



# Living and Actual Income of Smallholder Tea Farmers in Malawi

## Community of Practice on Living Income

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

 **Ethical Tea  
Partnership**

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# Ethical Tea Partnership (ETP)



- Not for profit membership organisation
- *Vision: a thriving tea industry that is socially just and environmentally sustainable*
- Four key areas:
  - Raising Standards
  - Tea Workers
  - Smallholder Tea Farmers
  - Climate & Environment
- 40 international members accounting for more than 50 brands in more than 100 countries
- Is a federal enterprise owned by the German Federal Government
- Its corporate purpose is to promote international cooperation for sustainable development
- It supports the German Government in the achievement of its development objectives and may also implement other international cooperation measures on behalf of the German Government
- Works in > 130 countries and employs about 17,000 staff



# STA: Towards living wages and living incomes for tea workers and farmers in East Africa

## At a glance

<b>Duration</b>	December 1, 2015 – November 30, 2018
<b>Country</b>	Malawi, Rwanda
<b>Objective</b>	Empowering tea workers, farmers and their representatives with the skills and knowledge needed to move significantly closer to the achievement of living wages and living incomes, and improving tea estate workers' general working and living conditions in Malawi and Rwanda
<b>Partners</b>	ETP, Jacobs Douwe Egberts, Marks & Spencer PLC , Ostfriesische Teegesellschaft, Tata Global Beverages Ltd., Taylors of Harrogate Ltd., Tesco Stores Ltd. and GIZ
<b>Intended Results</b>	<ul style="list-style-type: none"><li>• Living wage and living income benchmarks are established</li><li>• Wages for workers and incomes for farmers have significantly increased in real terms by the end of the project</li></ul>



# Malawi 2020 Tea Revitalisation Programme

- **Aim: To support the delivery of a competitive and profitable Malawian tea industry that can provide living wages and living incomes and improved nutrition for its workers by 2020.**



## 5 key objectives of the partnership;

1. A more **competitive and profitable** industry that is paying a **living wage** to workers
2. A **healthier, motivated and productive workforce** with greater opportunities for women
3. An **improved smallholder sector** where farmers earn a living wage
4. An **improved wage setting process** with greater work representation
5. More **sustainable energy use** and an **improved environment** in tea growing areas

# Malawi tea industry

- Africa's second largest tea producer
- One of the poorest countries in the world
- 62% of Malawians live below the poverty line
- The tea industry is the largest formal employer in Malawi
- Jobs on the tea estate pay above the national minimum agricultural wage



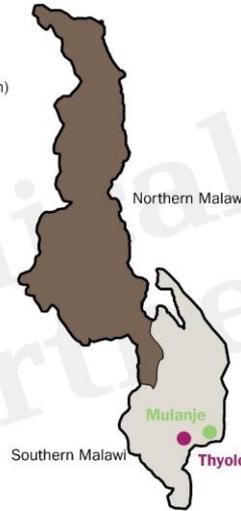
## Malawi: Development Context



**Poverty ratio \$1.90 per day (PPP)**  
 National average (2010) 70.9% (10 million)  
**Poverty ratio national poverty line (2010)**  
 National 50.7%  
 Thyolo 48%  
 Mulanje 58%



**Literacy rate of 15 - 24 year olds**  
 National 61%  
 Thyolo 71%  
 Mulanje 69%  
 Thyolo men/women 86%/76%  
 Mulanje men/women 85%/77%  
**Primary school completed**  
 Thyolo 38%  
 Mulanje 50%



**Infant mortality (per 1,000)**  
 National 43 (2015)  
 Thyolo 72 (2014)  
 Mulanje 70 (2014)  
**Under 5 mortality (per 1,000)**  
 National 64 (2015)  
 Thyolo 108 (2014)  
 Mulanje 113 (2014)



**Violence against women ever experienced** 41.2%  
**Access to education - population with at least some secondary education**  
 Female 25 and older 11.1%  
 Male 25 and older 21.6%



**Improved drinking water sources**  
 National 86.2%  
 Thyolo 66%  
 Mulanje 88%  
**Improved drinking water & sanitation**  
 Thyolo 10.1%  
 Mulanje 12.1%

### Production Breakdown



Estates  
85%



Smallholders  
15%



15,000  
smallholders nationally



53,000 work in the  
tea industry



45,855 metric T



0.9% world production