steering Committee on Child Labor were interviewed. The interviews with representatives from the tobacco industry included a discussion with a representative of Phindu Tobacco Growers Association, the Tobacco Commission, an interview with a middle-level manager from a leaf company, and a representative of the Malawi Confederation of Trade Unions.

3.5 Limitations

This section summarizes the main limitations of the study and presents lessons learned.

3.5.1 Mobilizing Workers and Key Informants

While no issues were encountered in Kasungu, difficulties were experienced in obtaining participants in Mzimba. Many workers were not granted permission by their farm owners to participate in the research. One possible reason for this was that, in Mzimba, at the time of data collection, baling and grading tobacco was ongoing. As a result, farm owners were unwilling to allow their workers to leave work to participate in the research. Future research should aim to interview workers either before peak

production season or after grading has been completed post-harvest. Research conducted after grading has the added benefit of speaking with workers soon after their period of most-intense labor where risks for exploitative working conditions tend to be high. Within the sample of this research many of the farm workers interviewed had completed grading; however, weather variations in the two districts, including a longer rainy season, had delayed baling and grading on some farms.

At the national level, the main challenge the research team encountered was difficulty with scheduling an interview with the Tobacco Commission (TC). Despite repeated contacts, it took two months to schedule a meeting with the TC. While this interview was able to occur at the end of September, there was not enough time left for other industry players to participate in the study, including interviews with leaf companies that could have provided additional information on the supply chain tracing aspect of the study.

3.5.2 Respondent Identification and Selection

The study did not use probability sampling to select survey respondents. Instead, efforts were made to select a diverse range of respondents, primarily based on whether the farm where they were working was part of the IPS or auction selling system, using purposive and convenience sampling methods. As such, the results from this study are not representative of the tobacco industry of Malawi as a whole, child laborers working in tobacco production in Malawi, forced labor conditions in tobacco production in Malawi, or workers at the farms visited during data collection. Furthermore, adults provided information about children's work, and children were not interviewed. Therefore, this study provides perspectives regarding child labor in the sector only of adults, who may not have been able to fully represent the experiences, perspectives, and vulnerabilities of child laborers.

3.5.3 Supply Chain Tracing

The traceability of Malawian tobacco is most noticeably lost at two distinct points throughout the supply chain—when it is sold at IPS and auction selling systems and when it is processed into downstream tobacco products abroad. Domestically, once sold through either the IPS or auction selling systems, purchased tobacco is often mixed at the point of sale and the ability to trace back to the farm of origin is lost. At leaf buying facilities, purchased tobacco is frequently mixed, regardless of its origin, meaning that tobacco exported by leaf buying companies to international buyers does not reflect the multiple sources it originated from. Furthermore, many major buyers of Malawian tobacco act as regional and international distributors of unmanufactured tobacco from various source countries to downstream tobacco product manufacturers. Due to unmanufactured tobacco falling under the same harmonized system (HS) code definition, regardless of the country of origin, traceability of Malawian tobacco distributed by buyers at this stage is again lost.[4] it is currently not possible to trace beyond noting countries and companies that directly import tobacco from Malawi, including the amount imported. In addition, once tobacco has been exported to foreign companies abroad, it is generally incorporated into proprietary blends during processing into downstream tobacco products. Tobacco blends are frequently proprietary, and their ratios and components are not made publicly available to consumers. No research participants were willing to discuss the amount of Malawi tobacco in any of their tobacco products or brands. To this end, though a cigarette could very well comprise a certain percentage of Malawian

[4] This loss of traceability would only be avoidable if the leaf buyers were to solely purchase Malawian tobacco for distribution to the international market. However, as is the case with all major buyers of Malawian tobacco, unmanufactured tobacco is sourced from multiple countries and subsequently mixed.

tobacco, it is nearly impossible to obtain actual figures as to the amount of Malawian tobacco utilized in its production.

3.5.4 Domestic Production and Consumption

Information on the domestic production of tobacco into downstream tobacco products and domestic consumption of tobacco and downstream tobacco products was of limited availability throughout the course of the study. Production and trade data indicate that there is a small percentage (9.4%) of Malawian tobacco that is not exported out of the country. Further information was obtained through an examination of data on Malawian tobacco consumption and breakdown of downstream tobacco product use; however, there are limitations to the detail of information presented and estimates on domestic production and consumption are general at best.

3.5.5 Potential Response Bias

As the employment of minors is regulated across the tobacco industry of Malawi, and sensitization efforts are ongoing, respondents may have been reluctant to honestly answer all the questions related to child labor practices. This is especially true for IPS system farmers and farm workers, who, as reported in the findings section, face the stiffest sanctions, including loss of their contract, if caught using child labor. Adult workers may not have wanted to reveal child labor, especially because of the potential legal consequences. Researchers attempted to foster an environment of trust and understanding, and interviews took place out of hearing distance of employers, but it might not have been possible to fully mitigate respondent concerns.

4. Findings

4.1 Forced Labor in the Tobacco Industry

In this section, the findings on forced labor in the tobacco supply chain in Malawi are presented. This study found many cases where workers on both IPS and auction selling farms, when describing their work and working conditions, identified indicators of forced labor.

4.1.1 Risk Factors for Forced Labor

This section focuses on perceptions of risk factors for forced labor expressed by the study sample. As determined from thematic analysis of transcripts of both workers and KII respondents, the main risk factors for forced labor were deceptive recruitment and contracting practices (including wage deception), loan practices, inducing payment schedules, and a lack of awareness of workers' rights.

The analysis of the qualitative data indicated that workers on both IPS and auction selling farms are at risk for forced labor due to recruitment, contracting, and loan practices between the farm owner and the hired worker. It was common for workers, regardless of the farm type, to indicate that they had a verbal rather than a written contract. The verbal nature of contracts becomes especially salient when employers then fail to uphold the details of the agreement. According to one male IPS farm worker, *"This contract is through oral agreement because when we asked for the form to sign, he did not give it to us."* And according to an auction selling farm worker, *"Yes, we have a contract although it's oral which we agreed on work ethics and amount of payment required."*

Workers with verbal contracts also expressed dissatisfaction with what they were promised versus the realities of their work, as seen in the following quotes by IPS and auction selling farm workers:

"Most of the abuse was to do with employers not paying employees the agreed payments, some were being deducted food provisions from their payments, so many people were working but at a loss."

"For example, last season, we agreed that we will be paid MWK170,000, but sales were not as anticipated, so we received MWK140,000 each."

"No, they had to cut some other expenses such as for salt and soap which the boss bought so we earned less than MWK25,000 per bale."

Even in the cases of written contracts or verbal contracts that are honored, payments are often delayed until the sale of the harvest, placing workers in a position where they are unsure if they will be able to repay their beginning-of-season loans until after they have worked for the entire season. According to a male industry expert, this payment scheme may keep workers from terminating their contracts: "*What becomes a problem is the calculation of payment because the worker quits before the sales of the ongoing produce since the payment comes from sales."*

Loan practices were also mentioned by both IPS and auction selling workers. Loans are typically provided by employers to workers at the start of the season, often with high interest rates. While this was a hallmark of the tenancy labor system in Malawi, the research indicates that this practice is ongoing despite outlawing of the system. Loans were frequently reported by both IPS and auction selling farm workers to be between 50% to 100% more than the original loan cost. According to one auction worker speaking about his employer's loan practices, *"Yes. He gives out loans at 50% interest rate."* According to an IPS worker, *"Like they get MWK50,000 ($50 USD) and repay back MWK100,000 ($100 USD) which is 100% interest which here they call it Chigoboza."* And in the words of another IPS worker, *"Yes, I took a loan of MWK10,000 and I will repay MWK20,000…but since we do not have any choices then we just borrow from him."* According to respondents, these loans are necessary for the survival of workers and their families during the season, and workers feel obligated to take them even when they disagree with the rates. These loans cover a wide variety of necessities ranging from tools and personal protective equipment (PPE) to food and shelter. As these loans often occur at the time of hire, this report considers them as contracting-related risk factors.

The final common theme across the sample, specific to the KII respondents, was a perception that workers either lack an awareness of their rights or feel there is no ability to address their working conditions. According to KII respondents:

"The workers fear to complain because they stay with the farmers (farm owners) in their communities."

—Male industry representative

"They do report but such problems are not enough to report; but mostly if the employer fires you unexpectedly, that's when you go and report."

—Male industry representative

"But if I want to complain to you because you are my employer, how can I also present my grievance to you?"

—NGO representative

4.1.1.1 IPS System Findings

The risk factor theme of recruitment, contracting, and loan practices for IPS selling farms was unique in that the risk factor applies to both farm workers and farm owners. Farm workers are subject to indicators of forced labor via their employer, whereas the employers (farm owners) are found to be at risk for forced labor through their contract with the leaf buying company. According to three different IPS selling farm owners*:*

> *"The challenge part is that whether you like it or not, you have to meet the target of what you have agreed, meaning that primarily you are supposed to pay for the resources you were provided for, and if your production is poor, automatically you have made losses."*
>
> *"The disadvantages are there because when you access a loan for example for 1 hectare, it's hard to have profit. This can be due to rainfall cessation difference from year to year, this year being better and the next being bad."*
>
> *"That will mean you have failed, and the only option you can do is consult your fellow farmer if he has more production to cover for you, otherwise your contract is terminated."*

The first two quotes highlight the risk that farm owners may become indebted to leaf buying companies, which can result in the termination of their contract. IPS farm owners indicated that, in these situations, they prioritize paying their debt to the leaf buyers at the expense of their workers. According to other respondents, there are situations in which farm owners are obligated to enter into a new contract with the same leaf buyer, taking on new input debt to pay off both the remainder of their owed debt and the new contract debt. Respondents did not indicate that they were forced to enter into a new contract with a leaf buyer, which would indicate tenancy-style practices. While this does not in and of itself indicate forced labor practices through debt bondage, it is important to note the possible risk as farmer owners often lack alternative options to sell their tobacco, as leaf buyers control roughly 80% of the tobacco production in Malawi.

IPS farm workers may experience back wages due to the lack of profits earned by their employer. According to one such male worker, **"***For the previous year, our relationship was not good because our agreement was not reached in the way that he did not fully pay me. All the money was used to cover the loan he had with JTI."* It was common for IPS farm owners in the sample to describe similar scenarios in which, due to the power of the leaf buying company, they choose to pay back their loans rather than pay their employees. In these situations, workers are at risk for the forced labor indicators of withholding of wages, debt bondage,[5] and deception related to wages. The decision to pay leaf companies instead of workers cannot be separated from the relative power of the leaf buying company to either deny the farmer a market for the next year or reduce that farmer's contract and thus their profits in the future, especially when the farm workers themselves have no power within the IPS system.

While the contribution of leaf buyers to forced labor risks could be considered passive rather than active, multiple farm owners perceived that leaf buyers are only concerned about their own profits and not the lives of IPS farmers. This theme can be seen in the following words of an IPS farm owner, *"These leaf companies don't care about us. Once we have squared the loan then we become useless to them."* Future research should also examine the possibility that the risk of forced labor in the IPS system is in part caused by social compliance and quality assurance requirements, including the prohibition of child

[5] In situations where workers also owe debts to their employers that they are now unable to pay off because they did not receive their full end of season earnings.

labor. Research on the impact of the prohibition of child labor on forced labor risk factors within the IPS system must not ignore the wider issues within IPS contracts that create risk factors for forced labor according to this report, mainly the contracted input requirements, input loan system, and production pressures. Broadly, the IPS system often places the burden of compliance with child labor prohibition solely on the farmers, as opposed to the leaf buyers. This study found that this can, in turn, create risks for forced labor in the IPS system. Workers are often pressured to work longer hours with no extra pay to meet the requirements of production amounts contracted with leaf companies.

IPS farms have leaf technicians who monitor the activities of the contracted leaf growers throughout the season. In turn, the farm owner puts pressure on the farm worker to ensure that the hectarage allocated to the worker is being well taken care of, and that all the specific activities required to produce high quality tobacco are being done on time. Since these workers are also under increased scrutiny to prevent child labor,[6] the workers, who are often allocated a hectare, have very limited access to additional labor other than from themselves. According to IPS workers interviewed, they often feel pressured by their employer to resort to working longer hours than their contract states, sometimes into the night without lanterns. In addition, many IPS farm owners indicated that they do not fully understand the contracts until after they have signed them. According to one male IPS selling farm owner, *"They bring these large forms that we cannot manage to read even if we sat for a day. The supervisors start reading it to us and we find it hard to understand but we still sign the form."*

4.1.1.2 Auction Selling System Findings

There were no risk factor themes that were specific only to auction selling farm workers in the sample. Rather, the general risk factors described above encapsulate the risk factors experienced by auction selling workers. Some KII respondents noted that informal and oral contracts may be more likely at auction selling sites; however, worker data indicated that this was not the case.

4.1.2 Manipulation of Debt and Other Forced Labor Indicators

KIIs and workers alike indicated that the forced labor indicators of indebtedness, withholding of wages, and being made to perform other work than an individual was hired to do without that workers' consent were common experiences of workers in the Malawi tobacco industry. The indicators for forced labor for both IPS and auction selling workers stem from practices that were common during the era of tenancy labor. In 2021, the Employment Act was amended to prohibit unlawful labor, including forced and tenancy labor. However, the analysis of transcripts found that the practice continued to be widely used due to a lack of enforcement and oversight.

> *"For forced labor to be said that it exists in Malawi was because of the tenancy system. The tenancy system looked like forced labor because when the tenants are hired, they were given a piece of land and a target of produce and in the process, they were provided with inputs and food on loan. When the tenant fails, the owner would tell the tenants not to leave the farm until the debt is offset, so this was taken as forced labor because tenants were forced to stay at farms without any consent."*
>
> —*Male NGO representative*

Although this individual was describing the historical link between the tenancy system and forced labor, respondents indicated many of these practices continue, just without the label of "tenancy." When the

[6] See Section 4.2 for more information.

same NGO representative was asked about the effectiveness of outlawing tenancy, he had the following to say: *"Not really, some have started but some are still resistant. Because change is gradual."*

4.1.2.1 IPS System Findings

Within the sample of this study, the analysis revealed that withholding of wages, which can lead to indebtedness between a worker and the farm owner, were thematically linked to IPS farm workers. Withholding of wages, an indicator of menace of penalty (one of the two conditions for forced labor), commonly was described as wage deductions not agreed upon when the worker was hired. When asked about the reason for deductions, the analysis of transcripts yielded three common experiences. First, workers may be told their deductions are to cover the cost of loans, as seen in the words of one male IPS worker, *"He deducted a lot from my earnings citing that it was the money which he gave me."* Second, deductions are due to employers hiring day laborers to meet production demands: "*The boss says that they would replace us with those doing the piece works and they would deduct the salary in the end and the money that they deduct can be a lot."* Third, workers expressed that their employer explains deducted wages are due to the poor quality of the tobacco: *"The bad Tobacco was bought at MWK20,000 and the good ones at MKW40,000, so the whole money I earned on my bags was MWK240,000 but I received MWK180,000."*

In the most extreme cases, deductions may equal or exceed the earnings per bale of tobacco produced. According to one male IPS worker, *"Yes, he deducts from the same MWK30,00."* Another worker explained the consequences of being in debt at the end of the growing season: "*Money is too small for us to be independent, as such we are forced to renew the contract."* As discussed previously, these wage deductions may be caused by the failure of the farm owner to earn a profit after repaying their loan to the leaf buying company. According to one NGO representative speaking on this issue:

> *"So, if I have a loan, definitely I will stay until I pay back that loan. Or if my employer says, 'I don't have money,' and I have worked for the whole year and my employer doesn't have money to pay me for the whole year I have worked, I will be forced to remain and work for another year."*

4.1.2.2 Auction Selling System Findings

The study found cases of workers who were employed to work on tobacco farms being asked to also work in the owners' soybean or maize plots at no additional pay. This is an indicator of involuntariness within the definition of forced labor. The thematic analysis of transcripts showed that this was especially common among workers who are employed by farmers who produce tobacco under the auction system. According to one such worker, "*Although I was employed as a tobacco farm worker, I also help my employer in his maize and soybean fields, at no extra pay."* According to another male worker, "*Unknowingly I found out that my boss had two tasks per year and thus the maize production task and the tobacco production task."* KII respondents indicated that many auction selling farms grow maize and soybeans alongside their tobacco crops to help compensate for volatility in tobacco sale prices over recent years. As auction selling farmers do not have fixed price contracts, they are especially vulnerable.

The remnants of tenancy system practices that create situations of involuntariness were also experienced by auction selling farm workers. According to multiple respondents, the main remnants of tenancy, particularly debt-based inputs, prevent workers from leaving the tobacco farm to find new work. As discussed by one government representative, when asked whether workers could leave their employers, "*Within the season, I do not think so. You know after being engaged they are provided for everything, food and the like, so for such an arrangement someone cannot just woke up today and say I*

am going back to Dedza." This quote touches on elements of involuntariness of working with limited freedom to terminate one's contract menace of penalty through the manipulation of debt. As previously discussed, the necessities provided to hired workers—such as food—are often considered as loans that must be paid back through production. Furthermore, within the study sample, the lack of adherence to contractual obligations, including promises of wages, the quantity of free food provisions, and the nature of food provisions (initially discussed as free but then deducted from wages) is more prevalent in the auction system. According to one auction selling worker, *"Most of the abuse was to do with employers not paying employees the agreed payments, some were being deducted food provisions from their payments, so many people were working but at a loss."* This likely is, in part, due to the fact that unlike the IPS system, there is no one who monitors whether the employer is meeting all the terms of the contract.

Auction selling worker grading tobacco without PPE

The study also found that, within the sample, more farm workers work without protective gear under the auction system than under the IPS system. According to one auction selling worker, "*Yes, especially during plucking and pressing the tobacco into bales. During this period, we are prone to flu and cough."* In the analysis of the data, transcript excerpts coded as access to PPE, including gloves, were only found in relation to IPS workers, because under IPS, the leaf companies provide protective gear to the farm owners as part of the contract package. Auction farm owners, however, are required to use their own resources to buy protective wear for their workers, which does not happen often.

4.1.3 Industry Power Dynamics

Broadly, and as alluded to in the preceding section, the primary powerholders able to exert their influence over the industry as a whole are the TC, followed then by the leaf buying companies. Content analysis of the data revealed that the most common organizations mentioned when respondents were asked about power dynamics, as well as when asked to name key stakeholders, were the TC, JTI, Limbe Leaf, and Alliance One. According to an NGO representative, "*Mainly it is the TC that regulates everything. All the issues to do with policies, the growing companies, and farmers themselves listen to TC because as a regulator it is mandated by the government and the act of parliament.*" The power of the leaf buying companies is greater than the district agricultural offices who do not have oversight over the contracting process or the terms of the contracts within the IPS system. According to one government official discussing how leaf buyers do not engage with the government agricultural extension committees, "*Currently I don't know them because they have never come to my office like you have come to say, know this time around we have come to engage so much farmers and the arrangements and the likes, no, they don't do that*." While the major leaf buying companies are transnational entities themselves, respondents spoke only about the influence of the local subsidiaries. In addition, respondents often credited any initiatives to improve tobacco harvests, improve working conditions, or improve workers' lives outside of work (e.g., school building programs, infrastructure programs) to either the TC or leaf buyers. While previous literature has documented the power of the TTCs over national governments (Gilmore et al., 2015; Saloojee & Dagli, 2000), none of the participants in this study discussed the power of TTCs in Malawi. In fact, while JTI is both a TTC and leaf buyer, KIIs and farm owners spoke only about the leaf-buying division, JTI Leaf Malawi (JTI, n.d.). In fact, respondents

indicated that leaf-buying companies operate autonomously from the TTCs and that the TTCs, as they tend to operate on a global scale, do not have specific relationships with the local leaf buyers in Malawi.[7]

4.1.3.1 IPS System Findings

Within the IPS system there are two main recognizable power dynamics at play outside of the broad industry power dynamic outlined above. There is a power dynamic between the leaf buyer and the farm owner and a power dynamic between the farm worker and their employer (the farm owner).

In the relationship between the leaf buyer and the farm owner, the leaf buyer holds most of the power. While the buyer is reliant upon the farmer to produce the agreed amount, as seen in prior quotes, the farmer feels the pressure of this arrangement. The primary tool used by leaf buyers to exert power over farm owners in the IPS system is the leaf buying contract. The study found that farm workers whose employers are producing tobacco under IPS all have written contracts with the employers. For Limbe Leaf Company, for example, respondents indicated that an individual farmer is given a contract to produce tobacco on a minimum of 3 hectare (for JTI, the minimum is 2 hectare). The farmer is expected to produce a minimum of 57 bales of a specified quality (each bale 100kg), i.e., 5,700kg. This is the amount that the company would buy from the farmer, and there is an allowance of +10% in terms of the quota for sale. For JTI, the expected quantity is 3,800kg, and there is an allowance of +10%. Farm owners interviewed had mixed feelings about these contracts; some had no issues and valued the inputs provided on loan as well as the technical training provided, while others indicated that the loans were extensive, contracts were unclear, and contracts included inputs that the farmer did not need. Contract loans themselves, previously described in relation to risk factors and potential indicators for forced labor, were seen by respondents as the biggest disadvantage to farmers within the IPS system. According to one farm owner, *"The disadvantages are there because when you access a loan for example for 1 hectare, it's hard to have profit."*

When it comes to quality compliance measures within the IPS contracts and forced labor, respondents did not indicate that quality compliance mandates are the cause of any exploitative working conditions. In fact, respondents indicated tobacco quality is more important when selling at auction in order to prevent costs associated with re-grading. According to a male IPS farm worker, "*Unlike selling on an auction, where they can send you back and regrade your tobacco to match their conditions, Whereas, in a contract, they relax the conditions and buy at a reasonable price to recover their money."* In addition, several respondents indicated that quality assurance visits from extension workers may protect hired workers from abusive working conditions that stem from the whim of farm owners. According to one male hired farm worker, *"The difference is that we work according to the instructions given to us by the contracting company whereas our fellow workers under auction do as their employer pleases."* However, this view was not held by all respondents. Other workers felt that the quality assurance focus of extension workers meant that these extension workers did not concern themselves with the working conditions for adult famers, according to one such male farm worker, "*But only extension workers to check how the progress tobacco farming is going on."*

When it comes to the power dynamic between the farm owner and farm worker, the study found that the farm owner exerts much power over the worker. Farm workers are reliant on their employers for food, housing, loans, and ultimately their wages at the end of the season. Due to the leaf buying companies, these workers are more likely to have contracts than those within the auction selling

[7] Excluding JTI which is both a leaf buyer and a TCC.

system; however, according to the analysis of interviews, IPS workers also face more production pressures from their employers. These pressures include threats of deducted wages and the hiring of temporary workers to increase production, leading to wage deductions. As indicated previously, some workers in the IPS system are at risk of going unpaid or receiving drastically reduced wages at the end of the growing season if the farm owner cannot pay back their loan to the leaf buying company.

4.1.3.2 Auction Selling System Findings

The power dynamics within the auction selling system are tied to risk factors specific to the tobacco industry—mainly that workers often do not have contracts and are reliant on the farm owner not only for their wages at the end of the season, but also for their food, housing, workload, and working conditions throughout the year. This relationship is most directly related to the now-outlawed tenancy system. Of note also is the power dynamic between farm owners and leaf buyers at auction. The analysis of farm owner perspectives of selling under the auction system produced two conflicting themes. Farmers either saw the freedom of selling at auction as leading to increased earnings and success or recognized that their struggles from selling at auction will require them to join the IPS system in the near future.

Farm owners who favored selling at auction had experienced high sales during the time of the research. According to one male farm owner, *"The way sales have been this year. It's my wish to continue as individual farmer and produce more."* While according to another male farm owner, there is a risk-reward with waiting to see auction prices: *"This is contrary when selling on contract because on contract the prices are fixed. This year selling on auction was the best."* Additionally, the study sample contained workers who formerly sold on IPS but left to go back to auction selling. The reasons provided across the sample included losing a contract due to failure to repay loans, better prices on auction, lack of satisfaction with previous IPS contract (including receiving unnecessary inputs), and the desire to grow more tobacco than stipulated in their previous contract. However, farm owners who had negative auction selling experiences indicated that they commonly experienced what they perceived as unfair grading, high volumes of rejected tobacco, and low prices. When asking new IPS-contracted farmers what led them to enter a contract, the following quote encapsulates the most common theme from the analysis—a limited market: *"Due to challenges in finding buyers, I decided to join Limbe Leaf."* The desire to join the IPS system, despite knowledge of its flaws, was also common, according to one male farm owner, *"Yes. Given a chance to register and enter into agreement with any leaf company, I would join the IPS system."*

4.1.4 Industry Monitoring

According to local legislation, industry monitoring is led by the Tobacco Commission (TC). Since 2019, the TC has established the Enforcement and Liaison Section as a commitment to ensure that the tobacco industry is adhering to all labor laws. The expert from TC indicated:

> *"We have a section now; the Enforcement and Liaison Section and its main job is to enforce the Tobacco Act and other issues... So it is headed by a manager and has four officers across all of our offices; in Limbe, here in Lilongwe, Kasungu, and Mzuzu and so these officers are the ones who are supposed to do the actual enforcements on the ground and, just to add on that, we also have a special office on agricultural labor practices."*

Further, according to KIIs, TC is working with the Eliminating Child Labor in Tobacco Growing Foundation, an NGO that promotes the elimination of child labor in tobacco growing areas by promoting monitoring and compliance. Through that arrangement, TC has recruited, in each of its four duty

stations (Lilongwe, Kasungu, Limbe and Mzuzu), an Agricultural Labor Force Officer whose main task is to ensure that agricultural labor practices on the tobacco farms within the district are in line with the laws. While data collection did not reveal the specific number of farms under the jurisdiction of a TC labor officer, interviews and desk research suggest that each officer is likely tasked with completing inspections on hundreds of IPS and auction selling farms in their assigned district. This is in stark contrast with leaf company extension officers who, according to respondents, have a significantly smaller number of farms assigned to them. No workers surveyed expressed knowledge of industry efforts to prevent forced labor. While few efforts for monitoring adult worker conditions are in place, there are mechanisms through which adult workers can report their employers for things such as owed wages. As seen in the words of an IPS farm worker:

> *"When the issue goes to the local authorities such as Traditional Authority (T/A), the employer is charged according to the misconduct committed. If he/she did not pay his/her employee, for example, that particular employee gets paid."*

While it is a positive that mechanisms are in place to compensate workers when they experience labor law violations, respondents indicated that the responsibility is on the individual worker to begin the complaint process. This was attributed to a lack of inspection and monitoring capacity by the sample. The majority of worker respondents were not aware of their rights or of the legal pathways at their disposal to address issues such as back wages. While the TC oversees all monitoring in the tobacco industry, respondents indicated that the TC takes a more active role in monitoring auction selling farms when compared to its role in monitoring on IPS farms. This is likely due, in part, to the limited manpower with the TC and its limited capacity to reach every tobacco growing farm. Since leaf buyers have their own compliance officers, the TC can oversee and influence the monitoring practices on IPS farms without dedicating its own inspectors to monitoring efforts.

4.1.4.1 IPS System Findings

Under the IPS system, monitoring and compliance is primarily done by the leaf companies, which have field officers, called leaf technicians. These officers constantly monitor how tobacco is being produced by the contracted farmers. Because leaf companies are under obligation to ensure that all contracted farmers are complying with labor laws, the leaf technicians work very closely with the farmers. While monitoring is overseen by the leaf companies, the leaf companies themselves operate within the purview of the Tobacco Commission. According to study respondents, these efforts are directly related to the prevention of child labor, but there are no specific efforts to monitor violations of adult workers' rights.

4.1.4.2 Auction Selling System Findings

For the auction selling farmers, monitoring and compliance is done through the TC. The Enforcement and Liaison Section of TC, working with the District Labor Office, conducts monitoring visits to ensure that auction farmers are complying with all labor laws. For example, they make sure that auction workers have contracts with the employers. As an expert from the TC indicated:

> "*Most of our farmers are smallholders and the estates around them are very few and they are easy to monitor. We can easily count them that we have so many commercial farmers and we are able to trace them through our registration system because each and every grower for him to produce tobacco has to be registered and licensed with us.*"

Aside from the TC, no other entities were mentioned by the sample as engaging in monitoring efforts for forced labor indicators on auction selling farms.

4.2 Child Labor in the Tobacco Industry of Malawi

This section provides findings on child labor in the tobacco sector.

4.2.1 Risk Factors for Child Labor

This section focuses on the perceptions of risk factors for child labor expressed by the study sample. The main risk factors for child labor determined through the thematic analysis of transcripts of both workers and KII respondents were cultural norms, poverty, and work pressures faced by parents. These risk factors were present across all interview types, and the analysis of these risk factors did not yield differences in their perceptions or lived realities between IPS and auction selling farmers.

Cultural norms were generally seen as a risk factor for child labor in tobacco production. Respondents indicated that these cultural norms shape the actions of individual workers as well as farm owners. According to a male tobacco farming association representative speaking about child labor practices by both IPS and auction selling farmers, "*For them [tobacco farmers] they don't know that they are abusing them [the child]. They just believe that it's a right way to teach the child to work."* In this quote the tobacco representative indicates that child labor practices may be perceived by farm workers as beneficial training rather than labor exploitation. According to a worker on an IPS contracted farm, employers may motivate workers to utilize their children in the fields: *"They say that when they have hired me as a tenant my children should also be helping me out so that the task should be easier*." In this second quote, the worker is referring to their employer, the farm owner, as the one promoting the use of child labor, not the leaf buying company. While these two quotes present differing perspectives on who is promoting the use of children in tobacco fields, they both point to the cultural normalization of children working in tobacco production. Like cultural norms, the perception of poverty as a risk factor did not differ between IPS and auction selling workers. According to a male NGO representative, *"The main driving force of child labor is poverty. Especially under the tenancy system, when the family does not have enough for survival, they send children to go and work to supplement what the parents have."* This KII respondent was speaking in general about the tobacco industry and, in line with the overall findings from KII data, did not note differences in poverty as a risk factor between IPS and auction selling farmers.

According to an international expert, poverty is inextricably linked to the low price of tobacco in Malawi:

> *"Because I think you and I both know that if the price is low, there's no way they have enough money to pay outside labor. And that's when they tend to rely more on household labor, right?... But really the key part is how much is the farmer being paid per kilogram? I really think that's the ultimate variable that decides everything."*

The low price of tobacco, while it did not emerge as a separate theme related to risk factors for child labor, was a key theme in workers' perceptions on profitability and the state of the industry. Also, upon secondary thematic analysis, tobacco prices as a theme often co-occurred with poverty. In addition to poverty, multiple qualitative respondents mentioned food insecurity as a risk factor for children's involvement in tobacco production.

The third risk factor theme produced by the analysis of the qualitative data was work pressures. Work pressures were often inseparable from poverty. According to a male government official, "*Whenever a*

family is providing labor, they do it as a family, so normally they prefer to use family labor compared to hired one, so they are tenants, they cannot also hire, so this should be the main reason." However, according to an IPS contracted worker, work pressures during peak seasons drive the use of child labor: *"They are there but they do help their parents with the work and like I said sometimes they do need them during harvesting."* Smallholder tobacco production in Malawi is not mechanized, and because it demands a lot of labor which is usually not available to the households, farmers often end up using children to help with farming activities. As was the case with previous risk factors, work pressures tied to quotas, including wages, and production demands were themes shared by IPS and auction selling farms, and these risk factors were broadly discussed by respondents as being applicable to the entire tobacco industry.

4.2.2 Perceptions on Children and Their Work

While the qualitative nature of this study does not allow for interpretation when it comes to the prevalence of child labor in the entire tobacco industry of Malawi, analysis of KII and worker data revealed that child labor practices within the sample are ongoing. The knowledge of the use of child labor in the tobacco industry was reported by both IPS and auction selling workers as well as KII respondents as occurring primarily during the procuring (harvesting) stage of tobacco production. The use of child labor, like the risk factors for child labor, was not limited to either IPS or auction selling farms and the activities reportedly performed by children did not differ by this distinction. However, a trend did appear in the analysis of the qualitative data—reports of ongoing child labor were more frequently discussed, either by auction selling workers or by KII respondents, when speaking about auction selling sites. According to worker respondents, children commonly perform a wide range of activities associated with tobacco production:

> *"She helps in passing the leaves when we are sewing and hanging in the shade."*
> *—Male auction selling farmer*

> *"They do carry the tobacco on the head after we are done with the plucking."*
> *—Male IPS farmer*

> *"Plucking the leaves, sewing and even carrying the tobacco when making the bales."*
> *—Female IPS farmer*

These activities are indicative of child labor because the work is hazardous to the health of the child. Children performing these activities on tobacco farms are exposed to nicotine and toxic pesticides, which pose serious health risks including contracting green leaf sickness. The primary theme from the analysis on the impact of child labor on children was disrupted education, which once again did not differ between IPS and auction selling locations. According to a male IPS farmer discussing how child labor intersects with missing school: "*This issue is a huge thing because, the bosses do employ a lot of children who are not on school like a lot of school-going children do work for these bosses."* Another IPS worker noted how asking his child to work before school put a strain on their familial ties: *"Let me say about my first born, at first, we would tell him to do some work before going to school and this affected his performance, and he would run away because he would feel tired."* While it is beyond the scope of this report to generalize beyond its sample, a teacher interviewed as part of the research indicated that significant numbers of children at his school miss classes between the peak harvesting season (January–April): *"About 300 or 400 [children] miss classes because they are in the fields since here tobacco production is the most prolific livelihood."* According to KII respondents, some children miss school for entire semesters while others miss 3–4 days in a row repeatedly across peak harvesting season. While

study respondents indicated that child labor can be found on both IPS and auction selling farms, respondents also perceived a difference in the likelihood of finding child labor at these locations. Child labor was perceived to be more common on auction selling farms:

> *"Child labor has been happening everywhere but because of coming of this contract farming, it seems like child labor has been reduced."*
>
> *—Male industry expert*

> *"Children are mostly found in auction farms and when they notice that the extension worker is coming, they may order that the children should be removed from the field."*
>
> *—Male industry expert*

> *"20% is going through the auction and that's where most of the child labor issues are being attributed to. So, it's like the 20% polluting the 80%."*
>
> *—Male industry expert*

This perception among the sample that auction selling farms are the primary location for child labor is expanded upon below in the analysis of the role of power dynamics and the monitoring of child labor on IPS and auction selling farms.

4.2.3 Industry Power Dynamics

As previously discussed, the power dynamics within the tobacco supply chain of Malawi include various major stakeholders. In both the IPS and auction selling system, farm workers who are not farm owners exert the least amount of power and experience the most power exerted onto them. According to workers and KII respondents, the Tobacco Commission exerts the most power over the industry, followed by leaf buying companies. In addition, according to respondents, leaf buying companies such as JTI and Limbe Leaf commonly operate in distinct geographic areas, preventing competition between the major IPS contract-offering buyers. This section examines how specific power dynamics relate to this report's analysis of child labor in the tobacco sector of Malawi.

4.2.3.1 IPS System Findings

Unlike the case of forced labor, the power dynamics within the IPS system work to address and prevent child labor, particularly the dynamic between leaf buyers and farmers. According to respondents, this is primarily due to increased oversight and efforts to address the use of child labor spearheaded by major leaf buying companies. Monitoring efforts will be expanded upon in Section 4.2.4. Broadly, respondents indicated that IPS contracts set up a system that disincentivizes child labor. According to a male IPS farm owner, *"Things have really changed since so many people are in contracts. So, these contracts or companies don't allow the children to be working in the tobacco farms. You can't even try it."* In addition, respondents indicated that leaf buying companies have the power to enforce national legislation within the tobacco industry: "*We have also noted that children are no longer found in the farms for a number of years now since the law was put in place, especially by the tobacco growing companies…."*

The belief that tobacco, if it is linked to child labor practices, will not be accepted at the point of sale due to leaf buyer policies motivates farm owners to ensure that workers are not allowing their children to work in the tobacco fields. This is especially salient as IPS contracts allow IPS farmers to sell only to the contracted leaf buyer; if the leaf buying company rejects the tobacco because it is grown with child

labor, the farmer is left with no market to sell their tobacco. In addition, farms found to have repeated child labor cases are at risk of losing their contracts altogether:

> "*When we are going into contracts, we inform them earlier that its illegal for children to work in tobacco fields. When we find farmers who do not comply to this, we warn them. If they don't stop, we keep their registration number and for the next season we do not give them a contract.*
>
> *—Male industry representative*

This element of the power dynamic between leaf buyers and farmers in the IPS system may contribute to the reduced presence of child labor reported by respondents in this study. The thematic analysis of benefits of the IPS system mentioned by farmers and farm workers revealed that among the key benefits were inputs provided by the leaf buyers that farmers may otherwise not have access to. Losing an IPS contract due to child labor practices would in effect also mean the loss of access to key farming inputs such as water, fertilizer, seed, and wood (used for curing). Respondents did not discuss the power of other authorities in preventing child labor within IPS selling farms.

4.2.3.2 Auction Selling System Findings

Within the auction selling system, the power dynamics are at the expense of the farm worker. The worker is reliant upon the farm owner. According to both auction selling farm workers and KII respondents, the farm owner dictates to their hired worker the terms of the contract (verbal or written), which typically include living arrangements, the amount of land being cultivated and production demand, quota-based pay amount and payment schedule, and any food provided to the worker for the season. The worker is reliant on the farm owner to follow through on these promises, particularly when there is no written contract. According to a male auction farm worker, *"The employer impacts us with knowledge on farming, he provides for all our needs."* As previously discussed, there were instances where workers on auction selling farms were told by their employer to use their children in the production of tobacco. It was common for workers and KIIs to express that the financial precariousness of workers on auction selling farms leads to the use of child labor to maximize production and earnings.

For farm owners under the auction selling system, the benefits are more pronounced. According to respondents, recent markets have favored selling at auction; however, these farm owners noted that this is not always the case. According to a male auction selling farm owner, *"But the challenge comes in when the prices go down below what other farmers agreed under their contract, that's when the challenge comes in because I cannot penetrate that market."* Additionally, while some farm owner-workers noted the freedom of not being constrained by leaf buyer production demands, others noted that they ultimately have less say over the prices they receive: *"The disadvantage is that on auction they create prices for us on their own even if at times we know that our tobacco is of high quality and hence deserves good prices."* No respondents directly indicated how the interactions between the farm owner and the auction market impact the use of child labor. However, based upon analysis of the data, low market prices may drive the use of child labor on auction selling farms to increase production and to make up for the cost of farming inputs.

4.2.4 Industry Monitoring

Inseparable from the power dynamics are efforts to monitor and address the use of child labor in Malawi. Broadly, under the IPS system, there are systems put in place by leaf companies to monitor, address, and prevent children's involvement in tobacco production. The auction system, on the other hand, does not have the same level of oversight to ensure that producers comply with the restriction of using children in tobacco production. Regardless of the selling system, all tobacco-producing farms are

targeted by ongoing, multistakeholder efforts to address child labor. Respondents indicated that there are ongoing awareness meetings conducted by the Tobacco Association of Malawi (TAMA) to address child labor. For example, during the 2022/23 season, there were three sessions hosted by TAMA—one prior to the start of the season, one in the middle of the season, and another before the harvesting period. Both independent and contract farmers are under obligation to attend these sessions. Additionally, there are ongoing projects that promote the elimination of child labor in the tobacco sector. For example, ILO's Addressing Decent Work Deficits and Improving Access to Rights in Malawi's Tobacco Sector (ADDRESS) Project is working in tobacco-growing districts of Lilongwe, Kasungu, Rumphi, and Mzimba. The multinational leaf buying companies as well as the TTCs are actively involved in various social impact programs to prevent child labor across the entire tobacco industry of Malawi. According to one industry expert these efforts include the creation of the ECLT: *"ECLT Foundation is an organization that was founded by the leaf buyers. so, the members of the ECLT Foundation are companies like JTI, Limbe Leaf Tobacco Limited (LLTL) and Alliance One."* In addition, all of the TTCs that source from Malawi, such as JTI, discuss broad social impact programs aimed at preventing child labor within their supply chains. Interestingly, the sample for this study did not mention any TTCs by name, except JTI who is a direct leaf buyer, when discussing industry efforts and programs to prevent child labor. When it comes to the efforts by JTI, one industry representative noted, *"The companies [leaf buyers] themselves have a lot of initiatives that are going on including issues to do with the provision of infrastructure like schools. Like JTI, they have been having those projects called Achieving Reduction of Child Labor in Support of Education project."*

4.2.4.1 IPS System Findings

According to the thematic analysis of the qualitative sample, there are significant ongoing monitoring efforts to prevent and address child labor on IPS system farms. According to respondents, leaf buying companies may launch individual programs to monitor child labor through their extension officers or may work with other stakeholders to address child labor practices. In either case, respondents primarily gave credit for these efforts and any successes stemming from monitoring to the leaf buying companies. According to a male IPS farm owner, *"Yes, Limbe Leaf extension workers do sensitization campaigns a lot. The company also works hand in hand with teachers to ensure that school-going children attend school."* The same individual went on to say, *"When I was farming on my own, these children really help on the farm. Limbe Leaf has taught us those things are changing and that this farming involves adults starting from the ages of 18 going up."* Like many other farmers in the sample, this worker discussed how monitoring and awareness efforts conducted by the leaf buyer he was contracted to ultimately changed the labor practices on his farm. The power of leaf buying companies when it comes to monitoring efforts was best encapsulated in the words of a representative of the National Steering Committee on Child Labor: "*There are regular inspections done by our inspection officers and the MOUs state that anything to do with monitoring must be done by the inspection officers and leaf technicians together."* The leaf technicians mentioned in this quote refer to the extension officers employed by the leaf buying companies. These findings indicate that The Tobacco Industry Act (2019), which places leaf buyers under obligation to report on the different initiatives that are being undertaken to address the problem of child labor, is having a positive effect on labor practices. Furthermore, leaf buying companies were attributed with increasing the capacity of government inspections, especially the ability to reach more farms in a growing season. According to a government representative*, "I can say that the issue of mobility is being addressed slowly… Limbe Leaf has bought 20 motorcycles which they would like to distribute to all district labor offices… JTI recently donated 2 motor vehicles and 2 motorcycles."*

However, the thematic analysis also unveiled that these monitoring efforts are not without their own challenges and gaps. In some instances, scheduled inspections through the IPS system are not occurring.

According to one male IPS farm worker with many years of farming experience, *"On my side, I can lie because I have never seen anyone to visit me."* When inspections do occur, they are not without their own challenges as farm owners may exploit gaps in inspection policies to avoid being caught using child labor. According to a female IPS farm worker, "*Most of the times children work during the weekend, and the extension worker does not visit during the weekend. So he has never found children working in the fields."* These gaps may occur because child labor monitoring is not the primary duty of extension officers. According to study respondents, extension officers are primarily tasked with ensuring the viability of the tobacco crop for the leaf buying company. Government officials interviewed also questioned the effectiveness of the joint child labor monitoring visits that they undertake with the leaf companies. They believe that leaf companies alert the company's extension workers about upcoming inspections, who then inform farmers when inspections are occurring.

4.2.4.2 Auction Selling System Findings

Thematic analysis also revealed that there are significant gaps in the monitoring of child labor on auction selling farms. One male auction selling worker, when asked about inspectors for child labor, responded, *"No, they have never visited me."* The analysis yielded a few instances of auction selling workers or farm owners expressing knowledge of ongoing efforts to prevent or monitor child labor. Although the Ministry of Labor has a dedicated Child Labor Unit, according to a male auction selling farmer, *"We are also being taught by the agricultural extension workers who enlighten us that using children is illegal and it is against the law."* While a few respondents indicated that either government or agricultural research extension trust inspectors had visited their farms to inspect for child labor, the majority of respondents indicated that there were no ongoing monitoring efforts at their worksites. While some auction selling workers may be targeted by local NGOs for awareness efforts, these efforts were not described as geographically comprehensive. According to one government official, "*As you are aware that some NGOs have specific areas that they want and where the NGO doesn't go which means they are not trained."* While there are well documented efforts to address child labor in the tobacco sector of Malawi, including the involvement of district child labor committees at the district level and community child labor committees at the village level, no respondents mentioned the impact of these efforts on child labor on auction selling farms. In addition, one government representative indicated knowledge of awareness efforts to prevent child labor through a PTA organization at a local school: *"So mostly we do PTA sensitization maybe at least three times a week."* However, this sort of intervention, while accessible to parents on auction selling farms, is not exclusive to the auction selling system.

In addition, the study found that child labor appears to be more common under the auction system than the IPS system. Under the IPS system, there are procedures put in place by the leaf companies to monitor and control children's involvement in tobacco production. For example, leaf companies have set up a system where farmers monitor what their fellow farmers are doing. There are also community child labor committees set up which monitor the involvement of children in tobacco production. These oversight mechanisms were not mentioned in relation to auction selling farms and farm workers by the study sample.

4.3 The Supply Chain

4.3.1 Labor Exploitation Within the Domestic Supply Chain

All reported cases of child labor were discussed in relation to the production stage in the tobacco supply chain. The analysis of worker and KII respondent interviews yielded no mentions of child labor during any activities beyond the tobacco farms themselves. This finding is in line with the extant literature,

which has largely shown that child labor is found on the tobacco farms rather than during the transportation stage or at auction houses. According to one industry representative, "*When you are looking at those farmers are within our communities growing tobacco, definitely child labor is still there in terms of the local farmers."* While it was possible to interview domestic cigarette manufacturers, no KIIs indicated that child labor is likely to be found at domestic processing locations of downstream tobacco goods. Similarly, as described throughout Section 4.1, reports of indicators of forced labor within the sample were limited to the production stage on tobacco farms. There were no reports of forced labor indicators for transportation workers.

4.3.2 Tobacco Production, Processing, and Consumption

Malawi is a leading global producer of tobacco and is also one of the most economically tobacco-dependent countries in the world, with tobacco accounting for approximately 55.6% of total exports in 2019 (Foundation for a Smoke-free World, 2022). In 2018, tobacco farms occupied roughly 5% of cultivable land in Malawi (Comesa Business Council, 2019). As reported by the Food and Agriculture Organization of the United Nations, in 2021 Malawi harvested 112,114 acres of unmanufactured tobacco, producing approximately 105 thousand metric tons, which accounted for approximately 1.8% of global production (FAOSTAT, n.d.-b, n.d.-a). Burley leaf tobacco, Virginia tobacco, and dark fire-cured tobacco are grown in Malawi, with Burley leaf tobacco being the main type of tobacco grown. The districts of Dowa, Lilongwe, Kasungu, Mchinji, Ntchisi, and Rumphi are regarded as primary production areas. Tobacco is primarily grown on smallholder farms of less than 5 hectares, with reports suggesting upwards of 80%–95% of tobacco production occurring on such farms (National Agriculture Policy of 2016, 2016; Lencucha et al., 2020). The remaining percentage of tobacco production occurs on larger factory farms.

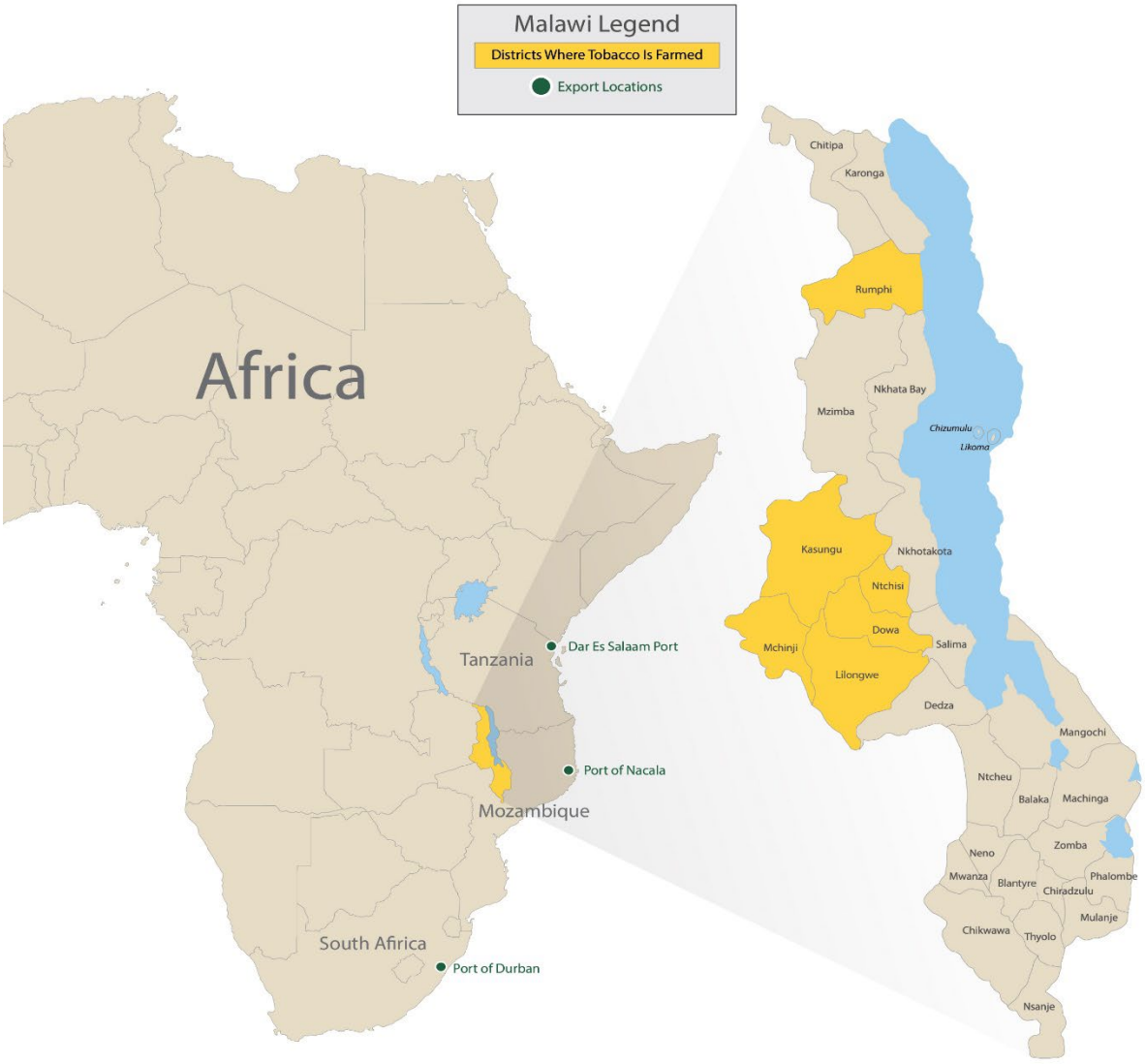
Table 3. Domestic production of tobacco, 2020–2021

Year	Production (metric tons)
2020	102,000
2021	105,480

Source: FAO, 2023a

At the production level, there are both registered smallholder farmers and unregistered farmers who produce tobacco for sale. Unregistered farmers produce tobacco illegally and integrate the tobacco they produce into the formalized tobacco supply chain through its sale to registered farmers, who are then able to sell it through formally established channels in the country. Laborers and their families provide labor to all the different leaf producers; contracted farmers receive extension support as well as inputs from leaf buyers. The tobacco industry in Malawi is regulated by the Tobacco Commission. It registers and licenses all tobacco value chain actors in Malawi. These include tobacco growers, hessian burlap sack sellers, graders, transporters that ferry the tobacco leaf from the farmers to the auction houses, leaf buyers, and auction floor operators.

Figure 2. Map of domestic production



Source: ICF

4.3.3 Domestic Processing

Processing of tobacco within Malawi is restricted to the curing, or drying, of raw tobacco leaves into cured, unmanufactured tobacco, with the curing process being performed at farming sites before being sold at auction or through the IPS system. According to a male industry expert, *"The leaves are plucked, and the farmer has to prepare the sheds where the leaves should be dried. After drying, the leaves are sorted and hard-pressed into bales and transported to the markets."* While a male IPS system worker also noted, *"Yes. So, when the tobacco leaves are dry in the sheds, we pick and sort tobacco and then hard-press the tobacco so everything for us ends when we hard-press the tobacco into bales."*

As Burley leaf, and to a lesser extent Virginia tobacco, are the primary types of tobacco farmed in Malawi (International Tobacco Growers Association, 2022), air curing (Burley) and flue curing (Virginia) are the most prominent curing methods employed domestically. Once tobacco has been cured, it is piled

and stored in bulk before it is graded and prepared for sale. All unmanufactured tobacco in Malawi is sold at one of the four auction floors located in Mzuzu, Kasungu, Blantyre, and Lilongwe (Auction Holdings Limited, 2021). These include Mzuzu Auction Floors (in Mzuzu City in the Northern Region); Chinkhoma Auction Floors (in Kasungu District in the Central Region); Kanengo Auction Floors (in Lilongwe City in the Central Region); and Limbe Auction Floors (in Blantyre City in the Southern Region). Farmers engaged with the auction system are required to utilize third-party transportation organizations to transport harvested tobacco to auction floors for sale. Farmers can either hire a licensed transporter approved by the Tobacco Commission or work with a farmer's association to assist in the hiring of licensed transporters. According to a male industry expert, *"We register transporters who transport the tobacco. Those with big vehicles who are registered at the Tobacco Commission and they also signed here at the association."*

In the 2012/2013 season, Malawi introduced the IPS, which established contractual obligations between growers and merchants to facilitate the production and marketing of tobacco (Manthombe et al., 2015). Since the implementation of the IPS in Malawi, approximately 80% of unmanufactured tobacco sold at auction houses is managed through pre-existing contracts with leaf purchasing companies, including TTCs that act as their own leaf purchasers within the country (Agricultural Research and Extension Trust, 2015; UN Comtrade, 2021). Under the IPS system, leaf buying companies directly engage in the transportation of tobacco from production sites to their own facilities, often sending their own vehicles to transport purchased tobacco. According to a male IPS worker, *"Because Limbe Leaf is a stable company and they also send vehicles to come and collect the tobacco for transportation so that they buy it."* It is at this point in the supply chain that the domestic processing of tobacco in Malawi virtually ends, as little processing of cured tobacco into downstream tobacco products, such as cigars and cigarettes, occurs domestically. Of the 105,480 metric tons of tobacco produced in Malawi in 2021, approximately 95,615 metric tons, or 90.6%, were exported (FAOSTAT, 2023a; UN Comtrade, 2021). It is important to make note of traceability concerns within the domestic tobacco supply chain. Up to the point of sale of tobacco to domestic buyers through auction and IPS systems, there are traceability mechanisms in place. Malawi's Tobacco Commission requires all official farmers to obtain formal licenses that permit the growing of tobacco at farms. Additionally, under the IPS system, farmers are allocated a calculated amount of tobacco they are authorized to grow and sell, so that buyers of tobacco produced by IPS farmers can trace bales of tobacco back to producers. This allows buyers to keep track of production numbers from specific farms and keep track of the quality of tobacco received.

> "*Firstly, the farmer has to come to Tobacco Commission to attain the license or make a registration that he will grow tobacco in that year."*
>
> *—Male, union representative*

> *"The companies have mechanisms that trace goods. That's the IPS is very critical because IPS allocates a farmer...the estimation of how many bales he is going to produce, and every bale is tied and tried to the extent that...when the bales are passing through the machines...the information punched into the system about that bale shows that the owner did not do well in one aspect..."*
>
> *—Male, NGO representative*

However, both scoping and primary data collection led to reports of the knowledge of unregistered growers selling their tobacco to registered farmers. In these instances, the tobacco from unregistered farms then becomes mixed into the supply chain of either IPS or auction-bound tobacco. Respondents did not comment on how widespread this practice is, however, unregistered tobacco entering the supply chain further complicates the ability to determine if an individual bale of tobacco was produced on a farm utilizing child labor or forced labor practices. The presence of unregistered tobacco within the

supply chain means the aforementioned supply chain tracing mechanisms, while strong in theory, are limited in practice.

Despite these efforts, traceability of Malawian tobacco is noticeably lost when it is sold in IPS and auction selling systems. In both selling systems, the tobacco that is brought for sale from both smallholder and industrial farms is often mixed either at the point of sale (auction system) or at buyer facilities following inspection (IPS system). As a result, buyers of tobacco through either system eventually lose the ability to trace purchased tobacco back to the farm of origin. According to an industry expert, *"We just transport all the tobacco to the markets but process to identify which tobacco was produced by children never happens and it's not possible to trace."* Additionally, IPS farm owners indicated that in situations where they produce tobacco in excess of their contract, the leaf buying company will not purchase that tobacco. Rather than letting that tobacco go to waste, farm owners turn to alternative methods, which present challenges to current traceability initiatives. According to one IPS farm owner, *"Sometimes, when you produce more than the agreed number of bales, you have to find your own means of selling the excess bales. If you sell through a friend, then you charge each other per bale."*

4.3.4 Domestic Consumption

The remaining 9.4% of unmanufactured tobacco produced in Malawi that is not exported is likely utilized domestically in the production of a limited variety of downstream tobacco products. Domestic production of downstream tobacco products appears to be minimal, with downstream products intended for domestic consumption instead of export. Such downstream products are likely limited to the production of less-technical tobacco goods such as cigarettes, cigars, and smokeless tobacco products such as chewing tobacco. There are a few companies that produce cigarettes, including Nyasa Manufacturing Company. Since 2009, the Blantyre-based manufacturing company has been producing not only for the local market but also the international market. The TC indicated that Nyasa Manufacturing Company sources its leaf from IPS farmers only. This is done to ensure traceability and to be certain that they are using leaf that has not been produced with child labor. In line with global decreases in the use of tobacco, use of smokeable downstream tobacco products in Malawi has declined in recent years. Between 2000 and 2020, tobacco use by Malawians fell by a total of 54.3%—from 15.9% use amongst individuals aged 15 years and older in 2000 to 9.1% in 2020 (World Health Organization, 2019). Data on tobacco use amongst Malawians show that domestic consumption of downstream tobacco products is generally concentrated in the consumption of smokeable tobacco products such as cigarettes and cigars, with minimal domestic consumption of smokeless tobacco products (World Health Organization, 2021).

4.3.5 Exports

4.3.5.1 Global Market for Tobacco

Malawi is the sixth largest global exporter of unmanufactured tobacco, accounting for 4.8% of global exports. In 2021, Brazil (19.6%), Zimbabwe (9.2%), and the United States (8.9%) accounted for 37.7% of global exports of unmanufactured tobacco (Panjiva, 2023). Other major exporters included China (6.1%) and India (5.9%) (Panjiva, 2023).

It is also important to outline general global trends that have impacted the tobacco industry, including the trade in tobacco and tobacco products as well as the global use of tobacco products. Perhaps the clearest trend impacting global trade in tobacco would be the overall reduction in the use of tobacco. According to the World Health Organization (WHO), data on the use of tobacco products globally

indicates a general decrease in tobacco use throughout the world, with an approximate decrease of 20 million individual users of tobacco products between 2015 and 2021 (World Health Organization, 2021). This decrease in tobacco use aligns with global efforts to reduce the use of tobacco products throughout the world; in 2020, 60 countries were on track to achieve the WHO's 30% tobacco use reduction target (World Health Organization, 2021).

The debate about the effects of the WHO's Framework Convention on Tobacco Control (FCTC) continues to take center stage in the development arena of Malawi. The FCTC is an international treaty developed in response to the globalization of the tobacco epidemic. The FCTC treaty obligates governments to implement policies to reduce both the demand and supply of tobacco, including the promotion of economically viable alternatives for tobacco workers, growers, and sellers. For tobacco-growing countries, like Malawi, Articles 17 and 18 of the treaty are of paramount importance. Article 17 provides support for economically viable alternative livelihood activities and guides parties to cooperate with each other and with competent international and regional intergovernmental organizations to promote, as appropriate, economically viable alternatives for tobacco workers both on-farm and off-farm (World Health Organization, 2003). Article 18, on the other hand, argues for protection of the environment, as well as for the health of persons, with respect to tobacco cultivation and manufacturing within the respective territories (World Health Organization, 2003). Given the general global trend toward the reduced use of tobacco and tobacco products, the global tobacco industry, including the trade of unmanufactured tobacco and its use in the production of downstream products, will likely continue to experience a decline in coming years.

4.3.5.2 Malawi's Role in Global Exports

Due to Malawi being a landlocked country, once tobacco has been purchased by buyers through either the IPS or auction system, it is transported for export using land-based regional transportation corridors to foreign ports in Tanzania, Mozambique, and South Africa for maritime transportation to destination markets (International Trade Centre, 2018; USAID, n.d.; Marine Fuels & Marine Engine Users, 2022). Domestically, tobacco is transported via the use of trucks, railways, and inland ports along Lake Nyasa/Malawi to border regions to access the land-based transportation routes to major ports in neighboring countries. Malawian tobacco is then transported via truck to Dar Es Salaam Port in Tanzania or via truck or use of the Nacala Corridor railway system to the Port of Nacala in Mozambique (International Trade Centre, 2018; Marine Fuels & Marine Engine Users, 2022). The Port of Durban in South Africa, accessible via lengthy road networks, also stands as a major export location for Malawian tobacco and goods, especially when access to ports in Tanzania or Mozambique are unavailable, as was the case throughout the Mozambican Civil War (USAID, n.d.).

In alignment with decreasing demand for tobacco globally, Malawi's export of tobacco has fallen approximately 23% from 2011 to 2021 (UN Comtrade, 2021). Malawi's major export partners for unmanufactured tobacco are Germany (21.4%), Russia (16.4%), and Ukraine (13.1%), with smaller trade partners being Poland (9.3%) and Turkey (4.8%). Despite declines in global demand for tobacco, the demand for Malawi's Burley tobacco remains high because it has a desirable reputation as having "flavorless and clean filler" properties (Prowse & Moyer-Lee, 2013).[8] Furthermore, tobacco leaf

[8] According to the International Tobacco Growers Association (2022), Malawi primarily produces burley leaf tobacco. While Malawi is the largest global producer of burley leaf tobacco, producing just over 100 thousand metric tons in 2021 (compared to 16.4 metric kilograms of Virgina tobacco in the same year), burley leaf is a commonly grown tobacco strain throughout the world (International Tobacco Growers Association, 2021, 2022). Other major producers of burley leaf include Brazil and the United States; however, it should be noted that African countries accounted for 40% of burley leaf production in 2021 (International Tobacco Growers Association, 2021).

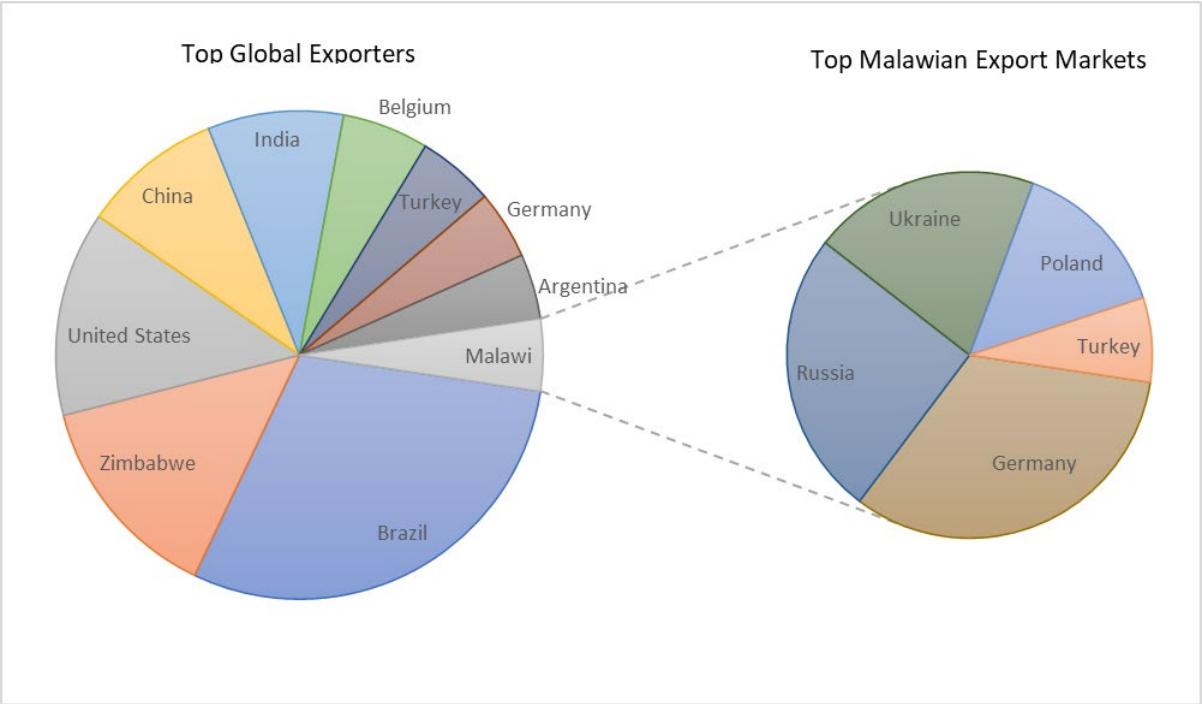
companies in Malawi, like in most tobacco-growing African countries, continue to encourage the government to grow tobacco despite global decreases in demand, citing economic reasons for their advocacy (Hu & Lee, 2015). The tobacco industry's economic arguments for the promotion of tobacco cultivation include: (i) profitable enterprise for the smallholder farmers; (ii) sources of employment for workers who work along the tobacco value chain; (iii) source of foreign exchange earnings; and (iv) source of tax revenue (Hu and Lee, 2015). However, there have been various studies that have disputed these claims across a range of tobacco-growing countries (Gilmore et al., 2015; Saloojee & Dagli, 2000).

Although tobacco has traditionally been, and remains, Malawi's principal export earner, with maize established as the country's main subsistence crop, the decline in tobacco exports is likely linked directly to global health concerns that have made it imperative for Malawian producers to identify alternative agricultural sectors as a means of increasing foreign exchange earnings to support development and trade (UNCTAD, 2020). The Government of Malawi acknowledges that the continued dominance of tobacco in the composition of Malawian exports makes the economy extremely vulnerable to external shocks linked to the global tobacco market. According to FAOSTAT production data, the top importers of Malawian tobacco (Figure 3) have relatively minor domestic tobacco farming sectors (FAOSTAT, 2023).[9] As a result, imports of unmanufactured tobacco from Malawi play a crucial role in the domestic tobacco industries of all five countries. These five countries (Turkey, Poland, Germany, Russia, and Ukraine) are all major producers of downstream tobacco products, namely cigarettes, and rely on importing manufactured tobacco to meet production demands. Between 2017–2020, Turkey, Poland, Germany, Russia, and Ukraine all emerged as leading global producers and distributors of cigarettes, ranking as the 1st, 8th, 11th, 28th and 30th in global cigarette volume sales, respectively (Foundation for a Smoke-free World, 2021). Furthermore, while it is likely that a significant number of cigarettes and downstream tobacco products produced by these countries are exported and sold globally, smoking rates indicate that a significant amount of domestically produced downstream tobacco goods are consumed domestically. The smoking prevalence rates of Russia (27%), Turkey (26%), Ukraine (24%), Poland (21%), and Germany (18%) in 2019 showcase this domestic demand (The Tobacco Atlas, 2022).

Unmanufactured Malawian tobacco serves as a critical input for the domestic production of downstream tobacco products within all five importing nations. Amongst all five nations, Malawian tobacco accounts for a significant portion of overall country imports of unmanufactured tobacco. In Ukraine, Malawian stands as the leading source country for overall tobacco imports, accounting for 26.2% of overall unmanufactured tobacco imported in 2021 (UN Comtrade, 2021) In Germany and Russia, Malawian stands as the second leading source country for overall tobacco imports, accounting for 11.8% and 12.1% of overall unmanufactured tobacco imports, respectively (UN Comtrade, 2021). Finally, in Poland and Turkey, Malawi stands as the fifth largest source country for overall tobacco imports, accounting for 6.1% and 6.4%, respectively, of overall unmanufactured tobacco imports by each country in 2021 (UN Comtrade, 2021).

[9] According to FAOSTAT data, in 2021, Turkey was the only of the top 5 importers of Malawian tobacco with a significant level of domestically produced unmanufactured tobacco, totaling 73,000 tons (FAOSTAT, 2023). Poland, Ukraine, and Russia produced 20,750 tons, 2,290 tons, and 6.9 tons, respectively, in 2021, while Germany produced no unmanufactured tobacco in the same year (FAOSTAT, 2023).

Figure 3. Top tobacco export markets



Source: UN Comtrade, 2021. HS Codes: 2401

The analysis of trade data indicates that the top importers of Malawi tobacco (Figure 3) may utilize Malawi tobacco in their domestic production of downstream goods, in regional distribution of unmanufactured tobacco, or a combination of the two. Due to the fact that these countries function as producers of downstream goods and regional distributors of unmanufactured tobacco, it is not possible to determine the specific use of Malawi tobacco in each of these five countries. For example, while Germany has an extensive domestic industry for the production of downstream tobacco products, it also acts as a regional distributor of unmanufactured tobacco, with major importers including Ukraine, Switzerland, and Romania (UN Comtrade, 2021). As such, although there are well documented cases of child labor and forced labor in the production of Malawi tobacco noted in the extant research and this report, it is not possible in this report to pinpoint if the risk for downstream goods containing Malawi tobacco is specific to downstream goods produced in these countries, unmanufactured tobacco distributed by these countries, or some combination of the two. Rather, this report notes that there is a broad risk that downstream tobacco products and unmanufactured tobacco from countries and entities that import Malawi tobacco may contain tobacco obtained through forced labor and/or child labor, even if the amount of Malawi tobacco utilized is minimal.

4.3.6 International Downstream Supply Chain Tracing

While shipping data is limited due to limited national and business disclosures, a review of available shipping data is consistent with trends identified through more comprehensive import-export data. Consistent with data collection findings, shipping records indicate Malawian suppliers involved in the export of tobacco out of the country include Limbe Leaf Tobacco Company Limited, Alliance One Tobacco (Malawi) Ltd., British American Tobacco (GLP) Limited, Premium Tama Tobacco Ltd., and Philip Morris Products S.A. (Panjiva, 2023). These Malawi leaf-buying companies supply international tobacco buying companies to various degrees. While these buyers source Malawi tobacco, they do not do so

exclusively, meaning that Malawi tobacco represents only a given percentage of any tobacco imported by these global buyers. Due to the global nature of these buyers and the lack of Malawi tobacco industry participation in this research, we turned to shipping records to trace the flows of Malawi tobacco (to the extent possible).

Shipping records of these tobacco buyers include: Inetab Kaubeck C Por A, Universal Leaf Tobacco Co. Inc., PT Bentoel Prima, Premium Tobacco Co., Ltd., and Alcotraindo Batam (Panjiva, 2023). The shipment record of buyers of Malawian tobacco is consistent with data collection and research findings indicating that the majority of buyers utilize Malawian tobacco in the production of downstream tobacco products abroad, most notably cigarettes (Panjiva, 2023). Shipping data additionally indicate that Malawian tobacco is transported via maritime shipping lanes. In addition to use in the production of tobacco products by these buyers, it is important to note that shipping records indicate that some buyers of Malawian tobacco also serve as regional and international tobacco distributors (Panjiva, 2023). These buyers purchase tobacco from Malawi, as well as other countries, possibly co-mingling tobacco from multiple sources, before selling to the global market.[10]

In the case of Inetab Kaubeck C Por A, unmanufactured tobacco is predominantly sold to buyers within the United States, with significantly fewer shipments to buyers in Nicaragua, Turkey, and Italy (Panjiva, 2023). Universal Leaf Tobacco Co. Inc. sells unmanufactured tobacco to a variety of countries throughout the world, with shipments primarily going to buyers in Mexico, Belgium, and Romania (Panjiva, 2023). PT Bentoel Prima sells primarily to buyers within India and, to a lesser extent, Pakistan (Panjiva, 2023). Premium Tobacco Co, Ltd. acts as a supplier of tobacco to buyers mainly located within Brazil, and additionally sells to buyers in South Africa and Argentina (Panjiva, 2023). Alcotraindo Batam serves as a supplier of unmanufactured tobacco to buyers predominantly located in Vietnam and, to a lesser extent, Poland and the United States (Panjiva, 2023).

Though the destination countries for unmanufactured tobacco sold by distributors do not align with the countries identified as major importers of Malawian tobacco, it should be noted that the destination country, or country where buyers are located, does not explicitly mean end destination country, as buyers can additionally distribute further downstream to manufacturers in other countries.[11] In addition, shipping records do not provide information of the flow of unmanufactured tobacco from a specific country of origin. This is, in part, because all unmanufactured tobacco, irrespective of its country of origin, is exported under H.S. Code 2401. This introduces a significant challenge in evaluating the risk that tobacco from Malawi enters the supply chains of specific entities within the global market for tobacco, especially when considered alongside the presence of co-mingled tobacco. This is even the case for those that source unmanufactured tobacco or downstream tobacco products from a recognized purchaser of Malawi tobacco. While Malawian tobacco may very well flow directly from buyers to destination countries, it is not possible to explicitly state that unmanufactured tobacco is directly sourced from Malawi.

[10] While not an exclusive list of all tobacco distributors, shipping records document sales from Malawi to Inetab Kaubeck C Por A, PT Bentoel, and Premium Tobacco Co, Ltd. (Panjiva, 2023).

[11] For example, when investigating major buyers for unmanufactured tobacco sold by Universal Leaf Tobacco Co. Inc., British American Tobacco Bat Group emerges as a major customer. Further downstream analysis of destination countries for unmanufactured tobacco sold by British American Tobacco Bat Group showcases that unmanufactured tobacco ends up in Russia and Turkey, which are major importers of Malawian tobacco. While limitations surrounding shipping records do not indicate that it is Malawian tobacco specifically that is sold to each country, this flow of unmanufactured tobacco throughout various entities to major importing countries for Malawian tobacco showcases how Malawian tobacco can pass through various buyers before reaching its end-destination.

In addition, it is important to note the limitations on tracing Malawian tobacco exported to foreign markets. Once Malawian tobacco has been exported to foreign companies for its use in the production of downstream tobacco products, Malawian tobacco is often incorporated into proprietary tobacco blends. At processing facilities, manufacturers of cigarettes and other downstream smokeable tobacco products blend different types of tobacco, sourced from various suppliers, to achieve blends with the desired nicotine content, taste, and burn rate (Encyclopedia.com, 2023). In many cases, manufacturers—such as the R.J. Reynolds Tobacco Company, which produces the popular Camel cigarette brand—source tobacco from various countries throughout the world. This tobacco is then blended at downstream processing facilities. These blends are designed by buyers, such as the TTCs, which often incorporate tobacco leaves sourced from various countries and regions throughout the world. As such, blends are frequently proprietary, and their ratios and components are not made available to consumers. No research participants were willing to discuss the amount of Malawi tobacco in any of their tobacco products or brands. To this end, though a cigarette may be advertised that its blend includes Malawian tobacco, it is nearly impossible to obtain actual figures as to the amount of Malawian tobacco utilized in its production.[12]

5. Conclusion and Recommendations

This study revealed key themes regarding the presence of child labor and forced labor indicators in the supply chain of tobacco in Malawi. The study found that the highest risk for child labor and forced labor is within the production stage of the supply chain. The study found that child labor in tobacco production is driven by factors such as the labor-intensive nature of the crop, cultural norms and traditions, poverty, and gaps in child labor monitoring. Significantly, the study further found that child labor appears to be more common under the auction system than the IPS system. Under the IPS system, there are monitoring systems put in place by the leaf companies to prevent and address children's involvement in tobacco production. The auction system does not have checks and balances to ensure that producers comply with restrictions for using children in tobacco production. However, while child labor was more likely to be present on auction selling farms within the sample, the findings of the study show that child labor remains present on both auction selling and IPS selling farms. Additionally, many of the risk factors for child labor, particularly poverty, cultural norms, and the intensiveness of harvesting, remain unaddressed across the sector.

When it comes to forced labor, multiple risk factors were found. The primary risk factors were recruitment and contracting practices, loan practices, inducing payment schedules, and a lack of awareness of workers' rights. Workers in the tobacco industry experienced multiple indicators of forced labor according to ILO frameworks (ILO,1930). As was the case with child labor, many of these risk factors and indicators applied to tobacco workers on both auction selling and IPS selling farms. Many of these indicators and risk factors are related to tenancy system practices that have continued despite being outlawed. The thematic analysis found that workers in both the IPS and auction selling systems experience indebtedness through deceptive contracting and loan practices, the withholding of wages, wage deductions, and end-of-season payment schedules that create situations where workers are reliant upon their employer for survival (including for food and shelter). Auction workers in the sample were more likely to experience hazardous working conditions and were more likely to feel that they were forced to work additional jobs that they had not consented to work. When it comes to the IPS

[12] Extensive desk research produced a single instance of an end-use good specifically stating it was solely produced with Malawi tobacco, that being Davidoff Malawi Dark Cavendish pipe tobacco (https://www.tobaccoreviews.com/blend/10967/davidoff-malawi-dark-cavendish/).

system itself, farm owners reported experiencing the risk of indebtedness to leaf buying companies that threaten to cancel contracts, which can lead to situations where farm owners opt not to pay their workers in order to repay their debt to leaf buying companies. IPS workers tend to have more formal contracts than auction system workers; however, this did not mean that IPS workers have their contracted wages honored. In both cases, workers were subject to unexplained deductions at the end of a harvest and workers seldom received their full promised wages. Perhaps one of the most interesting findings of the analysis was that there may be a relationship between efforts to address child labor and risks for forced labor on IPS farms. While increased monitoring was described as contributing to the reduction of child labor on IPS farms, the pressures to meet production demands have not changed. The analysis of worker transcripts suggests that IPS workers are put under more pressure to meet demands and face more significant penalties for failing to do so. While the study sample suggests that IPS system workers are at an increased risk for forced labor compared to auction selling workers, due to the nature of this research, future research should seek to determine if this remains the case with a representative sample. The study further found that initiatives to address forced labor are lacking, and when they do exist, they have often been embedded in child labor reduction efforts.

On power dynamics, the study found that both IPS and auction selling system farm workers, who are not farm owners, exert the least amount of power and experience the most power exerted onto them. At the industry level, the Tobacco Commission exerts the most power over the industry, followed by leaf buying companies. The investigation into the Malawian tobacco supply chain revealed that instances of child labor and forced labor occurred at the cultivation and harvesting—or production—stage of the tobacco supply chain within smallholder farming operations. In addition, data collection has revealed that instances of child labor at tobacco production sites were more common for those engaged in the auction system supply chain than those engaged in the IPS system.

In Malawi, tobacco is farmed by both industrial and smallholder famers throughout the country, with smallholder farms producing the majority of tobacco. Tobacco has historically been, and continues to be, Malawi's most prominent agricultural product in terms of value added to the Malawian economy, with tobacco farms occupying roughly 5% of the country's cultivable land and tobacco exports accounting for over 50% of the country's total exports. Regardless of the type of farm, tobacco farmers typically cultivate, harvest, and cure tobacco at production sites before it is sold to buyers through either the auction system or IPS system. It is important to note that under both systems, the domestic production, transportation, and sale of tobacco is overseen and administrated by Malawi's Tobacco Commission. Farmers engaged with the auction system hire authorized transporters to bring unmanufactured tobacco to one of four auction floors for sale to major leaf-buying organizations. On the other hand, farmers engaged with the IPS system have designated buyers for the unmanufactured tobacco produced who send authorized transporters to farms for transport of the tobacco directly to buyer facilities for storage and export. Findings have revealed that tobacco loses its domestic traceability at the point of purchase within both systems of sale, as tobacco leaves from various farms are mixed before sale at auction and are also mixed by tobacco buyers after sale under the IPS system. Domestic transportation of tobacco, be it through the auction system or IPS system, is generally performed utilizing vehicles such as trucks.

Domestic processing of tobacco is generally limited to the curing of raw tobacco leaves into unmanufactured, or cured, tobacco. At the time of this report, industrial domestic processing of unmanufactured tobacco into downstream tobacco products, such as cigarettes, was limited, with the small amount of unmanufactured tobacco that is not exported likely being produced into downstream tobacco products solely for the purpose of domestic consumption. Once purchased by leaf buying companies, most Malawian tobacco is exported out of the country to foreign buyers for use in the

production of downstream tobacco products abroad. As a result, the Malawian tobacco industry is highly export oriented. Export and shipping data have revealed that major importers of Malawian tobacco are Germany, Russia, Ukraine, Poland, and Belgium. Once abroad, traceability of Malawian tobacco utilized in downstream tobacco products is lost due to it being mixed with other tobacco as components of company-specific proprietary tobacco blends.

Study findings have led to the following recommendations:

Government of Malawi

- The Government of Malawi, through the Ministry of Labor, the Tobacco Commission, and other relevant agencies, should enhance enforcement of applicable laws, including the minimum age for admission into employment, the minimum wage, and prohibitions against forced labor. In addition, although the tenancy system was outlawed, the practice continues on many tobacco farms. The Government of Malawi, through the Ministry of Labor, and development partners, including the International Labour Organizations' office in Malawi, should also develop special initiatives to address forced labor within the tobacco industry in Malawi, including oversight mechanisms to ensure that contracts used by leaf buying companies do not replicate tenancy system practices.
- The Ministry of Labor should strengthen its child labor and forced labor monitoring systems by working more directly with extension officers hired by leaf buying companies to monitor IPS farms. This research suggests that, currently, labor inspectors in Malawi are assigned hundreds of farms and cannot feasibly monitor for forced labor or child labor on all of them. Extension officers from leaf companies, on the other hand, have a much smaller workload, although workers indicated that extension officers do not prioritize labor conditions when visiting a given farm. Cooperation between the Malawi government and the leaf buying companies to ensure that extension workers and government labor inspectors follow the same labor exploitation monitoring processes when visiting a tobacco farm is one possible avenue through with industry and government cooperation could increase labor exploitation monitoring efforts nationwide.
- There is need to create more awareness on forced labor issues among tobacco farm workers in Malawi. According to this report, while there are ongoing, multistakeholder efforts to address child labor, few such programs exist for forced labor in the tobacco industry. These efforts should be incorporated into government inspection efforts on all farm types and with the contract compliance visits by extension workers for IPS farms. One such strategy would be to host trainings in a given district for hired farm workers about their employment rights and what the outlawing of tenancy means for their status as hired workers. This study indicated that workers are often unaware of their rights or the channels to go through to redress violations of those rights.
- Since poverty was found to be among the main drivers of child labor, the Government of Malawi should continue to expand its existing social cash transfer program into additional tobacco growing areas to provide support to tobacco farm workers.
- The Government of Malawi, through agencies such as the Tobacco Commission, should institute a policy wherein IPS leaf buyers must include mandatory crop insurance in the contracts. Currently, the financial risks associated with production issues, including repaying input loans each season, are passed from the leaf buyer to the contracted farmer. Furthermore, according to this report's findings, financial risks associated with poor production drive the utilization of child labor and forced labor in tobacco production. Instituting a crop insurance program, financed by leaf buyers with the possibility of government subsidies, would, in part, alleviate the pressures stemming from poor production and poor leaf quality seasons.

Industry

- Currently, due to the proprietary nature of tobacco blends, it is nearly impossible to account for the origin of tobacco utilized by downstream tobacco product manufacturers. Transnational tobacco companies and additional importers of tobacco products should require that cigarette blends provide the country of origin for the tobacco in those goods. By requiring downstream tobacco product manufacturers to disclose the origin of tobacco utilized in production, importers of those downstream goods (such as cigarettes) would be able to identify if the tobacco within those goods contains tobacco from countries that are known to produce tobacco through exploitative labor practices. This can be accomplished without disclosing the proprietary proportions of the tobacco while simultaneously improving supply chain accountability and transparency.
- There is a need for transnational tobacco companies, in conjunction with the Tobacco Commission of the Government of Malawi, to hold Malawi leaf buying companies accountable for labor conditions utilized in the production of purchased tobacco. This would serve to protect buyers from the purchase of tobacco sourced through labor exploitation, promote increased traceability amongst buyers and stakeholders involved in the tobacco supply chain, and incentivize producers to comply with buyer labor requirements to continue their relationship.
- There is a need for the introduction of more robust supply chain tracing practices within leaf buying organizations in Malawi. As outlined by this report, the traceability of purchased tobacco is lost due to mixing of tobacco from various sources at two points: at the IPS and auction house, and upon purchase by leaf buyers. By implementing more stringent corporate responsibility practices among leaf buyers and requiring more detailed records of the origin of tobacco purchased, leaf buying organizations will be positioned to improve traceability efforts and the transparency of their supply chains.

Future Research

- Future, longitudinal research should continue to examine the presence of tenancy system practices across the agricultural sector of Malawi. This research should pay particular attention to the core practices that led to tenants being dependent on their employers for survival such as farming input loan systems, food and shelter provisions, and end-of-harvest payment schedules that put tenants at risk for debt bondage. Longitudinal research should also examine whether the living and working conditions of workers have improved as enforcement of the ban on the tenancy system becomes more regularly enforced or if exploitative practices continue without the label of “tenancy.”
- Future research should build upon the findings of this study by continuing to examine if there is an inverse relationship between addressing child labor and creating risks for forced labor on IPS-contracted farms. While this study cannot generalize beyond its sample, the findings do point to a correlation between child labor and forced labor rates. Representative research could potentially address causality.
- Given that both KII and worker respondents indicated that tobacco farmers in Malawi are transitioning from growing tobacco to alternative crops, future research should examine the labor conditions in groundnut production in Malawi. This research should specifically seek to answer if the main risk factors for forced labor and child labor in tobacco production, mainly tenancy system practices, are present.
- Future research should compare the effectiveness of industry-led vs. government-led, through the Tobacco Commission and Ministry of Labor, monitoring efforts to prevent forced labor and

child labor in tobacco production in Malawi. This research found that the responsibility for monitoring for labor exploitation differs between the two production systems, with IPS farms being primarily monitored by leaf company employees and auction selling farms being monitored by the Malawi government. Research on the effectiveness, as well as the gaps, within the monitoring efforts by industry and government actors can help to improve monitoring across all tobacco farms in Malawi and could potentially lead to further cooperation between industry and government actors to improve labor conditions across the entire tobacco sector.

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Appendix 2: Case Study, Gowokelelanani Estate, Mzimba District

Location	Elia Kim Ngulube Village T/A Chindi, Mzimba District, MALAWI
Year Started	1996
Estate Size	30 Ha
Number of Farm Workers in 2022/23 season	48 (of these 19 are women)

Gowokelelanani Estate is located in TA Chindi in Mzimba, around the Mbalachanda Area. The estate cultivates maize, soybean, sweet potato, flue-cured tobacco, and groundnuts. In the 2022/2023 season, the area under production for each crop was as follows: flue-cured tobacco (12 Ha); maize (4Ha); soybean (1.5Ha); sweet potato (2 Ha); and groundnuts (2.5Ha). The estate also has the following livestock: 73 goats; 15 cows; and 120 chickens. When it comes to transport, the estate has a truck capable of transporting 13 tons in weight; a truck capable of transporting 1.5 tons in weight; a pickup truck capable of transporting up to 1 ton; and a 16-seat minibus.

The estate specializes in flue-cured (Virginia) tobacco. The estate has 25 barns for curing tobacco, 3 grading sheds, and 19 houses for farm workers. In the 2022/23 season, tobacco production was under the auction selling system. However, the owner indicated that he has previously been under the IPS system and was contracted to Alliance One Malawi, as the quote below shows:

> *"All along I have been growing tobacco under Alliance One. However, this year I decided to grow as an independent farmer because of the challenges that I faced with Alliance One. Next season, however, I am going back to the IPS system but I will be affiliated to Limbe Leaf Company. Unlike Alliance One, with Limbe Leaf Company the farmer has the freedom to choose the type of fertilizer that you want as well as the quantity that you want."*
>
> *—Male auction selling farm owner*

Example of a worker's home

The study found that all the workers at the estate have signed contracts with the farm owner. Each worker has a copy of the contract. The farm worker is allocated 1 hectare of land to produce tobacco. A worker has to conduct all the activities from tobacco nursery preparation up to the time the tobacco leaves for the auction floors. Under the conditions of the contract, the farm workers are provided with free housing, 12 kilograms of maize flour every week, money for groceries every week, and the owner caters for medical bills of the employees when they get ill. At the end of the season, each farm worker is

expected to be paid MWK350,000 (about $350 USD) for the work that was done on his allocated hectare of tobacco.

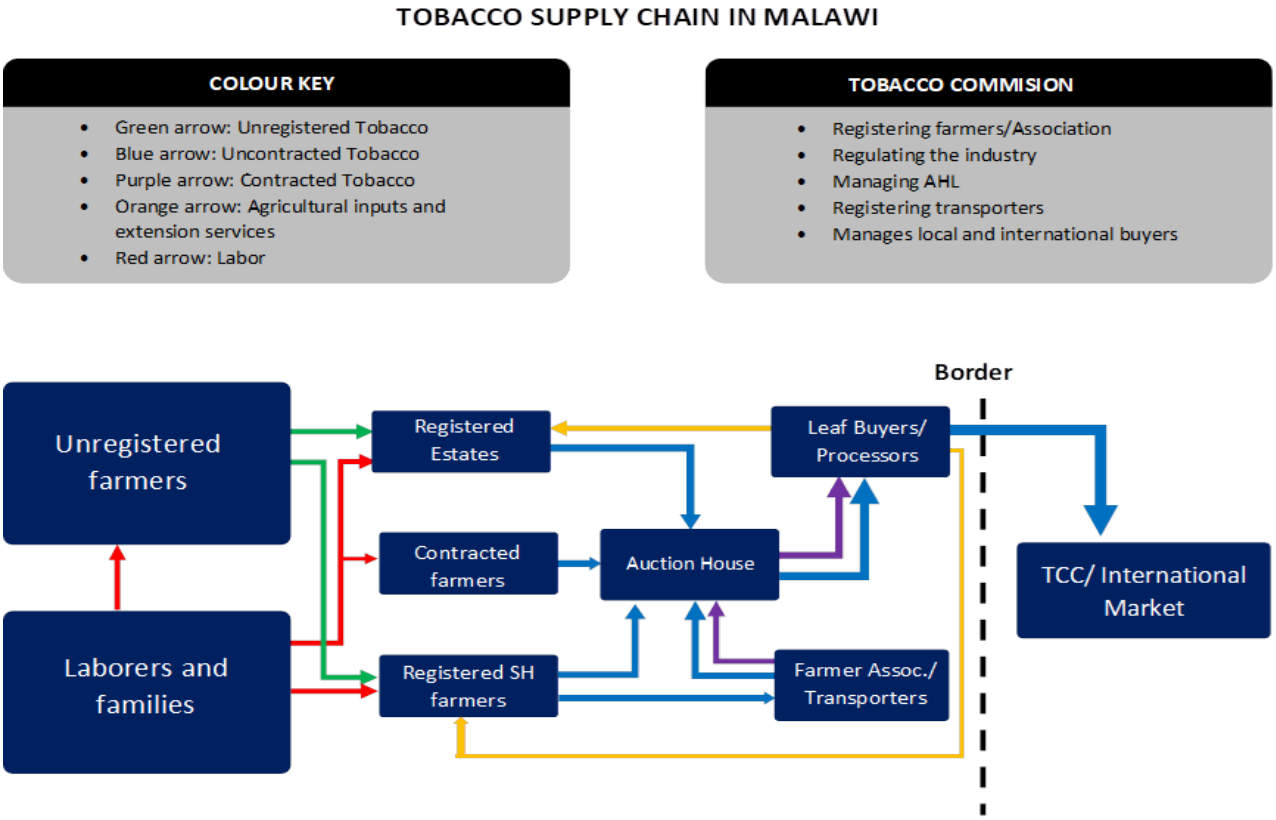
At the time of the visit, workers were grading their tobacco. The research team did not find any children taking part in tobacco activities. Discussions with the farm owner as well as the farm workers showed that children do not get involved in tobacco farming activities.

> "*Here we are not allowed to take our children to participate in any tobacco activities. It is not allowed. If a worker does that they get fired. We have been clearly told that it is against government laws to involve children in tobacco production. Even the owner cannot hire a child as a farm worker."*
>
> *—Male farm worker*

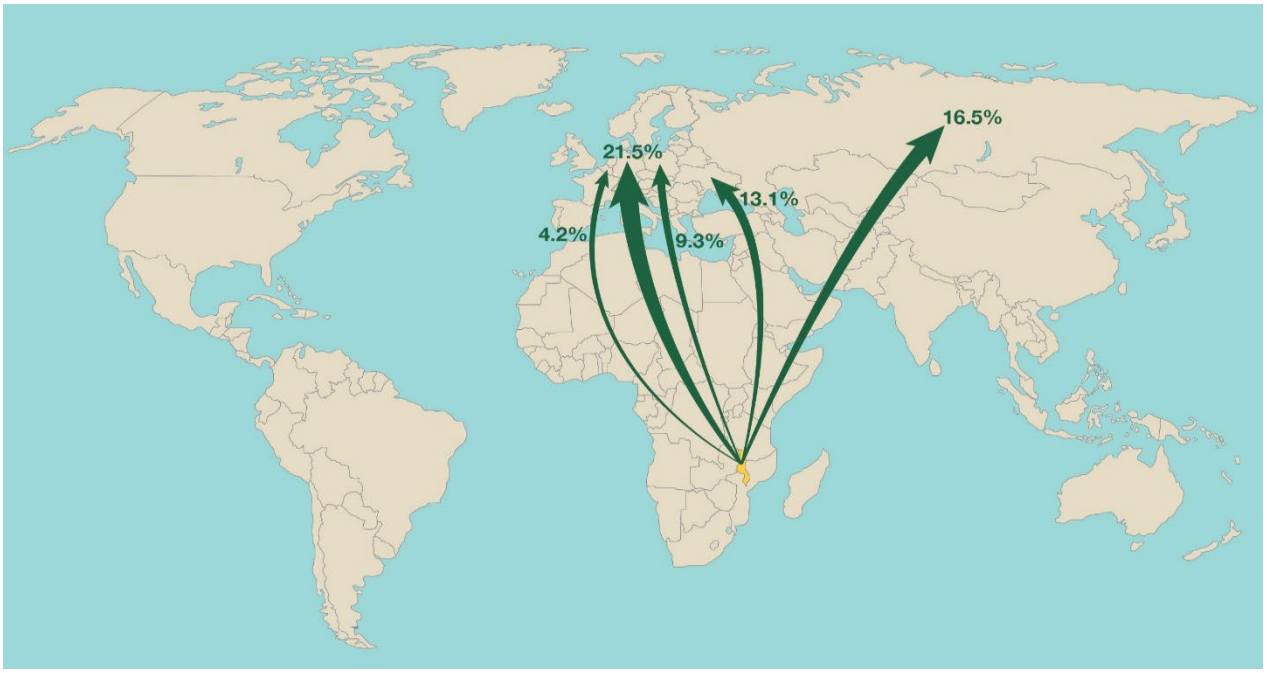
A female tobacco working sorting grading tobacco without PPE and with her child

Although children were not taking part in any tobacco grading activities, the study found that there were a number of women who were grading tobacco with children under the age of 5 with them. During the farm visit, workers were found to be using protective gear. Although they were grading tobacco, they did not wear masks or gloves to protect themselves. When asked, the workers indicated that they are not provided with protective gear. The workers indicated that they were concerned with their own health due to continuous exposure to tobacco.

Appendix 3: Maps



Top 5 Downstream Markets for the Malawian Tobacco Supply Chain



Source: UNCOMTRADE, 2021. HS Codes: 2401

Major downstream markets and end uses

Downstream Market	End Uses
Germany	Cigarettes, Cigars, Smokeless Tobacco Products, Waterpipe Tobacco, Tobacco Extract
Russia	Cigarettes, Cigars, Smokeless Tobacco Products, Waterpipe Tobacco, Tobacco Extract
Ukraine	Cigarettes, Cigars, Smokeless Tobacco Products, Waterpipe Tobacco, Tobacco Extract
Poland	Cigarettes, Cigars, Smokeless Tobacco Products, Waterpipe Tobacco, Tobacco Extract
Belgium	Cigarettes, Cigars, Smokeless Tobacco Products, Waterpipe Tobacco, Tobacco Extract

Appendix 4: HS Codes

HS Code Glossary

Product	HS Code	HS Definition
	Minimally Processed Goods	
Tobacco (Unmanufactured)	2401	Unmanufactured tobacco (whether or not threshed or similarly processed); tobacco refuse:
Downstream Goods		
Cigars, cheroots, cigarillos, and cigarettes	2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes:
Smokeless Tobacco, Waterpipe Tobacco	2403	Other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted" tobacco; tobacco extracts and essences:
Tobacco Extracts	2404	Other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted" tobacco; tobacco extracts and essences:

Appendix 5: Export Values

Top 5 Importers of Tobacco from Malawi, 2021

Destination Country	Trade Value (USD)	% of Total Tobacco Export Value from Malawi
1. Germany	$96,211,464	21.5%
2. Russia	$73,764,829	16.5%
3. Ukraine	$58,869,962	13.1%
4. Poland	$41,783,492	9.3%
5. Turkey	$21,759,818	4.8%

Source: UNCOMTRADE, 2021. HS Codes: 2401

Top Global Exporters of Tobacco

Country	Trade Value (USD)	Percent of Total Global Tobacco Exports
1. Brazil	$1,821,395,534	19.6%
2. Zimbabwe	$854,761,895	9.2%
3. USA	$833,518,900	9.0%
4. China	$570,309,942	6.1%
5. India	$552,056,245	5.9%
6. Malawi	$446,675,727	4.8%
7. Belgium	$351,543,965	3.8%
8. Turkey	$313,268,370	3.4%
9. Germany	$278,617,834	3.0%
10. Argentina	$264,743,227	2.8%

Source: UNCOMTRADE sourced through Panjiva, 2021. HS Codes: 2401

Malawi Tobacco Exports by HS Code, 2017-2021

Good	HS Code	EX Value 2017	2018	2019	2020	2021	Top Destination Market for 2021 (percentage)
Unmanufactured Tobacco	2401	$473,765,555	$537,390,803	$538,019,066	$421,928,897	$448,257,928	Germany

Source: UNCOMTRADE, 2021. HS Codes: 2401

Malawian Destination Markets' Top 5 Sources of Imported Tobacco, 2021

Destination Market for Malawian Tobacco	Destination Markets' Sources of Tobacco	Trade Value (USD)	Percent of Total Tobacco Import Value by Destination Market
Germany	Brazil	$176,535,380	21.7%
	Malawi	$96,211,464	11.8%
	USA	$77,512,729	9.5%
	India	$57,869,692	7.1%
	Italy	$34,567,121	4.2%
Russia	Brazil	$135,752,652	22.3%
	Malawi	$73,764,829	12.1%
	India	$62,608,784	10.3%
	USA	$48,531,462	8.0%
	China	$34,083,270	5.6%
Ukraine	Malawi	$58,869,962	26.2%
	Germany	$37,778,991	16.8%
	Brazil	$36,771,673	16.4%
	India	$12,613,427	5.6%
	Mozambique	$11,088,832	4.9%
Poland	Brazil	$172,203,230	25.3%
	USA	$73,398,239	10.8%
	India	$49,273,562	7.2%
	Mozambique	$44,250,950	6.5%
	Malawi	$41,783,492	6.1%
Turkey	Brazil	$96,716,831	28.3%
	Mozambique	$40,947,613	12.0%
	Germany	$34,404,320	10.1%
	India	$27,990,729	8.2%
	Malawi	$21,759,818	6.4%

Source: UNCOMTRADE, 2021. HS Codes: 2401

Appendix 6: Forced Labor/Child Labor Definitions

Child Labor: Child labor is defined by the ILO Conventions 138 on the Minimum Age for Admission to Employment and 182 on the Worst Forms of Child Labor. Broadly, child labor is "work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development" (ILO, n.d.). Child labor refers to work that is "mentally, physically, socially or morally dangerous and harmful to children; and/or interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work." The ILO Convention on Child Labor, 1973 (No. 138) aims to abolish child labor by requiring countries to establish a minimum age for work as well as employment (typically 14–15 years of age) while also allowing for light work for children under that age (ILO, 1973). The convention also requires nations to establish policies to eliminate child labor. In Article 3 the convention defines the "minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals of young person" to be 18 years old (ILO, 1973).

Child Labor Conventions: The ILO Convention on Child Labor, 1973 (No. 138) aims to abolish child labor by requiring countries to establish a minimum age for work as well as employment (typically 14–15 years of age) while also allowing for light work for children under that age (ILO, 1973). The convention also requires nations to establish policies to eliminate child labor. In Article 3 the convention defines the "minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals of young person" to be 18 years old. The ILO Worst Forms of Child Labour Convention, 1999 (No. 182) (ILO, 1999a) defines the worst forms of child labor as:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (hazardous child labor).

Hazardous child labor is then further defined in Article 3 of the ILO Worst Forms of Child Labour Recommendations, 1999 (No 190) (ILO, 1999b) as:

- work which exposes children to physical, psychological or sexual abuse;
- work underground, under water, at dangerous heights or in confined spaces;
- work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
- work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health;
- work under particularly difficult conditions such as working for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

The ILO Forced Labour Convention, 1930 (No. 29) defines, in its Article 2, forced or compulsory labor for the purposes of the Convention as "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily" (ILO,1930). For statistical purposes, a person is classified as being in forced labor if engaged in any work that is both under the threat of menace of a penalty and involuntary.

Menace of Penalty: Threat and menace of any penalty are the means of coercion used to impose work on a worker against a person's will. Workers can be (ILO, 1930):

- actually subjected to coercion, or
- verbally threatened by these elements of coercion, or
- be witness to coercion imposed on other co-workers in relation to involuntary work.

Elements of coercion may include, inter alia:

- threats or violence against workers or workers' families and relatives, or close associates;
- restrictions on workers' movements;
- debt bondage or manipulation of debt;
- withholding of wages or other promised benefits;
- withholding of valuable documents (such as identity documents or residence permits); and
- abuse of workers' vulnerability through the denial of rights or privileges, threats of dismissal or deportation.

Involuntariness: Involuntary work refers to any work taking place without the free and informed consent of the worker. Circumstances that may give rise to involuntary work, when undertaken under deception or uninformed, include, inter alia (ILO,190):

- unfree recruitment at birth or through transaction such as slavery or bonded labor;
- situations in which the worker must perform a job of different nature from that specified during recruitment without a person's consent;
- abusive requirements for overtime or on-call work that were not previously agreed with the employer;
- work in hazardous conditions to which the worker has not consented, with or without compensation or protective equipment;
- work with very low or no wages;
- in degrading living conditions imposed by the employer, recruiter, or other third-party;
- work for other employers than agreed;
- work for longer period of time than agreed;
- work with no or limited freedom to terminate work contract.

Appendix 7: Final Research Instruments

Worker Survey

Interviewer instructions:

Foster a dynamic and environment conducive to gathering good data by first breaking the ice by discussing general issues relevant to the respondent. The interview should have the relaxed feel of a conversation. Set the tone by using a slow pace in your speech. Ask one question at a time. Give the respondent ample time to reflect and fully respond before moving to the next. Try not to interrupt, and do not answer on their behalf. Let the respondent know you would like to record the interview by asking for permission to record. If the respondent agrees to be recorded, give them your full attention. Make note of any follow-up questions you want to remember to ask, but otherwise focus on the respondent rather than your paper. Probe for more depth, particularly when responses are brief. Use phrases such as, "Tell me more about that" and "Can you give me an example?" Aim to get specific instances, in considerable detail, whenever possible. You do not have to ask each question verbatim, but at least broach all the topics covered that are relevant to the key informant. Adapt the flow and questions to make them relevant to the respondent. For each item, ask the general question first, and then probe the sub-items that have not been addressed spontaneously.

Interviewer:	Date (DD/MM/YY)
Location of interview:	
Name of Interviewee (code not real name):	Sex:
Profession (if applicable):	
Position (if applicable):	
IP Farm Type (select all that apply): □ Smallholder farm, □ Plantation, □ IPS contract selling farm □ Auction selling farm □ Other (write down) _____	
Employer/Affiliated Institution/Organization (if applicable):	
Contact information (office address, phone number, email):	
Time interview started:	
Time interview ended:	

Introduction:

1. Could you please tell me about your work?

    a. How long have you been doing it?
    b. Can you please explain how you got this job?
        i. (PROBE FOR RECRUITER INVOLVEMENT, FEES, DEBT FROM HIRING)
    c. Do you work on a farm that sells through the IPS system or the Auction System?
2. Do you have any children and if so, how old are they?
    a. {*IF RESPONDENT HAS CHILDREN, IF NOT SKIP*} Do your children work in tobacco production? Why or why not?
        i. IF SO, what tasks do they perform?
        ii. IF SO, how often do they accompany you at the worksite?

(FOR INTERVIEWER: IF THE RESPONANT DOES NOT HAVE CHILDREN OR DOES NOT HAVE CHILDREN THAT WORK IN TOBACCO PRODUCTION SKIP TO SECTION: FOR RESPONDANTS WITHOUT CHILDREN WORKING IN TOBACCO HARVESTING)

1. How much is your child typically paid for work?
    a. Are they paid directly, if not how are they paid?
2. How many hours a day does your child work?
    a. What hours do they work?
    b. Is this the same each week?
    c. Are there certain times of the year they work more or less?
3. In the past year, have any inspectors come to your workplace to inspect labor conditions?
    a. If so: Is the farm you work on a part of the IPS system or contract selling system?
    b. If so: Who was the inspector / do you know who they worked for?
    c. If so: What happened to your child / to other children working on the farm?
4. Are there certain tasks that your children do that adult workers do not?
    a. Please explain.
    b. What activities are more suited to younger children? What about adolescents?
5. At what age did your children start working in tobacco production?
6. Who decided that your child would work?
    a. What led to this decision?
    b. Has your child ever refused to work? If so, how did you respond?
    c. What would happen if your child wanted to stop working?
7. What changes would need to happen in your household or community for your child to not work in tobacco production activities?
8. Have your children experienced any challenges accessing schooling in your community? If yes, please explain. Does your child attend school currently?
    a. Do any challenges relate to your children's participation in tobacco production activities?
    b. If your child works and attends school, do you think this affects their schools?
        i. If yes how does work affect their schooling?
9. Do you consider any of the work your child does/ has done on tobacco **farms** to be dangerous?
    a. Why or why not?
    b. Have you seen your child(ren) being injured?
        i. If so, please explain.
    c. Have you seen any children being mistreated?

i. If so, by whom? Please explain.
ii. If so, did you feel that you could speak up about what you witnessed?
1. If so, please explain.
2. If not, what are your main concerns of what would happen if you did?

10. Have you witnessed other children than your own working in the tobacco fields?
    a. If so, please explain. (PROBE WHO THOSE CHILDREN ARE WITH, HOW OFTEN, COMMON AGE/GENDER)
11. Are your children performing activities on the worksite treated the same as adults such as yourself? If not, what is the difference?
    a. Who treats them differently?
12. In your opinion, at what age should people start working **in tobacco** production?
    a. [IF PEOPLE BEGIN WORKING EARLIER THAN THE RESPONDENT THINKS THEY SHOULD] Why do you think people begin working sooner? Any other reason?
13. How do people in your community feel about children working in tobacco production?
    a. How has this changed over the last few years?

{INTERVIEWER: THANK THE RESPONDENT FOR THEIR PARTICIPATION AND INSIGHTS SO FAR. INFORM THEM THAT YOU ARE DONE ASKING ABOUT WORKING CONDITIONS AND HAVE TWO FINAL QUESTIONS FOR THEM. INFORM THEM THAT ONE QUESTION WILL BE ABOUT TOBACCO PRODUCED AT THEIR WORKSITE AND THAT WHILE THEY MIGHT NOT HAVE A COMPLETE ANSWER, ANY INSIGHTS THEY HAVE FOR US WILL BE VALUABLE.}

Supply Chain:

14. Do you know if the farm you work on is part of the IPS or Auction selling system? (ASK TO IDENTIFY)
    a. IF IPS SYSTEM: In your opinion, what are the benefits and challenges of this system?
    b. IF AUCTION SYSTEM: What are the benefits of selling at auction? Are you considering the IPS system next year? Please explain.
15. After the **tobacco** leaves the **farm you work on,** do you know where it goes? Who buys and sells the **tobacco**?

Conclusion:

16. Is there anything else you would like to add?

(FOR RESPONDANTS WITHOUT CHILDREN WORKING IN TOBACCO HARVESTING)

1. In the past year, have you worked alongside children or seen children performing work-related activities to tobacco harvesting at your worksite?
    a. (IF YES): What activities? (PROBE TOBACCO NURSERY ESTABLISHMENT; WATERING OF TOBACCO NURSERIES; LAND PREPARATION; PLANTING; FERTILIZER APPLICATION; WEEDING; HARVESTING; DRYING; PACKAGING; ETC)
    b. (IF YES): Which type(s) of children? (PROBE THEIR APPROXIMATE AGE [TODDLER, ADOLESCENT, TEEN] GENDER?)
        i. Are there certain tasks that children do that adult workers do not?

    c. (IF NO): (MOVE TO FORCED LABOR QUESTIONS OR END INTERVIEW IF 10 INTERVIEWS ON FORCED LABOR ONLY HAVE BEEN CONDUCTED)
2. (SKIP IF RESPONDANT ANSWERED NO TO QUESTION 1) Do you think the work you have seen children doing on tobacco farms is dangerous?
    a. Why or why not?
    b. Have you seen your child(ren) being injured?
        i. If so, please explain.
    c. Have you seen any children being mistreated?
        i. If so, by whom? Please explain.
3. In the past year, have any inspectors come to your workplace to inspect labor conditions?
    a. (IF NOT ALREADY ANSWERED): Is the farm you work on a part of the IPS system or contract selling system?
    b. (IF YES): Do you know who the inspector worked for or was hired by?
    c. (IF YES:) What happened to the children working on the farm?
    d. (IF NO): (MOVE TO NEXT QUESTION)

FORCED LABOR QUESTIONS

4. Do you have a verbal or written contract or agreement with your current employer?
    a. If you have a written contract, did you understand it? (Probe: WHETHER RESPONDENT IS LITERATE OR HAD THE CONTRACT READ TO THEM, WHETHER RESPONDENT SPEAKS THE LANGUAGE OF THE CONTRACT)
    b. (IF YES) Were you able to negotiate the terms of your IPS contract? Please explain.
        i. [IF WRITTEN] Do you have a copy of your contract?
5. Do the actual terms of your work match what you were originally promised? (Example type of work, location, wages, etc.)
    a. If not, please explain.
6. Please describe your relationship with your employer:
    a. Have you ever experienced any harassment or abuse by your employer? If so, how have you dealt with it? [probe to understand how harassment/abuse manifests]
    b. Do you know or have you seen other workers experience any harassment or abuse? Can you describe an example? [GENTLY PROBE FOR DETAILS]
7. How do you assess your workload? Do you have enough time during your normal hours to do your work?
    a. How many hours do you work in a day? In a week?
    b. What is your workload or daily target for your tasks?
    c. Does your employer do anything to make you work harder or faster? If so explain.
    d. What happens when workers do not meet their workload or target? Probe for penalties/threats.
8. Do you work overtime? (IF YES) How often and for how many hours [daily, a few times a week, etc.]?
    a. (IF YES) are you paid the legally mandated amount?
    b. (IF YES) Could you turn down overtime if you wanted or do you feel compelled to work overtime? How would your employer respond if you turned down overtime?
9. Can you tell me how and how much you are paid?

a. How often are you paid? Is this always the same or does it change? Please explain.
    i. Who pays you?
    ii. Are your payments from your employer ever late or withheld? If yes, please explain.
b. Are you paid by the hour or by piece rate? Is this the same pay you were promised before you started working?
    i. If you are paid in piece rate, do you think you are paid fairly for the work you do? Why or why not?

10. Have you taken on any debts from your employment?
    a. If so, to whom?
    b. If so, in exchange for what?
    c. How long have you been in debt and how are you repaying it?
        i. What are the terms of your debt (interest, repayment date, etc.). Do these feel fair? If not, why?
11. What are the most hazardous (dangerous) parts of your job? How often are you performing those tasks?
    a. Were these tasks clear to you before you started the job?
    b. Are you provided the proper equipment to conduct these tasks safely?
    c. What effects have these tasks had on your health and safety?
        i. (IF NOT ANSWERED) Have you ever been injured on the job? If so. please elaborate.
12. If you had to leave work for any reason, can you?
    a. If not, why?
    b. What about breaks for going to the bathroom or eating a meal? Please explain.
13. Please tell me a little about the place where you live (probe if housing is employer provided).
    a. Do you live in employer provided housing?
        i. If you live in employer provided housing—did you choose to do so or was this required by your employer? Why? What are the advantages/disadvantages?
            1. Are you required to pay for this housing?
    b. Where do you buy food and clothing?
        i. Do you ever buy these items with credit? Under what terms?
14. Do you know what the conditions for ending your contract or employment are if you wanted to?
    a. Have you ever heard of your employer doing anything to prevent a worker from quitting? If so, please explain.

{INTERVIEWER: THANK THE RESPONDENT FOR THEIR PARTICIPATION AND INSIGHTS SO FAR. INFORM THEM THAT YOU ARE DONE ASKING ABOUT WORKING CONDITIONS AND HAVE TWO FINAL QUESTIONS FOR THEM. INFORM THEM THAT ONE QUESTION WILL BE ABOUT TOBACCO PRODUCED AT THEIR WORKSITE AND THAT WHILE THEY MIGHT NOT HAVE A COMPLETE ANSWER ANY INSIGHTS THEY HAVE FOR US WILL BE VALUABLE.}

Supply Chain:

15. Do you know if the farm you work on is part of the IPS or Auction selling system? (ASK TO IDENTIFY)
    a. IF IPS SYSTEM: In your opinion, what are the benefits and challenges of this system?

b. IF AUCTION SYSTEM: What are the benefits of selling at auction? Are you considering the IPS system next year? Please explain.

16. After the **tobacco** leaves the **farm you work on,** do you know where it goes? Who buys and sells the **tobacco**?

Conclusion:

17. Is there anything else you would like to add?

KII Interview Guide

Interviewer instructions:

Foster a dynamic and environment conducive to gathering good data by first breaking the ice by discussing general issues relevant to the respondent. The interview should have the relaxed feel of a conversation. Set the tone by using a slow pace in your speech. Ask one question at a time. Give the respondent ample time to reflect and fully respond before moving to the next. Try not to interrupt, and do not answer on their behalf. Let the respondent know you would like to record the interview by asking for permission to record. If the respondent agrees to be recorded, give them your full attention. Make note of any follow-up questions you want to remember to ask, but otherwise focus on the respondent rather than your paper. Probe for more depth, particularly when responses are brief. Use phrases such as, "Tell me more about that" and "Can you give me an example?" Aim to get specific instances, in considerable detail, whenever possible. You do not have to ask each question verbatim, but at least broach all the topics covered that are relevant to the key informant. Adapt the flow and questions to make them relevant to the respondent. For each item, ask the general question first, and then probe the sub-items that have not been addressed spontaneously.

Interviewer:	Date (DD/MM/YY)
Location of interview:	
Name of Interviewee (code not real name):	Sex:
Profession (if applicable):	
Position (if applicable):	
KII Field of Work:	
Employer/Affiliated Institution/Organization (if applicable):	
Contact information (office address, phone number, email):	
Time interview started:	
Time interview ended:	

Organizational Role in Industry (ASK FOR ALL RESPONDANTS)

1. Could you please tell me about your work in the tobacco industry?
   a. Do you have any other experiences working in the tobacco industry?
2. Can you describe your organization's work in the tobacco industry?
   a. What kind of specific activities do you and your organization undertake related to production of tobacco?
3. (IF EXPERIENCE IS OUTSIDE OF BUSINESS/INDUSTRY) Tell us about your previous background working on tobacco issues?

(IF REPONDENT INDICATES NO EXPERIENCE OR BACKGROUND ON THE TOBACCO INDUSTRY AND TOBACCO ISSUES END THE INTERVIEW)

(TO INTERVIEWER: IF RESPONDENT INDICATES THEY WORK IN THE FOLLOWING PROFESSIONS/INDUSTRIES: UNION REPRESENTATIVES, NGO'S/INSTITUTIONS THAT WORK TO PREVENT AND ADDRESS LABOR EXPLOITATION, MEDICAL PROFESSIONALS, AND THOSE THAT DO NOT WORK FOR AN ORGANIZATION THAT IS PART OF THE TOBACCO SUPPLY CHAIN, ASK QUESTION 1 FROM THE SUPPLY CHAIN SECTION BEFORE MOVING ON TO THE LABOR CONDITIONS SECTION.
IF RESPONDENT WORKS FOR AN ORGANIZATION THAT IS OUTSIDE THE SUPPLY CHAIN BUT HAS IN DEPTH SUPPLY CHAIN KNOWLEDGE IN RELATION TO QUESTIONS 1–2 YOU MAY RETURN TO ASK MORE SUPPLY CHAIN QUESTIONS IF TIME ALLOWS)

Supply Chain Questions

1. Can you give me an overview of how the tobacco industry works in Malawi?
    a. What changes have taken place in the tobacco industry in the last decade?
        i. What is your opinion on the future of the tobacco industry in Malawi?
            1. (PROBE FOR IMPORTANCE TO THE NATIONAL WORKFORCE AND PREVALANCE OF THE IPS VS AUCTION SYSTEM)

Laws and Regulations (PRIORITIZE GOVERNMENT OFFICIALS, UNION OFFICIALS, LEAF BUYERS, FARMERS ASSOCIATIONS)

1. What laws and regulations inform the operations of the industry?
    a. Have these laws and regulations changed recently? If so, what are the main changes?
2. How have current or former domestic trade policies impacted the tobacco industry?

IPS System (PRIORITIZE: IPS CONTRACT HOLDING FARM OWNERS, GOVERNMENT OFFICIALS, ACADEMICS, LEAF BUYERS, AND FARMERS ASSOCIATIONS, PRIORITIZE QUESTIONS 1–3)

1. In your opinion, can you please explain the significance of the IPS system and the auction selling system to the tobacco industry?
    a. How has the use of the two systems changed in recent years? Please explain.
2. What has been the impact of recent trade policies related to the IPS and Auction Selling System on the tobacco industry?
3. Have there been any significant s events that have impacted tobacco farmers or the production process?
    a. Describe any impacts on the IPS and Auction selling systems.
4. What are the main certifications available for companies and farmers operating in the tobacco sector?
    a. How are these certifications attained and maintained?
    b. How are certifications being validated and evaluated for compliance?
    c. How common is it for companies to have these certifications?
    d. (PROBE FOR SPECIFICS INCLUDING ANY DIFFERENCES BETWEEN PARTICIPANTS IN THE IPS AND CONTRACT SELLING SYSTEMS)

Stakeholders (PRIORITIZE SUPPLY CHAIN REPRESENTATIVES PARTICULARLY TOBACCO INDUSTRY AND LEAF BUYERS, GOVERNMENT OFFICIALS, FARMER ASSOCIATIONS, FARM OWNERS, AND ACADEMICS, PRIORITIZE QUESTIONS 1, 4, AND 5)

1. Who are the major stakeholders and influencers in the tobacco industry (ex: local and international NGOs, trade associations, informal business networks, owners, buyers, traders, and foreign investors)?
    a. (SPECIFIC PROBE) Which companies in the U.S, Europe, China, or other places are buying tobacco from Malawi and are you aware of any significant changes in sourcing over the last few years?
2. Is there any list or mapping of all leaf buyers in Malawi?

a. How would someone access the list?

3. Is there any list or mapping of tobacco farms/estates in Malawi?
   a. How would someone access the list?

4. Can you please describe for me which stakeholders have the most power over the tobacco industry?
   a. What entities exert the most influence and how?
   b. What entities exert the least power and why?
   c. How does the selling channel – IPS vs Auction Selling play a role in these power dynamics?
      i.(PROBE FOR SIMILARITIES AND DIFFERENCES)

5. How do these power dynamics you just mentioned impact labor conditions in the tobacco industry?
   a. (PROBE FOR SPECIFICS ON FARMERS, HARVESTERS, CHILD LABORERS)
   b. (IF RESPONDANT IS FORTHCOMING WITH ANSWERS TO INITIAL QUESTION, PROBE FOR SPECIFICS ON FORCED LABOR AND CHILD LABOR)

Tobacco Production Process (PRIORITIZE SUPPLY CHAIN ACTORS PARTICULARLY LEAF BUYERS, TOBACCO/AUCTION COMPANIES, FARMERS ASSOCIATIONS, AND FARM OWNERS, PRIORITIZE ALL QUESTIONS)

1. Please describe the production process of tobacco from the beginning to the end.
   a. How are these goods transported or traded?
   b. After harvesting, what processing occurs within Malawi?

2. What type of products does tobacco from Malawi end up in? (Probe for both intermediary goods and finished/end goods?
   a. Do domestic brand cigarettes contain Malawi Tobacco? Why or why not?
      i.If so: Are you aware of which brands?

3. Where does tobacco from Malawi end up in other markets, such as the USA, EU, China and other places? Do you know companies are buying tobacco from Malawi?

Tobacco Traceability (PRIORITIZE SUPPLY CHAIN ACTORS PARTICULARLY LEAF BUYERS, TOBACCO/AUCTION COMPANIES, FARMERS ASSOCIATIONS, AND FARM OWNERS, PRIORITIZE ALL QUESTIONS IN THIS SECTION)

1. Are you aware of any ongoing supply chain traceability (DEFINE: tracking tobacco from a specific farm all the way to export) initiatives in the sector?
   a. (PROBE FOR SPECIFICS ON WHAT THE INITIATIVES ARE AND WHO IS PROMOTING THEM (E.G. GOVERNMENT, INTERNATIONAL CORPORATIONS, DOMESTIC COMPANIES)
   b. (PROBE FOR SPECIFICS ON INITIATIVES IN THE IPS SYSTEM COMPARED TO AUCTION SELLING FARMS)
   c. (PROBE FOR SPECIFICS ON THE EFFECTIVENESS OF TRACING INITIATIVES WHEN COMPARING IPS SYSTEM TO AUCTION SELLING FARMS)

2. How effective are these initiatives at deterring child labor and forced labor?
   a. What are the main limitations?
   b. Where are these initiatives and mechanisms most successful?

3. How would someone track tobacco made at a particular farm through the domestic supply chain?
   a. (PROBE FOR SPECIFICS BASED ON THE SUPPLY CHAIN OF CORPORATE/LARGE INDUSTRY PLAYERS VERSUS ARTISANAL AND SMALL-SCALE PRODUCERS.)
      i.(PROBE FOR COMPARISON BETWEEN IPS SELLERS AND AUCTION SELLERS)

4. (SKIP IF RESPONDANT DOES NOT HAVE AN ANSWER FOR QUESTION 3) What challenges exist for following tobacco from a specific farm through the production process?

a. Are there points before export where tracking and following that tobacco would not be possible? Please explain. (PROBE FOR DIFFERENCES IN AUCTION SELLING AND IPS SELLING SITUATIONS)

i. (PROBE FOR SPECIFICS ON WHAT STAKEHOLDER THE TRACEABILITY ENDS WITH, EX: INTERMEDIARY BUYER, EXPORTER, ETC)

b. (SPECIFIC PROBE) When does the mixing of tobacco from different sites occur, how does mixing occur?

i. (PROBE FOR COMPARISON BETWEEN IPS SELLERS AND AUCTION SELLERS)

c. (IF RESPONDANT INDICATES TRACING IS POSSIBLE THROUGH THE ENTIRE DOMESTIC SUPPLY CHAIN) How can tobacco originating in Malawi be traced beyond export? Where does that traceability end?

Supply Chain Labor Exploitation Questions: (PRIORITIZE FARMERS ASSOCIATIONS/FARM OWNERS, UNIONS, INTERNATIONAL AND LOCAL NGOs, LOCAL COMMUNITY ORGANIZATIONS. IF RESPONDANT DOES NOT INDICATE CONCERNS WITH LABOR STANDARDS IN QUESTIONS 1 AND 2 FOCUS ON QUESTION 5 ONLY)

1. What can you tell us about the labor standards in the tobacco industry?

a. What are the primary concerns across the industry when it comes to the treatment of workers?

i. (PROBE FOR SPECIFICS ON IMPACTS ON THE IPS SYSTEM COMPARED TO AUCTION SELLING FARMS)

2. What is your overall impression of working conditions in the tobacco industry?

a. How have farmers, estate owners, and workers been responding to new laws banning the tenancy system?

3. Can you help us better understand how the tenancy system contributes to the tobacco industry in Malawi?

a. (PROBE FOR USE OF TENANCY LABOR USE DIFFERENCE ON IPS CONTRACT AND AUCTION SELLING FARMS)

4. Are you aware of any occupations in the tobacco industry where workers are working on an involuntary basis or are unable to leave their jobs?

a. IF YES, please describe.

i. (PROBE) Where in the supply chain does this occur?

ii. (PROBE) Which types of farms?

iii. PROBE FOR USE OF TENANCY LABOR USE DIFFERENCE ON IPS CONTRACT AND AUCTION SELLING FARMS

5. To what extent has the introduction of the IPS system addressed problems with child labor in Malawi?

a. What limitations exist?

b. Where in the tobacco supply chain are we most likely to find child labor? (PROBE FOR TYPES OF FARMS)

c. How does tobacco produced with child labor enter the supply chain and where does it become mixed with tobacco made without child labor?

6. (IF RESPONDANT INDICATED DOWNSTREAM GOODS (E.G. CIGARETTES) ARE PRODUCED IN COUNTRY) What types of downstream good are being produced from tobacco obtained through forced labor?

a. What about child labor?

Monitoring and Compliance (PRIORITIZE GOVERNMENT OFFICIALS, TOBACCO INDUTRY REPRESENTATIVES, FARMERS ASSOCIATIONS, FARM OWNER, LABOR RIGHTS NGOs AND CSOs, ACADEMICS)

1. What labor monitoring and compliance initiatives are you aware of in the tobacco industry?
    a. How effective are these measures at identifying and preventing forced labor practices?
        i.(PROBE FOR COMPARISON BETWEEN IPS SELLERS AND AUCTION SELLERS)
    b. How effective are these measures at preventing, identifying, and removing children from child labor?
        i.(PROBE FOR COMPARISON BETWEEN IPS SELLERS AND AUCTION SELLERS)
2. Who is in charge of these initiatives (government, transnational tobacco companies, leaf buyers, etc.)?

LABOR CONDITIONS SECTION: (CAN BE ASKED OF ALL KIIs, IF KIIs DO NOT NOTE ANY ISSUES IN LABOR IN QUESTIONS 1, 2, OR 3, END THE INTERVIEW. ADDITIONALLY, PRIORITIZE QUESTIONS ON NEGATIVE LABOR CONDITIONS WITH NGOs AND CSOs, FARMERS ASSOCIATIONS, FARM OWNERS, AND UNIONS).

Labor Conditions Questions:

1. (IF NOT ALREADY ASKED IN SUPPLY CHAIN QUESTIONS) What is your overall impression of working conditions in the **tobacco** industry?
    a. (PROBE FOR COMPARISON BETWEEN IPS SELLERS AND AUCTION SELLERS)
    b. What are the main issue areas you are aware of?
        i.(PROBE FOR FORCED LABOR IF NOT MENTIONED)
2. Have you noticed any changes in the working conditions of the tobacco industry over the last few years?
    a. (PROBE FOR: IMPACT OF IPS SYSTEM AND BANNING OF TENANCY)
3. In your opinion, is the number of children involved in tobacco farming increasing or decreasing?
    a. Please explain.
4. What do you think of the relationships workers have with their employers?
    a. (PROBE FOR COMPARISON BETWEEN IPS SELLERS AND AUCTION SELLERS)
    b. What are the power dynamics that influence these relationships?
        i.How do leaf buyers and tobacco companies influence these relationships?
5. (IF FORCED LABOR HAS BEEN MENTIONED) What are the main risk factors associated with the use of forced labor in the tobacco industry?
    a. (PROBE FOR COMPARISONS BETWEEN AUCTION SELLING AND IPS SELLING SYSTEMS)
6. Are you aware of the presence of child labor in the **tobacco** industry?
    a. If so: in your opinion, how prevalent is the use of child labor in tobacco production?
        i. Are certain sites, employers, or regions more likely to use child labor?
            1. (PROBE FOR COMPARISON BETWEEN IPS SELLERS AND AUCTION SELLERS)
    b. If so: Are certain children more likely to be involved in child labor? (PROBE DEMOGRAPHICS)

(BASED ON THE RESPONDANT ANSWERS TO THESE FIVE QUESTIONS PROCEED TO EITHER THE CHILD LABOR OR FORCED LABOR SET OF QUESTIONS. DETERMINE BASED ON THE EXPERTISE / DEPTH OF KNOWLEDGE EXPRESSED BY THE INDIVIDUAL AND THEIR ROLE. ANTICIPATED PRIORITIZATION FOR NGO AND CSO ACTORS, UNIONS, FARMERS ASSOCIATIONS, ETC.)

Forced Labor Questions: (PRIORITIZE FOR LABOR RIGHTS GROUPS, FARMERS ASSOCIATIONS, AND LABOR RIGHTS ACADEMICS)

1. In your understanding, how do individuals become employed in the **tobacco** sector?
    a. Are you aware of any reports of anyone being sold or taken by force?
    b. Are promises made to workers a part of the recruitment methods used? If so what kinds of promises?
        i. In your opinion/experience are those promises being met?
2. Do workers on farms in the **tobacco** sector typically have a contract?
    a. Are contracts typically verbal or written?
    b. (PROBE FOR COMPARISON BETWEEN IPS SELLERS AND AUCTION SELLERS)
    c. Can workers in the **tobacco industry** leave their jobs if they choose?
        i. If not, why / in what situations? (POTENTIAL PROBES: DEBT, RETALITATION, AND IPS CONTRACTS)
3. What negotiating power do farmers have in the IPS contracting process?
    a. (PROBE FOR SPECIFICS ON WHAT IS INCLUDED IN AN IPS CONTRACT)
    b. What about farm workers?
4. What are the key issues that workers face in terms of their wages and benefits in the **tobacco industry**?
    a. (PROBE FOR COMPARISON BETWEEN IPS SELLERS AND AUCTION SELLERS)
    b. Do workers get paid regularly and on time? How and how often are they paid?
        i. (PROBE FOR QUOTA/PIECE RATE SYSTEMS: WHAT ARE THE TARGETS?)
        ii. Do workers experience withheld wages or wage deductions?
        iii. Do workers typically receive more or less than the minimum wage?
            1. If less: are you aware of coercive practices used to set a worker's wage?
    c. Is it common for workers in the **tobacco industry** to be in debt to employers or recruiters?
        i. (PROBE FOR SPECIFICS INCLUDING DEBT THROUGH IPS CONTRACTS)
        ii. How often are workers unable to leave their jobs because of debt to an employer or recruiter?
5. How many hours does a worker typically work? Are they paid for all hours worked?
    a. How often do employees work overtime or past their agreed hours?
    b. What happens to a worker if they refuse to work overtime or past their agreed hours?
    c. Are workers paid the legally required overtime rate? (If applicable)
6. What are the most common hazards workers face in the **tobacco** sector?
    a. In your understanding, are there sufficient health and safety standards in place in the **tobacco industry**? Please explain.
7. How common are reports of employers using coercion and threats towards workers in the tobacco industry?
    a. PROBE FOR SPECIFICS ABOUT SITUATIONS WHEN THIS IS COMMON (EX. NOT MEETING QUOTA, WHEN WORKER WANTS TO QUIT, ETC.) + FACTORS THAT MAKE A WORKER MOE LIKELY TO EXPERIENCE THIS (GENDER, MIGRATION STATUS, RACE, RELIGION, AGE, ETC.)
8. Where do workers buy food, clothing, and other necessities such as tobacco farming inputs (seed, fertilizer)?
    a. Are workers reliant on employers for these items?
    b. Are these items ever bought on credit? Under what conditions?
9. Who provides the living arrangements for workers?
    a. How common is it for workers to live in employer provided housing? Is there a fee? If so how much and how is it charged (on debt, upfront)?
        i. FOR THOSE LIVING IN PROVIDED HOUSING, can they come and go freely outside of working hours?

b. Can you describe the living conditions of those living in employer provided housing?

10. Are you aware of any efforts by the government or others to improve labor conditions in the **tobacco industry**?
    a. IF SO, please explain.
    b. (PROBE FOR SPECIFICS RELATED TO: IPS SYSTEM, AUCTION SELLING SYSTEM, LEAF BUYERS, TOBACCO COMPANIES)
    c. In your opinion, are there key gaps in terms of workers' rights and working conditions?
11. Could you suggest any organizations or individuals that are well informed about the **tobacco industry** or child labor in the industry that we could interview?
    a. What about any publicly available industry reports/publications
12. Is there anything else you would like to add?

Child Labor Questions: (PRIORITIZE THOSE THAT SHOWED KNOWLEDGE OF CHILD LABOR PREVIOUSLY IN INTERVIEW)

1. In your opinion, what are the main drivers of child labor in the **tobacco** industry?
    a. What might incentivize a company, artisanal, or corporate, to utilize child labor?
2. (PROBE FOR COMPARISON BETWEEN IPS SELLERS AND AUCTION SELLERS) At what stages of the production of **tobacco** is child labor present?
    a. Are certain stages more likely to use child labor than others? Please explain.
        i. What types of activities do children engage in at each stage?
    b. When you compare farmers who are contracted to leaf companies (IPS) and those who are independent (auction system), which ones have more children involved in tobacco farming activities? Please explain.
3. (IF NOT ALREADY ASKED IN SUPPLY CHAIN SECTION) At what point in the supply chain does **tobacco** grown or harvested with child labor on smallholder farms become integrated into the wider supply chain?
    a. Are these smallholder farms a part of the supply chain of larger producers?
        i. IF YES, is this through the IPS system, auction selling, or a combination of both? Please explain?
4. Could you tell me how children start working in the **tobacco** industry?
    a. Have you heard of children being sold or taken by force to work in the **tobacco** industry?
5. Are many child workers and their families in debt?
    a. If so, to whom and under what terms?
        i. (ADDITIONAL PROBE) Can you tell me the source of these debts where ? (PRE-INDUSTRY/EMPLOYMENT OR AFTER OR AS A RESULT OF, DEBT TAKEN ON FROM PREVIOUS SEASION, DEBT RELATED TO IPS CONTRACT INPUTS)
        ii. (ADDITIONAL PROBE) How does debt influence decisions about work for children?
    b. Are children paid for their work?
        i. IF SO, in what form? (Hourly or piece-rate, cash, or another means)
        ii. IF NOT, why?
6. When are child workers typically engaged in labor activities?
    a. (IF NOT ANSWERED PROBE)
        i. Number of hours a day/week?
        ii. Number of days a week?
        iii. Seasonal or year-round?
        iv. During or after school hours?
7. What kinds of dangers or hazards are children working in the **tobacco** industry exposed to (exposure to chemicals, sharp hand tools, green tobacco sickness)?

a. Are children provided with protective gear? What kind?
b. Are you aware of any reports of children being injured while working? Please explain.

8. How are children treated by their employers? (PROBE FOR SPECIFICS ON TYPE OF FARM)
   a. Have you heard of children working in the **tobacco** industry being mistreated in any way? Please explain.

9. Are you aware of any efforts by government or non-government entities to prevent or remove children from child labor in the **tobacco** industry?
   a. If so, please explain (WHO AND WHAT)
      i. (SPECIFIC PROBE IF NOT MENTIONED) What are the relevant laws use to safeguard against the use of child labor in the tobacco industry? How are they enforced?
   b. Does the IPS system play a role in this? If so, how?
   c. How is this information generally received by tobacco farmers?

10. What industry initiatives are you aware of to address child labor in the tobacco industry?
   a. (PROBE FOR SPECIFICS ON TRACING AND MONITORING POLICES)
   b. What are the differences between the IPS and Auction selling systems?
   c. How is this information generally received by tobacco farmers?

11. Could you suggest any organizations or individuals that are well informed about the **tobacco** industry or child labor in the industry that we could interview?

12. Is there anything else you'd like to add?

Consent Forms

Worker Interview Consent on Working Conditions for Adults and Individuals Under 18

Hello my name is _____.

Before beginning the interview, I would like to read you some information so that you understand what's involved with the study. This study is conducted by The Centre for Agricultural Research and Development and ICF, a private research and consulting company hired by the United States Government. This interview is part of a study which seeks to better understand the labor experiences among people who work in the tobacco industry in Malawi.

Everything you say is confidential. None of your coworkers or employers will know what you tell me. Your name will not be used in any report. Data from this study may be shared with other researchers or made available in public databases for the purposes of advancing research on these topics. Prior to doing so, all personally identifying information is removed.

Participation in this study is voluntary, and if you do not participate there will be no consequences. The risk of doing this interview is that some of our questions are personal and might bring up painful memories that make you feel uncomfortable. If you feel uncomfortable answering any of the questions, it is okay for you to skip those questions. If the interview becomes too tiring or upsetting, we can take a break, reschedule, or stop the interview.

There are no direct benefits from participating in this study**,** but many people find it enjoyable. Should you choose to participate in this study, your contributions will help to shine a light on the situation of labor conditions within the tobacco industry and will also help us to better understand the **tobacco** supply chain. Your answers will help inform future programming to help other workers.

I will answer any questions that you have about the study before we begin. Do you have any questions about the study? If you have any questions in the future, or if you later change your mind and do not want us to include the information you provided in our study, you may contact _____ **(redacted)**

[IF YES, ANSWER BEFORE CONTINUING
Do you agree to participate in this interview?//

1. YES
2. NO --> END INTERVIEW

I would like to ask your permission to record this interview. The audio recordings will not be shared with anyone. The recordings will be kept safely in a locked facility until they are transcribed word for word, then they will be destroyed. The transcribed notes will not contain any names or information that will identify you. May I record the interview to facilitate my recollection? (If yes, switch on the recorder).

1. YES à Turn on recorder//
2. NO à Do not turn on recorder

KII Consent on Working Conditions for Adults and Individuals Under 18

READ THE FOLLOWING STATEMENTS TO THE RESPONDENT AND ANSWER ANY QUESTIONS THE INDIVIDUAL MAY HAVE. DO NOT BEGIN THE INTERVIEW UNTIL ALL QUESTIONS HAVE BEEN ADDRESSED AND THE INDIVIDUAL HAS AGREED TO PARTICIPATE IN THE STUDY.

Hello, my name is _____I am a researcher from the Centre for Agricultural Research and Development. I am talking with people about the (target good) industry and labor conditions in the tobacco sector in Malawi. The information will be incorporated into an analytical report that examines labor in Malawi's tobacco industry.

Your participation in this study is voluntary. If you choose to talk with me, you can choose not to answer some questions or end the interview at any time. Your answers to the questions will be kept private and no one will know what you said. Your name will not be used in any reports.

The interview will take about 30–45 minutes.
I will answer any questions that you have about the study before we begin. Do you have any questions about the study? If you have any questions in the future, or if you later change your mind and do not want us to include the information you provided in our study, you may contact **_____**

Do you agree to participate in this interview?

Interviewer Certification of Consent

My signature affirms that I have read the verbal informed assent statement to the respondent. I have answered any questions asked about the study, and the respondent has agreed to be interviewed.

___ Respondent agreed to be interviewed

___ Respondent did not agree to be interviewed

Print Interviewer's Name **_____**
Interviewer's Signature/thumbprint **_____**
Date **_____**

I would like to ask your permission to record this interview. The audio recordings will not be shared with anyone. The recordings will be kept safely in a locked facility until they are transcribed word for word, then they will be destroyed. The transcribed notes will not contain any names or information that will identify you. May I record the interview to facilitate my recollection? (If yes, switch on the recorder.)
___YES
___NO
Key Informant Interview Unique ID Number: _____