



**Farm Level Assessment of
Adherence to PMI GAP
Standards in Kazakhstan**

To

Philip Morris International, Inc.

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A. Executive Summary

1. Introduction

This report, “Farm Level Assessment of Adherence to PMI Good Agriculture Practices (GAP) Standards in Kazakhstan,” was commissioned by Phillip Morris International, Inc. (PMI) in May 2010. The report presents the observations and findings of Verité to assist PMI and Philip Morris Kazakhstan LLP (PMK) to verify adherence within PMK’s tobacco supply chain in Kazakhstan to PMI’s GAP policies, as well as to statutory and contractual requirements related to child labor, forced labor, migrant labor treatment, and certain health and safety issues, such as pesticides application and prevention of green tobacco sickness (GTS). This assessment also covers all areas of concern raised by Human Rights Watch (HRW) in their report, “Hellish Work: Tobacco Workers in Kazakhstan” released in July, 2010, and identified by internal PMI and PMK agronomists and assessors who have conducted assessments in the past year.

Verité takes sole and full responsibility for the information, conclusions, and recommendations presented in this report.

The report encompasses Verité’s specific objectives which were to:

- 1) Assess the current working conditions of farm workers engaged by farmers within PMK’s supply chain within Kazakhstan; against the PMK Labor Practice Requirements [as contained in the GAP].
- 2) Measure the impact of actions taken by PMK in response to issues raised by HRW with regards to child labor, migrant labor, and health and safety concerns.
- 3) Evaluate awareness levels among farmers of the PMK Labor Practice Requirements.

- 4) Identify training/support/management system needs to help farmers avoid the use of child labor and to ensure adherence to the PMK Labor Practice Requirements [as contained in the GAP].
- 5) Identify possible areas for improvement of the GAP program including contractual requirements in Kazakhstan that are intended to help farmers meet their responsibilities to farm workers and their families under the GAP program.

Verité's work involved meeting farmers and workers to conduct interviews during the 2010 tobacco growing season, and thereby to collect and collate relevant data on practices, attitudes, and awareness of labor standards and the law. In order to ascertain the outcomes of financial and contractual agreements for farmers and workers, a second visit was conducted at the end of the season to interview farmers about their earnings, and to corroborate the data with migrant workers still remaining in Kazakhstan. This field work also aimed to follow up on cases of concern to Verité noted during the first visit, and assessed cases of violations and concern identified by PMK and PMK's local NGO partner, the Local Community Foundation (LCF), during the season.¹ It was assumed that migrant workers might not find it easy to speak out or speak openly while working on the tobacco farms, so a Verité team undertook a separate visit to Kyrgyz migrant workers in their home towns and villages in Kyrgyzstan at the end of the 2010 season (in March 2011). Information on the wider context and political environment for the

¹ The Local Community Foundation (LCF) is a non-government organization that focuses on solving significant social problems in the Enbekshikazakh district by involving citizens in public work at a local level. The mission of the LCF is to improve the living conditions of citizens in the Enbekshikazakh District through building a culture of partnership between three sectors of society - government, business, and NGOs. The LCF has an open way of financing its social programs; fundraising and accumulating funds from members of the community, businesses operating locally, and the government where it aims to support civil society initiatives. PMK was one of the early business backers of LCF, and continues co-operation on a number of social projects in Enbekshikazakh District. In 2010, the LCF was selected to implement a PMK sponsored project aimed at monitoring foreign workers' labor rights and providing migrants involved in tobacco growing with legal and social support.

implementation of PMK's labor practices requirements was sought and built up from a wide range of stakeholder interviews, as well as desk research.

Verité notes high levels of cooperation, transparency, and assistance afforded by staff of both PMI and PMK during preparation of this report. Verité further notes the willingness of HRW and LCF to share information and to support the work of the Verité team.

2. Methodology and Scope of the Verité Investigation

Verité teams visited Kazakhstan in August 2010 and December 2010, and visited Kyrgyzstan in March 2011 to independently verify adherence to PMK Labor Practice Requirements (as contained in the GAP) related to child labor, forced labor, the situation of migrant workers, and health and safety conditions on tobacco farms in Kazakhstan. Interviews focused on three main stakeholder groupings:

- farm owners and workers;²
- PMK management and field staff;
- government and civil society stakeholders.

The Verité team consisted of four senior level Lead Assessors from our global network supported by five Kazakhstan assessment team members. The teams undertook interviews and field work in Almaty (city), Almaty Oblast, Dzhambul Region, Taraz (city), Chilik (town), Esik (town), and in all of the villages growing tobacco for sale to PMK. The teams used specially developed interview tools and cross referenced methodologies and results with other reports and data from,

²For simplicity, we refer throughout the report to farmers, farm, or land owners. Technically, farmers lease the land from the local Akimats (local authorities).

interalia, HRW, the Government of Kazakhstan, the LCF, PMK GAP reports, and International Human Rights reports.

a. Farms Visited

The Verité teams visited a representative sample of 65 total farms during the visit of August 2010. The teams visited farms in all 28 villages from which PMK contracts with farmers for tobacco, covering 30 percent of total contracted farms.³ In 70 percent of the villages visited, the teams covered at least half of the individual farms in the village. In the remaining 30 percent of villages, the teams visited an average of 29 percent of the contracted farms in those villages. The teams also found and visited 10 farms that were growing tobacco and did not have a contract with PMK (non-contracted farms). During a second visit in December 2010, a total of 21 contracted farms and 7 non-contracted farms were visited.

b. Farm Interviews

During the first visit of August 2010, Verité teams surveyed 49 farms with workers, 16 farms without workers (family farms), and 9 of the 10 non-contracted farms. A total of 153 workers were interviewed. The Verité team documented 10 non-contract farms and spoke to both farm owners and workers. The Verité team found and interviewed farm workers with and without employment contracts working full time on tobacco farms, and also laborers engaged in casual work or piece work. Most workers interviewed were from Kyrgyzstan (81 percent). Only a small percentage of workers interviewed were local Kazakh workers (10 workers) or Uzbeks (7 workers).

³ During the August 2010 visit, PMK provided the Verité team with a list of 371 contracted farms that were to grow tobacco for PMK that season. As noted to the team by PMK after the 2010 season, the number of farms from which PMK actually purchased tobacco was 294.

Verité also visited and interviewed summer camp staff and 32 migrant farm workers' children (8 percent) of the 397 children attending camps sponsored by PMK during their vacation period.

During the Verité team's second visit in December 2010, 21 contracted farms and 7 non-contracted farms were visited, in addition to the farms visited during the first visit. Seven worker surveys were also conducted in December 2010. During the third visit of March 2011 to Kyrgyzstan, a total of 20 tobacco farm workers who had returned from working in Kazakhstan were interviewed.

c. Stakeholder Interviews

Verité teams held interviews and discussions with more than 25 stakeholders representing the perspectives of governments (Kazakh, Kyrgyz, and USA), international and local non-governmental organizations, civil society, and research and educational institutions in Kazakhstan and Kyrgyzstan on the local situation, labor issues, and related initiatives within Kazakhstan and the surrounding region as a whole. Verité teams also held interviews with 14 PMK staff in both Almaty and the Chilik buying center to understand their challenges and views on implementing the GAP labor practices.

d. Report Structure

Sections B and C provide background on tobacco growing in Kazakhstan and the relevant legal framework.

The main body of the report is Section D. Verité Observations and Findings, with summary data to offer the reader a clear narrative. The report concludes with Section E on Recommendations.

3. Findings

Through the 2010 tobacco growing season, PMK considerably deepened and expanded its activities to include many new measures to improve its understanding of the working and living conditions of tobacco farm workers, particularly migrant workers, and to directly tackle a range of labor violations and prevent their re-occurrence in PMK's supply chain.

Some of the interventions were developed in direct consultation with HRW and local stakeholders; others were designed and initiated by PMK. Many have had a prompt and positive impact, for example: the support for an anonymous 'hotline' for workers run by LCF to obtain legal and other advice, PMK housing inspections and support to farmers to upgrade facilities for workers, and PMK's direct support through the 'Road to School' program for school enrollment of migrant workers' children.

Other efforts, for example, lobbying on migrant worker conditions⁴ for agricultural labor in Almaty Oblast and access to education for migrant children, have not yielded changes in the legislative framework *per se*, but have enabled PMK to understand more deeply the environment in which problems are arising and to generate approaches to remediation.

Some initiatives undertaken by PMK in 2010 produced more mixed results in their first year due mostly to the complexity of the challenges they were designed to tackle and, sometimes, the speed at which they were designed and undertaken. These too have served as important learning experiences.

⁴ PMK advised Verité that the quota for agricultural workers in Almaty region was increased by 30% following their lobby efforts, as described in the *Resolution of the Roundtable of Stakeholders* of August 2010.

For example, the summer camps initiative was greatly appreciated as an unprecedented opportunity and enriching experience by both the children and the parents of the children who attended. However, the camps could only accept 15-year-olds and under, so minors under the age of 18 (who under Kazakh labor law are prohibited from any work on tobacco farms) often remained on the farms during the vacation period.

Similarly, while there was a dramatic shift towards workers receiving written employment contracts in 2010, there is still more work to be done to ensure that the content of these agreements can, while aligning with Kazakh labor law, reflect more closely the best aspects of the traditional revenue sharing arrangements that are the mutually accepted norm throughout the farms surveyed.

Labor rights abuses documented on tobacco farms in the Almaty region in 2009 by HRW and the commitments made by PMK in response to HRW's report provided an important focus for the Verité teams' field work, and this report presents a systematic analysis of all of these. The data and interviews collected aim to show, wherever possible, both the incidence and the drivers behind any labor violations identified. The key findings of Verité's report are presented here.

a. Child Labor

There is a low level of awareness that the law of Kazakhstan states that minors under 18 may not work on the farm, representing as it does such an abrupt departure from the common practices under the former Soviet regime, which co-opted everybody to work on tobacco during the peak season. Since that period, a decline in the overall numbers of children present, near, or helping on farms was consistently reported in all areas surveyed which indicates that traditions are changing, and the farm demographics reinforce this. Nearly one-third of


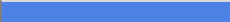

contracted farms have no minors living on them. Formal training on child labor and other issues, the specification of child labor requirement in PMK leaf buying agreements, and ongoing dialogue with agronomists who visit farms regularly, has achieved virtually full awareness of PMK's prohibition on child labor.

However, in an agrarian setting like Almaty and Dzhambul regions, children, both local and migrant, are still sometimes expected to help their parents in some tobacco growing tasks and also to do other tasks on the farm (e.g. growing food for the family). The Verité teams found no evidence of recruitment of minors and no evidence of the worst forms of child labor.

The farm worker interviews, farm visit observations, and local stakeholder interviews indicate that some of the young or school aged children living on the farms work regularly or exclusively on tobacco, but that a majority do not.

Workers were asked if they were aware of any workers under the age of 18 working on the farm at which they work or on any other farm. Workers' responses are detailed in the table below:

Table 1: Awareness of Workers under the Age of 18 on any Farm

Answer		Response	%
Yes		9	11%
No		40	48%
Don't Know		34	41%

Further, workers were asked if their own children work on the tobacco farm. Among workers that responded that their children do work, 6 responded that their children are under the age of 18 and work on the farm. Older children, Kazakh or migrant, are more likely to be involved in work on the farm, although not just on

tobacco. Work by minors (between the ages of 15-18) is considered formative and important by their parents. From the data and interviews assessed, it was clear that some of the children living on the farms assisted their parents in tobacco harvesting and stringing. Workers described a variety of tasks that their children perform. Some were assigned to non-tobacco related tasks to allow their parents to work in the tobacco fields longer, as farmers and parents became more aware of the prohibition of children under 18 working on tobacco. Other examples are that one worker stated that children are involved in planting and harvesting, while two others reported that children are involved in “all work” on the farm.

In total numbers, there were considerably more Kazakh children than migrant children living on tobacco farms in 2010. Yet, while there were cases of Kazakh child labor violations detected by PMK unannounced audits and also during Verité team visits to farms, there is a lower overall risk for this group of approximately 488⁵ children, as there are more options for Kazakhs than migrant workers to find alternatives for their children. Kazakh farm owners interviewed during peak season in late August (the vacation period) were more likely to report that their children were away from the area staying with relatives or being cared for by grandparents.

Migrant workers’ children (estimated at approximately 240 in the 2010 season) are the most likely to be present on the farm during their stay in Kazakhstan and are often expected by their parents to assist in some way on the farm, although not only on tobacco. More than half of all migrant children are of school age, making the continued pursuit of school enrollment a strong mitigation strategy for this particularly ‘at risk’ group. Around 40 percent of the children of migrant tobacco workers in Kazakhstan in 2010 were pre-school aged. Workers interviewed often use the basic, and entirely reasonable, argument that their very

⁵ Estimated to be 323 school aged and 165 under school age children.

young children have to be supervised and remain nearby, i.e. around the farm, curing barns, and fields. Encouragingly, the Verité teams noted many evolving strategies being used by farmers and workers to keep young children off the farms. For example, on one farm, migrant workers interviewed had brought an older relative specifically to care for the children in 2010. On another farm, during the day, the Kazakh farmer's parents cared for both their own grandchildren and the migrant workers' children at the house. These ideas could be used to inform approaches to directly support some farms where there are young children, and which appeared to be less organized or well resourced to tackle the challenges of protecting this vulnerable group.

Finally, school enrollment does not tackle the challenge of work by 15-18-year-olds. All work on tobacco in Kazakhstan by this age-group is considered hazardous work, and there is also no provision within Kazakh labor law for non-hazardous or 'light work' in agriculture which rules out work by minors not only on tobacco, but other crops such as market gardens. Looking beyond the current situation, a provision that defines what is and is not hazardous work for minors on farms, if forthcoming in the future, would at least provide an environment to enable those Kazakh and Kyrgyz minors who are over 15 but still under the current legal working age of 18, to work safely with their parents on their farms. Parents currently lack a specific framework in which to plan their older children's contributions.

While PMK's unannounced farm visits are able, to a certain extent, to identify whether children are engaged in tobacco farming activities, we believe that, in line with best practice, PMK needs to build up the capacity of the individual agronomists and the wider range of PMK staff who make visits to farms to identify children found on farms with their parents who are or may be in actual physical danger or at risk, and provide, directly or indirectly through local partnerships, prompt and expert support to contribute to ensuring the child's wellbeing.

Finally, it is important for PMK to continue to document the ages and identities of migrant children arriving on the tobacco farms, and PMK and farmers should encourage migrant workers to register their children at the border. The general lack of documentation of adults and children represents an ongoing challenge in the area of monitoring for both Child Labor and Worst Forms of Child Labor (WFCL). Verité stresses that during the interviews and farm visits, the teams encountered no cases of children being present in Kazakhstan in the company of adults to whom they are not related. However, until there is clearer identification of the relationships between children and adults, phenomena such as trafficking cannot yet be ruled out across farms with migrant children present during the season. Investing further in documentation and registration at the border will also facilitate efforts to enroll migrant children in school, where this is permitted by the local authorities.

b. Migrant Workers in Kazakhstan

Few Kazakhs now work on tobacco, so the demand for skilled migrant labor is high and raises farmers' willingness to overcome many bureaucratic hurdles for 'good workers.' On more than half of the farms visited, the migrants interviewed had come continuously for 5 years or more to work on a farm and have a long-term working relationship with the land owner. One-third of migrant workers interviewed have been coming to work on tobacco in this area of Kazakhstan for more than 10 years. A small percentage of 'first timers' in Kazakhstan tobacco production were interviewed (12 percent). Many smaller farms do not need or want to employ migrant workers, even less so now that, with or without work permits, migrants are subject to growing scrutiny, threat of deportation, and extortion (bribes) by Kazakh officials.

A significant number of migrants come to Kazakhstan to farm tobacco without identity papers (around one-third of migrant workers in 2010). Without identification they cannot obtain a work permit, and are more exposed to harassment and threats of or actual denunciations to the Migration Police⁶ and other officials resulting in deportation. However, the status of migrants is full of ambiguities in Kazakhstan, even where provision under the law is made for their temporary residence. By way of illustration, paradoxically, among the deportations experienced by a few tobacco migrants in 2010, the largest single group of workers deported had actually registered and obtained permits.

c. Minimum Wage, Work Hours vs. Revenue Sharing

PMK's efforts to support farmers to formalize employment arrangements between farmers and workers were extensive over the harvest season. As a result, 87 percent of farmers interviewed had signed employment agreements with workers in 2010.

For 85 percent of the workers interviewed, tobacco production represents their main economic activity, occupying more than 9 months of the year. Most migrant workers are clear about the total they were paid relative to the exact amount earned by farmers from sales of tobacco to PMK. Verité observed that misunderstandings and disputes do occur, given the rudimentary or nonexistent book-keeping systems and the lack of written receipts or pay slips. Mediation by the LCF in a number of these cases proved very effective. Interviews with workers in December and March established that most workers earned more than the equivalent of the minimum wage. The Verité team was unable to build up a clear picture of how casual and piece workers are contracted and paid, but, while we

⁶The Migration Police are part of the Ministry of Interior and have responsibility for monitoring illegal migrants working and living in Kazakhstan.

are unable to offer a quantitative assessment, we consider that these workers represent a small percentage of the overall farm labor force. Three workers reported that they are paid “daily,” while one farmer reported paying piece wages and another reported paying an hourly rate.

All farmers and workers interviewed agree on a revenue sharing deal at the beginning of the harvest each year. The ‘deal’ found on most interviewed farms was 50:50 in 2010. Other variations were 60:40 (worker 60, farmer 40), and even in a very few cases, the workers were due to receive 80 to the farmer’s 20. The split or deal applies to the share the farmer and worker will receive of the proceeds from the final sale. Most migrant families operate as autonomous teams setting their own hours and division of labor and pay, so many of the legal provisions in an employment contract are not directly relevant. The employer-employee relationship described in contracts between farmers and workers does not yet reflect the relationships and sets of *quid-pro-quo* arrangements between farmer and workers on most farms.

Verité teams looked closely at financial outcomes to establish not only what workers had earned in 2010, but what lay behind some of the less successful farms where workers did not earn the equivalent of the minimum wage over the season. Agronomic issues such as the level of experience of the workers and productivity are among the key variables. This represents an area that PMK is well equipped to monitor, and timely interventions will go far to prevent workers earning below the minimum wage or falling into debt for these reasons.

Very few farm owners actually determine the work hours of the migrants who work on their farms. Most workers set their own work times and are working towards a production target, and they stand to gain directly if they can exceed this. Since Kazakh law stipulates a maximum of 36 regular hours per week, even for

agriculture, migrant workers often reported working more than this in intensive periods of the crop cycle and far less than this when work had to be suspended for safety reasons, e.g. during rains, or during quieter periods of the crop calendar. Hours worked varied, but more than half of workers interviewed (68 percent) reported working more than 8 hours per day during peak season. Eight of these workers reported working 10-12 hours per day during peak, and 15 stated they work twelve or more hours. Two workers (among those stating they work more than 8 hours) reported working a maximum of 15-20 total hours per day. The average work hours are divided into early hours of the day on the farm, late afternoon, and then evenings for stringing tobacco.

d. Fair Treatment

Workers interviewed did not testify to any abuse or harassment by farm owners. None was witnessed by the Verité teams. Verité also did not witness unequal treatment between local and migrant workers by farmers. In fact, in many cases farmers have supported workers to cope with harassment by the authorities, such as visits from the Migration Police. The independent and confidential LCF hotline, supported by PMK, has also dealt with a wide range of requests for assistance and information and provides a welcome outlet for situations where workers have questions or need to solve a problem. Farmers have also resorted to the hotline for assistance. No physical abuse was reported via the hotline or in interviews with workers.

e. Forced Labor

Verité teams did not identify clear cases of forced labor. Workers categorically denied that they were unable to leave their job or were employed against their will. However, there was a substantial number of cases (between 25 and 30%), where passport retention by the farmer still occurs, which is generally a 'red flag'

in terms of migrant workers being exposed to the risk of forced labor. Verité's investigation of all retention cases revealed that most workers still had access to their passports, and all workers stated they had handed over their documents voluntarily. Through further checks on all cases of concern at the end of the season, Verité teams were reasonably satisfied that passport retention had not been used by farmers as a means of coercion vis-à-vis workers.

Verité also notes that crossing the border between Kazakhstan and Kyrgyzstan without ID is feasible for migrants (with or without a passport a migrant is likely to have to pay an appropriate cash bribe). This, plus the availability from the Kyrgyz consulate, for a small fee, of a 'spravka' or pass, in the case of passport loss, means that retention is not as determining a factor in forced labor in Kazakhstan as is often the case for migrant workers elsewhere. Nonetheless, the practice of farmers keeping their workers' passports remains a very serious issue which PMK will need to closely monitor in the next season.

With respect to debt induced forced labor, the data revealed only a small number of cases where workers ended up owing money to the farmer. These cases were investigated by Verité teams and although at least two were situations of concern, neither were per se attributable to bad faith, manipulation, or deception on the part of the farm owner. As already noted, some migrant families experienced poor financial outcomes, which can increase the risk of having to carry over debt to the next season and will therefore require ongoing monitoring (please see Section D, Observations and Findings – Migrant Labor, Subsection 8-d for more details).

f. Environmental Health and Safety

The Verité teams' findings indicate that there is a broad awareness and practical observance of GAP guidelines regarding safety on the farm through training and on-farm supervision by PMK agronomists. Farmers and workers interviewed by

Verité report that the application of inputs such as fertilizers and crop protection agents (CPAs) or pesticides is often supervised by or undertaken by PMK agronomists.

Verité teams report that many workers had folders including information on PMK policies, and that CPA, GTS, and other health and safety guidelines were publicly posted at some of the farms. It was further reported that climate and agronomic conditions had meant that there had been little need to apply CPAs in 2010.

Verité team reports and survey data suggest that there were no significant medical issues uncovered in the research. There were no reported accidents and no reported cases of GTS or heat stroke, although some workers did report feeling dizzy at times because of the heat.

g. Living Conditions

Many farmers and workers interviewed share the same facilities and live in the same compound. The Verité teams observed diverse communal living arrangements between farmers and workers. Examples include: day-time child care by the landowners' older relatives of workers' children; shared cooking and bathing facilities (steam bath houses); or occupation of a shared dwelling. A large majority of contracted farmers interviewed were in compliance with PMK's basic social requirements for workers regarding conditions and accommodation. Interviewed farmers had nearly all made demonstrable investments to improve their workers' living conditions. Where they had not, they received direct assistance from PMK in 2010.⁷ Migrant workers remaining for the winter who

⁷For example, PMK delivered and adapted 9 basic housing structures made of metal with doors and windows (approximately 1,160 cubic ft.) to be used as temporary accommodation for migrant families for a small fee to some farmers, and provided 28- 30 wooden outhouses to replace cardboard boxes in the fields.

were interviewed in December were all housed in suitable accommodations with 1 exception, where two migrant families were occupying housing unsuited for year-round living provided by the farm owner.

Verité team findings broadly suggest contextually reasonable living conditions, with access to water and sanitary facilities in the field and close to housing. Ninety-eight percent of workers reported having free access to drinking water while working, and 93 percent of workers reported having access to sanitary facilities while working.

Verité team observations during the season and the financial reviews at the end of the season indicate that workers were not required to pay for any of their basic amenities such as housing, water, and sanitation facilities.

4. PMK and Farmers

Most farmers trust and acknowledge PMK as a reliable buyer and appreciate efforts of the designated agronomist. The presence of 'social clauses' within the leaf purchasing agreements, including those which were introduced in the 2010 season in accordance with PMK's commitment vis-à-vis HRW, is accepted by most tobacco farmers, however, the implementation is left to the discretion of each farmer, and so is uneven. Farmers would benefit from more precise guidance on what is expected of them in terms of adherence to these requirements. Farmers with other business opportunities, or farmers who are ageing, may not continue to invest in improvements on their farms without direct support, or more clarity on PMK's leaf purchasing intentions for the future.

5. GAP

The work of the PMK team to implement the GAP standards with regard to social conditions, child labor, and forced labor has intensified this past year with training for both farmers and workers on PMK's expectations and standards, and support for a local NGO partner (LCF) providing services for migrant workers via advisory services and the confidential hotline. PMK staff have innovated and adapted, and gained new skills in 2010. To progress the labor practice agenda, all operational staff would, however, benefit from more in-depth orientation and training going forward, as work on labor practices and interactions with farmers and workers on these topics requires quite different skills sets, e.g. communication.

The following findings of the Verité teams had not been noted internally by PMK through their own systems, or, where they had been noted, the conclusions and perceptions of Verité differ from those of PMK, most notably:

a. Non Contracted Farming

The Verité teams found a number of *bezkontraktniki* i.e. farmers growing tobacco without a formal leaf purchasing agreement with PMK. The tobacco from these farms – given the absence of any other buyers – can be expected to end up in PMK's supply chain. Although the phenomenon is known to PMK, this issue was not reported as part of GAP despite its threat to product integrity and traceability – both of which are GAP standards.

Verité considers that non-contracted farms represent a considerable risk to PMK and the workers on the farms. They are potentially undermining the progress being made on contracted farms because what happens on these farms is not monitored and no remediation or corrective action is possible. Finally, with regard to workers earning the minimum wage, non-contracted farmers and workers earn

considerably less money, as they must sell through contract farmer ‘middlemen’ who take their cut.

b. Dzhambul Region

Dzhambul Region is situated at approximately 600 km from the PMK Buying Center in Almaty Oblast and has 9 farms, employing a total of 100 migrant workers (out of a total of 301 contracted farms with a total of 1,187 workers). There are substantive differences in the Verité teams’ findings from 2 visits to this growing region when compared with the PMK perceptions of the situation and practices there. The differences are presented in detail in the report, where the data has been disaggregated for this region to fully illustrate the divergence. Serious noncompliant conditions and risks for PMK exist in Dzhambul Region, with problems identified on each farm visited.

6. *Supply Chain*

Since PMK began operating in Kazakhstan in 1995, the number of active, registered tobacco farmers supplying PMK has fallen from, initially, 158, and a peak of 4,677 in 2001, to ultimately 294 in 2010, with corresponding declines in volumes.

The GAP requires there to be written contracts, known as leaf purchasing agreements, between PMK and farmers. PMK contracts directly and exclusively with farmers/farm owners, as per Kazakh law and receives (buys) tobacco only from contracted farmers at the PMK buying station. Eighty-nine percent of farmers surveyed stated that they had a signed leaf purchasing agreement with PMK in 2010, while the remaining 11 percent were operating without an agreement and were selling their tobacco to PMK via intermediaries.

The 2010 PMK leaf purchasing agreement specifies terms and a number of standard contractual obligations. In 2010, both farmers and key workers were present at the signing of the agreements in an important innovation which gives workers more visibility. On the whole, farmers and workers found the terms and conditions clear.

The 2010 agreements outlined a number of social requirements that farmers must adhere to:

- the law in regard to forced labor, child labor in tobacco (minimum age of 18), safe and hygienic working conditions, and minimum standard living conditions;
- no discrimination against migrant workers (providing migrant workers with the same labor conditions as local workers and facilitating registration for work permits);
- the manufacturer's guidelines for safe use and storage of fertilizers and CPAs, and how to avoid and respond to symptoms of GTS.

The timing of contracting varies. In 2010, the Verité teams witnessed leaf purchasing agreements dated as late as September and October. There are clearly considerable challenges in aligning the signing of the leaf purchase agreement with PMK and finalizing employment agreements with a sufficient number of workers to implement the PMK contract. Although workers arrive and start to work as early as March/April, in practice, agronomists and PMK often do not sign leaf purchasing agreements until the tobacco is already in the ground. We understand that for the 2011 season, PMK intends to sign the leaf purchasing agreements starting in April.

The most significant implication for migrant workers of the problems of synchronizing the Agro Calendar and the contracting procedure is that no workers can obtain a work permit to grow tobacco that season without the farmer

demonstrating that he/she has a purchase contract. However, this remains a timing problem for all parties: the overall cycle of quota allocation, application on the one hand, and leaf purchasing agreements and farm preparations on the other, are not compatible. In short, to synchronize both would mean the contracting process for the following season would have to commence even before the conclusion of the prior one. Even without a signed purchase agreement, there may be other documentation, such as a letter of intent, that could be provided to assist farmers commencing the permit procedure in a more timely way.

7. Social Initiatives

Enrollment of children into school has been a priority for PMK and its partners, and enrollment has been growing. But it is a complex process subject to the conflicting mandates of different government agencies who are balancing two incompatible principles: 1) a child's universal right to education and 2) temporary residency does not give an entitlement to send children to school. Sometimes, these efforts also run up against the unwillingness of parents to let their children attend because they still want their children to help them around the farm.

PMK supported 397 children to attend summer camp in 2010, in an initiative which built on lessons from an earlier pilot with the Eurasia Foundation in 2007. PMK also sponsored a "Road to School" for 141 migrant children from the tobacco farms to help them start a new academic year in September 2010, with the local NGO Karlygash as implementing partner for these two child labor prevention programs. As noted in the Child Labor section, school enrollment and the availability of alternative activities for children, particularly during the peak season, act to mitigate exposure of children to child labor, although this cannot yet be statistically demonstrated.

The LCF was supported by PMK to offer legal services and support to workers. This effort has been beneficial to both workers and farmers and provided important learning from its frontline social interactions and anonymous 'hotline' for problem solving. Taking lessons learned from this pilot can only improve the effectiveness and impact of the initiative going forward.

8. Stakeholders

Interviews with a variety of stakeholders revealed different levels of awareness of PMK's investment and efforts to progressively eliminate child labor and other labor abuses in the supply chain. In many cases, this depended on the interaction that the individual stakeholders have had in the past with PMK. This included local authorities (Akimats), and NGOs whose support and cooperation are vital to expand interest and share the responsibility to develop alternatives to child labor for children in the villages.

Some expressed interest in working with PMK, either on specific projects or in a less defined way. But some were cautious and needed time to build a relationship with PMK before they could support their work or see themselves working with PMK. As for the NGOs and government officials that worked closely with PMK, they had developed good working arrangements with a high level of openness and trust.

Organizations directly involved in labor rights work were more familiar and were appreciative that PMK had entered the arena with a range of activities from advocacy, education, projects, and farm level support. There will be a growing number of opportunities for PMK to find strategic allies and partners in Kazakhstan for work on child labor, migrant labor, and agricultural labor rights. Verité incorporated their perspectives when preparing the recommendations in this report for PMK/PMI.

9. Positioning for Future Compliance with the ALP Code⁸

Among the PMK team, there is a heightened awareness of the complex and varied situations prevailing on the farms and some of the root causes of labor violations. Anomalies or cases of concern are being swiftly brought to PMK management's attention. In 2010, PMK built up a detailed picture of the farms from which it purchases tobacco. It has a fuller analysis of the circumstances of workers during the season, as well as those opting not to return to Kyrgyzstan at the end of the 2010 season, than was possible previously. PMK is now well positioned to move forward to implement the ALP program and achieve systematic and continuous improvement on those farms whose practices are not yet in full alignment with the principles and standards of the ALP Code.

10. Summing Up

Kazakh farmers active in growing tobacco are dependent on skilled migrants to grow tobacco successfully. A steady decline in production is mostly due to external factors: the ageing demographics of tobacco farmers, the lowered market demand for the type of tobacco grown in Kazakhstan, and the growth in other economic opportunities (both agricultural and non-agricultural) in Kazakhstan.

Many farmers interviewed by the Verité team, however, find PMK to be a values-led company providing a stable economic opportunity. Both farmers and workers interviewed appreciate the secure market PMK offers, the transparent pricing, and comprehensible buying center system. These are the best starting points for a comprehensive strategy.

⁸ PMI's Agricultural Labor Practices (ALP) Code is being introduced as a part of GAP in the later part of 2011.

There are some commonalities across all the farms visited, and the farmers and workers interviewed, with respect to labor practices. The profiles of farmers who work actively, with family members or migrant workers on their own farms, are quite homogenous. These make meaningful and encompassing social programs and initiatives easier to develop, and learning can be applied widely across the farms supplying tobacco to PMK.

Then there are two 'types' of 'inactive' farmers, or those who sign leaf purchasing agreements with PMK but who rarely, if ever, work on the tobacco farm themselves.

First are those more or less absentee landlords who are busy with other commercial interests and who hire migrants to run the farm virtually autonomously for them. In some of these cases, there is room for measurable improvements in facilities and financial arrangements (the 'deal').

Second are farms where older farmers without descendants or relatives able or willing to work on the farm wish not to lose the tobacco growing contract, and are therefore hiring a few migrant workers and a manager to supervise the workers (who are often, but not only, Kazakh). This full delegation to supervisors coupled with the lack of oversight makes this second group a higher risk category.

In an attempt to represent the majority of cases without the owner managing the farms, it should be noted that these management arrangements are not always the same. For example, some of the older farmers may have an arrangement with migrant workers to manage their hectares, while other absentee landlords might have local managers.

We can say with confidence that in the Almaty Oblast, there is a high awareness of PMK's 'rules,' and by far the majority of those who are continuing in tobacco

have demonstrated commitment to meet the requirements being set out and are willing to continue to 'upgrade' their farms. Work is needed to assist farmers and workers to accelerate the processes started in 2010 in Dzhambul Region. Many of the migrant workers on the tobacco farms were in Kazakhstan legally this year.

Documentation is improving, but there is still further work needed, e.g. on payment breakdowns and accounting for expenses. One can expect to see a reduction in the number of unregistered workers in 2011, assuming there is sufficient quota for work permits, and, more importantly, the means to access them. Farm owners, themselves, are now pushing for this, with several direct reports from farmers to the effect that they told workers they would not be welcome back in 2011 without documentation to enable registration.

A greater number of legally registered workers should, in turn, lead to higher levels of school enrollment of children present in Kazakhstan with their migrant families, subject to no further change in public position vis-à-vis migrants' rights to an education.

Nevertheless, the legal status of migrant workers in Kazakhstan was mentioned in interviews with the Verité team by farmers, workers, PMK staff, and stakeholders as an overriding concern. Migrants and their families remain vulnerable.

Specifically, we note PMK management's awareness and sensitivity as to how a migrant worker's legal status can impact his or her vulnerability, in particular concerning the risk of deportation, which can have repercussions for the income of both workers and farmers.

2010 witnessed a drive to make agreements between farmers and workers more formal through the use of written agreements. Workers interviewed who have been coming to the same tobacco farm (or to Kazakhstan) for some years have developed fairly comprehensive 'compacts' with the farm owners for whom they

work. We doubt whether workers feel the contracts give them any more rights than they had previously earned through long-term relationships and good performance. Labor shortages and dependence on experienced and trusted workers may have begun to shift the balance in favor of workers in terms of their agreements and overall treatment by farmers in Kazakhstan.

The larger picture is of farmers and workers operating under carefully structured sets of 'give-and-take' arrangements: use of land to grow food; opportunity to grow and sell other crops for sale in the local market; freedom to work for others, shared facilities (bath houses, cookers, washing machines, fridges, and household equipment); and so on. Where workers and farmers were interviewed together, the field teams frequently witnessed in detail the interactions between them, and the deference to workers by farmers with respect to many of the operating details of the farm, for example cost/scale of input use in 2010, final grades achieved, etc. The longevity of the relationships – i.e. the return each year of many of the families interviewed - is also testimony to the nature of the social 'compact' rather than a contract between the parties and what underlies the treatment of workers.

Financially, some migrant families do well. Some earn far more than the minimum wage and show signs of capital accumulation. They need no advances or deductions and they own their own vehicles to travel to and from Kazakhstan. However, other families are less experienced and do not fare as well. Some do not have valid documentation or farmers willing to go through the due process of registration with them. These workers are vulnerable at all times. For some working families, their involvement in tobacco is the story of varying fortunes and declines triggered by poor yields or family or personal problems. Verité teams certainly encountered some less socially responsible and sometimes harsh land owners and employers. Also, it needs to be noted that hard working families who

grow tobacco for sale as *bezkontraktniki*, stand to make even less in often, but not always, worse conditions.

Going forward, PMK needs to find approaches that are more participatory and less top-down. The new types of requirements and stricter contracting terms make information sharing, discussion, and joint planning with farmers essential for PMK to be able to pursue the full ALP agenda in the remaining farms, and, whatever the level of purchases, for PMI/PMK to be working with well run farms, and well remunerated farmers and workers. Expectations for ‘interaction’ and a ‘relationship’ with PMK are very high after the many visits and assessments in 2010. Our interviews indicate that constructive dialogue is both possible and would be welcomed by both lead farmers, and by many experienced and responsible migrant and local workers. The planned 2011 farmer and worker focus groups could provide an excellent opportunity to develop this approach and the in-house skills needed to sustain such dialogues through the implementation of the ALP program in 2011/2012.

B. Tobacco Growing in Kazakhstan

1. Transition in Economic Systems and Decline in Tobacco Growing

Under the former Soviet centralized economic system, Kazakhstan's Almaty and Dzhambul were designated tobacco growing regions (*Oblast*). Large collective farms (*Sovkhoz*) were dedicated to growing tobacco for consumption in the Republics of the Soviet Union, and production was large-scale and largely mechanized. The collective farms played a dominant role in local life for community members of all ages who were obligated to support production during peak harvesting and stringing seasons.⁹

Since 1991, when Kazakhstan became independent, the number of hectares under tobacco cultivation has sharply and continuously declined.

The organization of production has shifted from hierarchical 'mass' collective farms to small, individually managed parcels or strips, which are leased by farmers from the local government authorities, the Akimat. Leases run typically for 49 years.¹⁰ These individually operated, smaller, family-run farms constituted the main type of farm encountered by Verité during the visits.

Since PMK began operating in Kazakhstan in 1995, the number of active, registered tobacco farmers supplying PMK has fallen from initially 158 and a peak

⁹The practice still continues in the region. For example: "The [Uzbek] government is mandating that teachers shut down their classes and force children to meet government-imposed cotton production quotas. For example, mothers with young children are being compelled to pick cotton in Kokand, a student at Guliston University was expelled for being absent from the cotton harvest, and young school children in Bekabad are picking cotton despite their complaints that the practice violates child labor laws." Source: ILRF October 5, 2010.

¹⁰Tobacco farmers in Kazakhstan are technically not 'land owners' or 'farm owners' as they lease their land from the state. However, for greater clarity on these lessees' role/status relative to farm workers or tenant farmers, they are referred to as 'owners' rather than 'lessees' in the text.

of 4,677 in 2001, to 294 in 2010, with corresponding declines in volumes.¹¹ (See *Table 2* below.)

Table 2: Decreasing Tobacco Growing in Kazakhstan¹²

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Farmer's contracts	28	158	914	2,706	7,500	3,800	4,380	4,677	4,662	4,600
Tonnes of tobacco	1,666	1,290	1,688	3,820	11,050	5,500	10,420	10,268	9,398	7,762
	2004	2005	2006	2007	2008	2009	Was Projected 2010	2010 Actual	Projected 2011	LRP 2012
Farmer's contracts	4,039	2,568	2,267	1,673	706	519	371	294	200	150
Tonnes of tobacco	7,768	8,398	8,352	4,687	2,129	1,735	1,214	861	500	300

a. Labor Shortages¹³

Although the government of Kazakhstan has declared agriculture as a strategic national priority – for employment and food security – tobacco does not feature on its list of priority crops for any direct or indirect support, in contrast to a number of other cash crops such as soya, which are being grown in expanding quantities. A shortage of farm labor has apparently made farming more difficult, and is a significant factor in the decline of tobacco growing, since tobacco takes more manual labor than other crops grown in Almaty Oblast.¹⁴ This has resulted in the need among farmers to employ migrant labor.

¹¹ Source: PMK

¹² Source: PMK

¹³ Profile is drawn from PMK data and interviews in Almaty Region with the Department of Agriculture.

¹⁴ Government policy has also been a contributing factor in tobacco's decline. There are 92,000 hectares of agricultural land under cultivation in the Almaty district. This is an increase from 82,000 at the time of independence. There used to be 6,000 hectares in tobacco, and in 2010 this figure was 700. Of the 92,000 hectares there are: 5,000 in potatoes, grapes, and forage; 20,000 in maize; 8,500 soya; 16,000 wheat;

The labor shortage is the result of several intersecting trends:

- Population density in Kazakhstan is less than six people per square kilometer (or 15 per square mile). Many rural areas have experienced population decreases since the Soviet era, with the subsequent collapse of state enterprises and collective farms.¹⁵
- Many Kazakhs have left rural regions for new, emerging sectors, such as oil and gas, or construction, in urban centers.
- Even compared to other rural agricultural sectors, tobacco farming appears to be particularly vulnerable to labor shortages. Tobacco growing is a skilled enterprise and requires experience to achieve the higher, better remunerated tobacco grades and break-even productivity.
- While PMK offers a guaranteed purchase price (indexed to inflation), Verité discussions with farmers and other stakeholders revealed a perception that tobacco is not as rewarding as other cash crops (or working in construction) because of pricing, a lack of incentives, and increasing social, as well as agronomic, requirements.¹⁶

Below is a table illustrating the average purchase price that PMK paid for tobacco over the last 6 crops. PMK informed Verité that they determine the price using a

8,000 barley; 6,000 vegetables; and 700 tobacco. According to the government of Kazakhstan, farming across the country occupies approximately 220 million hectares, or around 74% of the nation's total land area. The majority is used for pastures (186 million hectares), while 17% (2.3 million hectares out of roughly 13.5 million hectares used for crop growing) of the land is used for high value cash crops such as tobacco and sugar beets (figures summarized from information provided by the Embassy of Kazakhstan to the United States and Canada).

¹⁵For example, Nurly was evidently a relatively large town supported by a large, collective multi-purpose manufacturing enterprise and agricultural collectives operating in the well irrigated plains surrounding the village. Now the number of houses actually occupied appears to be a mere fraction of the previous level, with much of the town dwellings and infrastructure abandoned and crumbling. Only one tobacco farmer remains active.

¹⁶ Source PMK

costing model that includes the previous year's price, inflation, and an approach that supports the farmer and ensures productivity and quality of green tobacco.

Table 3: PMK Purchase Prices by Year

Tobacco Crop Year	PMK Purchase Price per Kg. (in KZT)
2005	131.05
2006	151.54
2007	157.27
2008	184.91
2009	209.25
2010	214.60

Note: The price is the average of all grades of tobacco purchased by PMK

b. Market Demand

From PMK, Verité understands that the flavor profile of locally grown tobacco does not meet the profile for the leading PMK brands. PMK imports the leaf tobacco needed for mainstream cigarette production. The wide consumption of coarser tobacco in low priced, filter-less cigarettes (called '*papirosi*') in the Soviet era has declined in favor of premium brands. As there are no other significant buyers stimulating investment or interest in growing tobacco, PMK has become virtually the sole purchaser of Kazakh tobacco.

In general, a convergence of trends does not favor continued tobacco production in Kazakhstan. Reviewing the situation today in the remaining tobacco growing villages, the picture is one of continuing, gradual decline. PMK's projections for 2011 and 2012 confirm this. Although PMK's terms and conditions offer farmers security through a guaranteed purchase price and annual price increases in line with inflation rates, there are dwindling opportunities for profit. The cost of labor, the associated costs of employing migrant labor (permits, facilities, terms and

conditions laid out by PMK), and the lack of economies of scale in the hire of equipment and services, all contribute to the erosion of financial margins and a reduction in returns from tobacco production for individual farmers. Most Kazakhs – and particularly the more educated children of farmers – have found new economic opportunities away from rural areas, and the age profile of tobacco farmers is rising. There is thus, by now, a basic and structural need for tobacco farmers to employ migrant workers; or for a farmer to reduce the area of land dedicated to tobacco in order to match the level of labor available in the household or community.

2. PMK and Labor Standards on Tobacco Farms

In Kazakhstan, as in other territories from which PMI sources tobacco, the company's GAP program was introduced in 2001. The GAP includes 'non-agro-technical' or social standards applicable to both child labor and forced labor, and since that time PMK has implemented a series of action plans on these issues including:

- random unannounced visits;
- support to minors attending school;
- verification of minors' ages;
- support for meaningful efforts to eliminate child labor;
- support for meaningful community programs.

3. Concerns Raised about Child Labor and the Situation of Migrant Workers

After a decade of immense and radical change in the modes of production and in social/labor relations in Kazakhstan, questions began to arise about the state of labor relations between farm owners and local and migrant workers, and the labor practices on the remaining tobacco farms.

Most notably, this issue was crystallized by the publication in July 2010, by Human Rights Watch, of a report entitled “Hellish Work: Exploitation of Migrant Tobacco Workers in Kazakhstan” based on interviews conducted in 2009. The report described numerous illegal and abusive practices committed by farm owners against the migrant workers on their farms.

Abuses documented included:

- confiscation of migrant workers' passports;
- failure to provide workers with written contracts;
- failure to pay regular wages;
- depriving workers of their earnings;
- requiring workers to work excessively long hours;
- frequent use of child labor, with children as young as 10 working, even though tobacco farming is especially hazardous for children.

HRW is not alone, though, in documenting the issue of child labor in Kazakhstan. A publication by the International Labor Organization (ILO) and the International Program on the Elimination of Child Labor (IPEC), also highlights the widespread use of child workers in both tobacco and cotton sectors.¹⁷ The press in Kazakhstan maintains debate and coverage of this issue.

4. Publication of the HRW Report

PMI and HRW were in regular communication during and after the research and preparation of the HRW report. Information of past practices and company policies, as well as conditions on the tobacco farms in Kazakhstan, was shared.

¹⁷See, for example, the ILO-IPEC 2010 Fact Sheet: “ELIMINATION OF CHILD LABOUR IN KAZAKHSTAN 2005-2010” under ILO-IPEC Project “Combating Child Labour in Central Asia – Commitment becomes Action”

When concerns were raised by the HRW research team, PMK also conducted their own internal investigation.

As a result of PMI and PMK investigations into the concerns raised by HRW, PMI wrote on January 14, 2010 to HRW that they intended to implement a number of measures to expand and strengthen their existing labor practices programs in Kazakhstan.¹⁸ These included:

- To broaden the training of PMK agronomists, farmers, and workers to cover child labor, forced labor, living conditions, passport keeping, and schooling for children.
- To use the pre-qualifying process for establishing the leaf purchasing agreements with farmers to impose certain conditions on the treatment of migrant workers e.g. written contracts and a minimum standard of living conditions.
- To communicate with farmers as part of this process and during training sessions that it is not legal to keep migrant workers' passports unless voluntarily given for safekeeping.
- To refresh the content of safety instructions and handouts for the applications of CPAs in three languages. Protective gear would be supplied at a nominal fee and it would be verified that it was used. Information would also be provided on the appropriate handling of fertilizers.
- PMK would consider working with a third party to verify that tobacco was not grown with child and forced labor.
- PMK would engage with government and local authorities to address the ability of migrant family children to attend schools in Kazakhstan.
- PMK would seek to work with a local NGO to support the Kyrgyz parents in the school enrollment of their children and assist financially, if needed, with the purchase of books and clothes for the children to attend school.

¹⁸ Letter PMI to HRW January 14, 2010.

- PMK would be prepared to contribute to meaningful initiatives for summer programs for the children.

Further correspondence and meetings took place between HRW and PMI over the winter of 2010 in which the actions put into place were discussed and described.

Through the 2010 harvest season, PMK worked through these commitments via a wide range of responses and activities executed by the PMK staff, as well as local partners, which were witnessed by Verité field teams. These included:

- training, meetings, and discussions with both farmers and workers present, with full coverage of farms;
- the production of new materials in accessible languages on key issues, in both written and video forms;
- extensive inspections and data collection e.g. a 'census' of children present on farms and their ages;
- the introduction of new steps and qualification procedures prior to signing leaf purchasing agreements with farmers to ensure screening for safety; awareness of the law on child labor and work hours; and an innovation of both farmers and workers being present at the signing of leaf purchasing agreements;
- the development of a template 'employment agreement' for farmers to refer to in drawing up contracts with their workers, specifically referencing payment of a minimum salary, child labor, and other labor laws;
- summer camps for Kazakh and Kyrgyz children;
- attempts to improve school access for migrant children;
- legal and social support program for migrants through LCF.

The detailed discussion of Verité's findings and observations (Section D below) shows directly the impact of these activities.

C. Relevant Legal Framework

1. *Registration of Migrant Workers*

a. Background

The backbone of the Kazakh tobacco industry is migrant labor, mostly from Kyrgyzstan. Because of the scrutiny of the Migration Police and PMK's encouragement to have workers registered in 2010, many farmers did register their workers using the services of Migrant Ltd.¹⁹ for a fee. Workers must have a passport or other documentation to register. Although the law requires workers to be registered with the government, this is not always done. Approximately one-third of farmers reported that they are not registering their workers. The LCF has been working to educate workers that they need to bring documentation with them when they enter Kazakhstan, but they report that around 30 percent of all migrants have no passports or identity documents at all. Verité field teams found workers with Soviet era passports which also bring problems, as they are not valid. The data suggests that many workers are still not being registered; not because of a lack of quota available, but because of a lack of paperwork, a reluctance to engage with the authorities, or the costs involved (see below).²⁰ Finally, Migrant Ltd. used to be an agency within the government and some people interviewed were unsure of its legitimacy. PMK also reported concerns about its role and efficacy.

¹⁹ Migrant Ltd. is a private company facilitating the application of temporary Foreign Work Permits available to migrants in Almay Region by collecting appropriate documentation and registering workers with the authorities.

²⁰ By October 01st, 2010, only 674 quota places were allocated (41% of quota available). Source: PMK. Employers. See below for further background on the legal framework regarding the quota.

The issue of migrant worker registration was closely assessed during the field visits in both August and December. The data reveals, paradoxically, that proper registration for temporary work permits did not reduce workers' vulnerability to scrutiny and harassment by the Migration authorities. In fact, the data shows, unfortunately, that it was mainly, although not exclusively, registered farmers (i.e. those whose workers had been through due process and obtained work permits) that received multiple – as many as 4 – visits from the Migration Police during the 2010 season. However, temporary residency with a work permit does give workers some greater opportunities with regards to enrollment of their children in school, the option of making a claim against a farm owner in the event of a dispute, and other benefits e.g. medical assistance. An undocumented worker is always potentially more vulnerable to abusive behavior from farmers or others, and lacks the status to seek any type of recourse for legitimate complaints for fear of being denounced to the authorities and deported.

b. Obtaining Work Permits

The government assigns quotas for the number of migrants who can be employed in different sectors. Migrant Ltd. is a privately-owned service provider with a license to operate from the Ministry of Justice and to manage the annual permit quota (1,500 in 2010) for agricultural workers from Kyrgyzstan in Almaty Oblast. It has a monopoly position in registering migrant workers there.²¹ According to the Migration Police and Migrant Ltd., of the 1,500 places allocated in the quota for Kyrgyzstan workers in Almaty Oblast, only 566 workers registered in 2010. People without proper papers are supposed to be brought to court and deported.

²¹In 2010, there was a quota of 3,200 places for the entire country for seasonal workers from Kyrgyzstan. There are four categories of workers, the first three are management, senior management, and specialist/experts, and category 4 is for agricultural workers. Of these 3,200, there were 1,500 places in Almaty province (all held by Migrant Ltd.), 1,500 for south Kazakhstan (cotton), and 200 for the area that borders with Kyrgyzstan.

According to a lawyer interviewed from the Charter for Human Rights, if a migrant is expelled because he or she is not registered, that migrant is not permitted back to work in Kazakhstan for five years.

According to Migrant Ltd., the cost to a farmer to process a work permit for a worker is KZT 14,900, or just under the minimum wage for one month.²² This covers the processing fee (KZT 3,400), bank deposit for a return ticket, and a fee to the tax department (KZT 10,000). Processing the permit involves visits to different entities: Almaty Akimat for authorization, BTA Bank for the deposit for a return ticket, the Migration Police, and the Department of Labor Affairs to stamp the migration cards. The annual or temporary work permit officially expires on December 25 of each year. However, not all workers leave. Some remain illegally until the start of the next season. Workers interviewed in December 2010 who had remained in Kazakhstan for the winter cited as some of their reasons: the political situation in Kyrgyzstan, the high cost of returning (bribes payable at the border), and the availability of winter work in their local community. Sometimes just one family member returns to provide relatives with some of the income earned or to maintain property at home.

2. The Kazakhstan Labor Code and Inherent Challenges

In this section, we focus on the challenges and limitations of the current legal framework to achieving compliance with GAP, and future ALP labor practice principles and standards.

²²One USD = KZT 146 (as of March 1, 2011).

a. Labor and Industrial Law

The Kazakhstan Labor Code applies to all sectors, but especially oil, industry, and government. One of the major challenges faced by PMK is the absence of articles in the Labor Code addressing the distinctive conditions and traditions of the agricultural sector. There are some laws for agricultural farms, but they refer only to how the farms should work and do not address employment. Currently, employment relations between farmers and workers are governed by the Kazakhstan Labor Code which does not accommodate exceptions to standard industrial practices, which would be relevant to the agricultural sector, and even creates possibly insurmountable challenges. Many countries with large agricultural sectors have developed specific codes within their legislation that are relevant to the agricultural sector. Outlined below is an analysis of the Kazakhstan Industrial Code and references that do not correlate well to the agricultural sector. Examples from other countries with specific agricultural labor codes have been highlighted or are summarized in the following section on Comparative Law for Agriculture.

- *Hours of Work:* The hours of work as specified in the Kazakh Labor Code are a 40-hour work week and 36 for work in tobacco. The law also states that overtime cannot exceed 2 hours per day or 1 hour per day, if hazardous conditions are involved.
- *Shifts:* The Kazakh Labor Code description of shifts correlates with an industrial setting and not with the work patterns that would need to be observed in agriculture, i.e. early morning and late afternoon when the sun is not as strong.

- *Days Off:* The Kazakh Labor Code requires that workers take days off every week [Sunday], which is challenging for farming, especially during the harvest.
- *Withholdings from Wages:* The Kazakh Labor Code states that “withholdings from wages of an employee shall be made by court ruling as well as in cases envisaged by the laws of the Republic of Kazakhstan.” Deductions from (final) earnings are a standard feature of the compensation arrangement between tobacco farmers and workers.
- *Lack of Distinction of Gradation of Work:* The Kazakh Labor Code, in common with some other countries, specifies that those “under 18 are prohibited from performing heavy work or to work under harmful or hazardous working conditions that might be harmful to their health and moral development” (the Code lists a number of categories that meet this description, including “tobacco goods”). Where this is not the case i.e. the law does not prohibit all work on tobacco, there usually is a need for definition and guidance. Were experts able to identify and define which tasks in tobacco growing are not hazardous, and at which stages of the cycle they take place, this could be useful as a guide to stakeholders and particularly for parents of children living on farms with some need or expectation that their children should be helping them. Some of the more common definitions of hazardous work for minors e.g. handling heavy or dangerous equipment and working at night, would apply to whatever crop a minor is required to work on. However, some modification of the Code in Kazakhstan regarding the kind of agricultural work that a 16-18²³ year-old could take on (on any crop, including or excluding tobacco), would align the Labor Code more closely with common practice. And it would also meet an important need of parents to know this where they

²³ Some stakeholders, such as the IPEC, consider that a more realistic minimum age should be introduced, making 16 the minimum age for working on farms, and to allow 13-15 year-olds to do “light work” (still excluding tobacco, however).

wish their children to gain a work ethic and learn their family farming business after they complete compulsory education, but before formally reaching adulthood.

- *Collective Bargaining:* The Code goes into extensive detail regarding collective bargaining agreements and their enforcement. A migrant workforce, many who are not legally or are only temporarily working in Kazakhstan, is not in any position to bargain collectively.
- *Accidents:* References to accidents in the Code refer to industrial accidents and do not relate to the kind of accidents that could occur on a farm.

b. *Comparison with Agricultural Labor Regulations in Other Countries*

Referencing other projects and experiences, the Verité team has considered examples of labor regulations from other countries that correlate to the agricultural sector and are relevant to a consideration of Kazakh law for agriculture. These are not presented as legal recommendations, but for illustration purposes only at this stage.

- *Deductions:* labor regulations outline specific items that can be deducted from pay and items that are inappropriate. Some codes provide general guidelines about what constitutes a fair price for room and board, for example.
- *Day of Rest:* Taking into consideration the flow of work on a farm, labor regulations usually specify a day of rest that correlates more closely to the work schedule.
- *Overtime:* Other labor regulations outline who is responsible for making decisions regarding overtime hours and general guidelines. These guidelines allow farmers to ensure that work can be accomplished when necessary (during harvest, for example). Other regulations often set a cap on total work hours per week, which is typically no more than 60-72 hours per week.

- *Categorization of Workers:* Some labor regulations outline different categories of workers in agriculture and specify various work arrangements, hours, etc. based on these categories. For example, one labor code delineates workers into several categories: worker on the farm, harvester, 'near farmers' (those engaged in agricultural work, but not focused on the core agricultural product being harvested), and landscape gardeners. The code specifies different principles, guidelines, and requirements for each of these categories.
- *Piece Work:* Because piece work is a common feature of agricultural practices, many agricultural labor regulations address standards for this kind of work.
- *Breaks:* Rather than addressing the work in shifts (as is appropriate in an industrial setting), agricultural labor regulations specify after how many hours a worker is entitled to a break, the duration of the break, and whether the break is paid. Breaks are taken on farms and reflect the climate, with work generally slowing down or ceasing during the hottest part of the day. Starting work early is common. For the avoidance of GTS, timing of the harvest work plays a more than usual vital role in workers' well-being.

D. Verité Observations and Findings

Observations and Findings – Child Labor

1. Child Labor

In most agricultural settings worldwide, children help on the family farm and young people may work alongside, or instead of, attending school or seeking higher education. A child often has an obligation to work to help the family meet its basic needs and where this might involve hazardous activities, in some agricultural sectors, a definition of 'light' or acceptable work versus hazardous work is developed.²⁴ However, tobacco does not qualify for this approach in Kazakhstan. As explained above, the Kazakh Labor Code deems all work related to tobacco to be hazardous and as a result, anybody under 18 years is barred from doing any tobacco farming activity. Through a specific provision in the leaf purchasing agreements, PMK requires contracted farmers to comply with Kazakhstan labor laws and this child labor prohibition. Ninety-one percent of farm owners say that they know PMK's policy on child labor (and comments suggest they understand the details).

Some employment agreements (between farmers and workers) seen by the field teams made explicit mention of unlawful use of child labor and others referenced the prevailing law of Kazakhstan on child labor. However, the survey results suggest that 37 percent of workers did not have an explicit child labor clause in their contract. Despite the deficiencies of the employment contracts or the incomplete distribution, the field teams consider it unlikely that by the end of

²⁴For example, in Ghana, West Africa, the government has classified what 'light work' means for children on cocoa farms and plantations in a definitive publication: "Republic of Ghana. Ministry of Manpower, Youth and Employment: Hazardous Child Labour Activity Framework for the Cocoa Sector in Ghana, June 2008."

2010, any contracted farmer or worker is still unaware of the emphasis on prohibiting child labor in tobacco farming.

Based on PMK 2010 'census' data, we estimate that there were 488 Kazakh and 240 Kyrgyz children living on Kazakh tobacco farms (out of the 301 farms, only 101 had hired migrant labor).

Table 4: Presence of Children and Migrants on Contracted Farms²⁵

Total Number of Farms	301	100%
Farms Without Children	81	27%
Total Number of Farms with Children	150	50%
No. of Farms with Local School Aged Children	100	33%
Farms without Migrant Workers	200	66%
School Age Children	50	17%

Based on the entirety of the evidence available to Verité (in particular: field team observations; PMK data; interviews with farmers, workers, children, and stakeholders; and public data sources such as ILO), our overall assessment is that there is still the presence of child labor on tobacco farms in Kazakhstan. There are indications that the incidence has been decreasing, and Verité teams found no evidence of deliberate recruitment of minors and no evidence of the worst forms of child labor.

Field teams located children present on many farms where they live alongside their families and in some cases, the teams observed children working in the fields. Often, when a field team arrived on a farm, the children would scatter at the instruction of adults. Farmers and workers often use the basic and entirely reasonable argument that their children have to be supervised and remain nearby,

²⁵ Source: PMK

i.e. around the farm, curing barns, and in fields. It is acknowledged that presence on or near a farm or barn does not constitute work. Many older children were reported to take responsibility for producing food for the household and household chores.

The survey data points to the following findings on child labor:

- The worker surveys suggest that children are working on farms, performing a variety of tasks related to tobacco, including stringing of tobacco, harvesting, and planting. Surveys also showed children perform non-tobacco tasks, such as helping with vegetable crops and doing repairs. Among workers that responded that their children work, 6 responded that their children are under the age of 18 and work on the farm. Nine workers also reported awareness of children working on the farm at which they work, or on another farm.
- Many parents knew that their children could not be working in the tobacco fields so they had the children do other tasks: tending the family vegetable gardens, tending market gardens, caring for younger siblings, cooking meals, doing laundry, and hauling water.
- A number of the children interviewed at the summer camp indicated that they help their parents in tobacco (stringing). One child reported that his brother, while eligible to come to camp, i.e. under 15 years old, had had to remain working on the farm.
- Almost 50 percent of surveyed farmers do not know the law regarding school enrollment, and one-third of farmers think that 16-year-olds do not need to attend school.²⁶

²⁶There may be a valid reason for this belief. While secondary education, which consists of three stages(grades 5-11), is free and described as compulsory (per the Constitution (Art.30.1)), parents appear in practice to have flexibility as to when their child starts (from 6-7 years old) and there are no penalties for non-attendance, although if the reason is because the parents are disadvantaged or demonstrating irresponsibility, the social services may intervene through to a termination of parental rights. Source: Verité Local Consultant, Kazakhstan 2011.

- Furthermore, one contracted farmer reported not receiving any training regarding the prevention of child labor (and as such, non-contracted farms uniformly reported not receiving the training).
- More than a quarter (27 percent) of all contract farms have no children under 18 on the farms.

Although there are families who could not articulate their strategy for child care, the field team found – and this is reported elsewhere – a variety of approaches being employed by Kazakh owners, Kazakh workers, and migrant workers to care for their infants. For example, a number of migrants noted that in 2010, they had brought an additional relative to care for infants.

Half of all contract farms had school aged children, the category at most risk of being involved in helping and working with their parents. There are more Kazakh school age children than migrant worker school age children (160 to 101). Although a number of cases of Kazakh child labor violations were detected by PMK unannounced audits and also in Verité's field team visits, it is clear that locals have far greater opportunity than migrants to enroll their 7-16 year-olds in school and to find alternative activities during vacation periods. Kazakh farm owners interviewed in August (the vacation period) were more likely to report that their children were away from the area, being cared for by grandparents, or staying with relatives who have moved to the city.

Migrant workers' children may be perceived, and are actually, the most likely to be present on the farm, unable to enroll in school or engage in other local activities, and to face pressure to assist their parents in some way – not only on tobacco harvesting. According to the PMK 'census,' in 2010, 17 percent, or 50 farms, with migrant workers had school age children or children under 18 years of age. Efforts to improve the chances of enrollment in school can directly mitigate the risk of

child labor (particularly in the under-15 school age category) in this relatively small group.

Nearly all interviewees reported a significant drop in the number of children working on farms in recent years, or since they started coming to Kazakhstan to work on tobacco. Some Akimats have, on their own initiative, encouraged migrants to leave their children in their home country, and interviews with migrant workers corroborated that this now occurs.²⁷ Of the 31 individuals who responded to the question regarding the change in child labor since they began working in tobacco, 97 percent said that it has decreased significantly. Only 3 percent said it has stayed the same. Although there is no longitudinal data available, there is some support for the empirical observation made by both farmers and workers that there are less and less migrant children now working.²⁸

2. Prevention Efforts

Prior to 2010, as part of an overall effort to prevent child labor, PMK engaged farmers in extensive training and awareness raising about child labor. In 2010, they also held meetings for farmers and workers about Kazakhstan Law, as well as the 'no child labor' provisions in PMK's leaf purchasing agreements. They also sponsored programs to help migrant children enroll in school and sponsored their attendance in summer camps, which included a curriculum element about child labor.

²⁷The Children's Fund of Kazakhstan is currently working on a project with the U.S. State Department to survey 131 children of migrants left behind in Kyrgyzstan, Uzbekistan, and Tajikistan when their parents come to work in Almaty and south Kazakhstan, which could shed more light on the incidence and impact of this practice.

²⁸ For example, the ratio of Kazakh and Kyrgyz children to adults shows there are more Kazakh children per family, which seems unlikely, indicating some statistical support to the survey reports of less and less Kyrgyz children coming to Kazakhstan over time.

The principle monitoring strategy is making unannounced farm visits. The survey results suggest that 63²⁹ percent of farmers did experience unannounced visits by PMK staff. These unannounced visits by PMK agronomists in 2010 resulted in 12 citations of violations after investigation. The number of violations reported by PMK has also fallen, from 21 citations in 2009 to 12 in 2010. This reflects a gradual change in local tradition, (since the era when helping on the collective farms was obligatory for all, including children/young adults) and the increased awareness stimulated by PMK of the national law prohibiting hazardous child labor.

PMI (including its former parent company Altria) and PMK have had an anti-child labor policy as part of their GAP since the early 2000s. As part of this, PMK has built up a picture of children on all farms with contracts, with data showing how many children there are and their age ranges (i.e. whether school age or not). The field teams found this data to be broadly accurate. However, the lack of documentation among workers – valid IDs, passports, among other documents – and the extra cost of registering children at the border, means that establishing the identity, age, and formal relationship of children on a farm to the working adults there, is, in practice, quite difficult. There was no evidence uncovered of the Worst Forms of Child Labor, for example children being trafficked to provide labor on tobacco farms, but the team could not verify that all migrant children present on the farms were there with blood relatives or formal guardians.

The data also shows that there is no single variable - category or size of farm, piece worker, farm owner age, or nationality or status of a worker - that is a useful predictor of where there is likely to be use of child labor. The ILO notes that there are many drivers for the continued use of child labor worldwide.

²⁹ This figure discounts surveys conducted on non-contract farms.

However there are other forces which make the situation particularly complex in Kazakhstan. These are:

- The minimum age for legal consent to the terms of a contract of employment, as established by Article 11 of the Labor Law, is 16 years.³⁰ Employment of persons under the age of 18 for heavy manual work and work involving harmful and/or dangerous conditions of labor is forbidden by the Labor Law in Article 11.³¹ This runs opposite to what most people believe to be common sense, namely that working on a farm is good. Moreover, this law is seen by many farmers' interviewed to interfere with a parental sense of rights and responsibilities toward educating and raising 'productive' children versus 'layabouts.' We need to add to this, that enrolment in school – vocational or higher education as an alternative to work – is especially difficult for migrants' children (see more on this issue below). This law has not been widely promoted and explained by the government, and runs counter to the still vivid, recent experiences in the region where, under the collective farming system everybody - of all ages - helped on the tobacco farms and this was considered both educational/formative and a form of economic patriotism. This means again, that what is or what is not dangerous about work on tobacco specifically and farms more generally, is not widely known and agreed upon.

³⁰Local Kazakh law does not contain a definition of “compulsory education,” but the Law on Education dated July 7, 2007 requires that parents send their children to a school as of age six, and the Constitution of Kazakhstan does state that secondary education is required. The Law on Education further establishes a 12-year education system, but Kazakhstan is still in a transition to the 12-year system. Currently, some children are studying under an 11-year program; however, by 2015, all children will be studying under the 12-year school program. After 10 years of school, a child also has the right to apply to a technical and professional education program (the duration of such a program may be two to three years). Source: Verité Local Consultant, Kazakhstan 2011.

³¹ International Labor Organization, Rights of Migrant Workers in Kazakhstan, March 2008. Available at: http://www.ilo.org/public/english/region/eurpro/moscow/info/publ/right_migrant_kaz_en.pdf

- The obligation to PMK to eliminate child labor is made by the farm owner when he or she contracts to sell tobacco leaf, but is not yet being fully and effectively transmitted to either the migrant or local workers on the farm, or the people managing the farm on a day-to-day basis. These people often want and/or need their children to be with them close to the working sites, and some also want them to contribute to the work on the tobacco farm.

3. School Attendance

Although school attendance is directly tied to prevention of child labor, we have separated this section from child labor observations and findings above, given the complexity of the situation in Kazakhstan. PMK, as part of the GAP program, is committed to support meaningful programs to eliminate unlawful child labor and activities that are hazardous for young farm workers. To this end, PMK has focused significant levels of effort on raising school attendance of tobacco farmers' and workers' children. For example, in 2010, PMK sponsored a "Road to School" Program distributing 141 school packs for the children of migrant tobacco workers. While this program was viewed positively by nearly all stakeholders and beneficiaries interviewed, there were some notes of caution sounded. As the program was designed to support specifically children of tobacco migrant workers, there were not enough packs to also give to non-tobacco migrant families (and local tobacco farmers' children) who tried to obtain them, risking resentment and division.

Although enrollment procedures are complex and challenging,³² 82 percent of farm owners say that local and migrant workers' school-aged children on their

³²Many documents/procedures are required to enroll including: 1. Application of parents; 2. Birth-certificate; 3. Two photos; 4. Reference from place of residence; 5. Reference from work; 6. Report card from school; 7. Psychological diagnostics; 8. Marriage certificate of parents; 9. Birth-certificate of parents; 10. Act of living conditions inspection.

farms are attending school. Nearly 50 percent of workers said they enroll their children in school, and a majority of those who said they did not enroll their children in school suggested that they do not have school-age children. Local farmers frequently reported that their children or their children's children no longer live in the villages.

There are many barriers to school attendance that the PMK program has had to face from the macro to the micro level, the subjective to the objective, and these are presented below.

a. Competing Rights

There is a conflict between the interpretation by some parts of the Kazakh education system of the universal rights of children to receive an education, and the lack of entitlement to education of migrant workers' children who are in Kazakhstan legally but with only temporary work permits (and as such are not permanent residents).³³

b. Registration and Migrant Workers' Status

While the law states that only those who are permanent residents of Kazakhstan can enroll in school, the interviews with the Department of Education suggest that people without citizenship can also enroll their children if they are able to submit the following documents:

Source: PMK August 2010.

³³Per Order 659 by the Minister of Education, people who are living as permanent residents in Kazakhstan may send their children to school. Migrant workers, even if they are registered, are not living as permanent residents in Kazakhstan.

- right to legally reside in Kazakhstan;
- proof of registration from their place of residence;
- documentation of a living allowance;
- the ID of the person without [Kazakh] citizenship.

Registration of workers and their families is critical for children to have a real prospect of attending school. Even with registration documents in hand, enrolled migrant students will always face the threat of a raid by the Prosecutor's Office (PO). However, most if not all, migrant workers do not pay the additional fees on entry to Kazakhstan showing the presence of their children on their passports, thus migrant children are often without the needed documents. Further, those migrant families who do not return home (from December-March) and are effectively permanently, although illegally, living in Kazakhstan with their children, may be unable to enroll their children in school.

c. A Parallel System

Attendance for registered and, especially, unregistered migrants' children is possible only when local authorities or individual Head Teachers support the principle of education being a universal right. The Department of Education and individual teachers have been trying to work inside – and outside – the system to provide learning opportunities for migrant children. The Department of Education is responsible for enrolling children in school, while the Department of Child Protection, which is located under the Department of Education, advocates for vulnerable children. At the same time, the Prosecutor's Office makes periodic visits to the schools to locate illegal children who are attending school.

In September 2010, there were 104 labor migrants' children (not only tobacco) attending schools in Enbekshikazakh district, but they were all present on a semi legal basis, as it was in previous years.³⁴

Example: Stakeholder Interview on School Working to Include Migrant Children

An interview with a school Director shed some light on how the informal system works regarding school enrollment. This school accepts any child who wants to attend school, regardless of their documentation, or lack thereof. The Director also reported that children from migrant families have greater nutrition problems, poorer housing conditions, and lack appropriate clothing for cold weather compared with Kazakhstan residents. The school works with migrant families to ensure that their children's needs are addressed. They also provide migrant families with extra classes, so they are not left behind by their peers.

The Prosecutor's Office keeps school authorities under watch and requires them to uphold the law. Because of the scrutiny by the Prosecutor's Office, many authorities and teachers are not willing to bend the law.³⁵ High profile raids on schools and expulsions have been reported in the press. Even when the decision resulted ultimately in the reinstatement of migrant children, inconsistency creates fear among migrant families. The complexity of the process and range of government agencies involved obviously leads to confusion and concerns among migrant worker families, farmers, and teachers about what will occur if the workers' children are sent to school. Some migrants reported they have received assistance from the landowner to overcome these obstacles, while others have not. In short, they would often rather not enroll their children to avoid visibility and the risk of deportation.

³⁴ Email Sept. 23, 2010, PMK

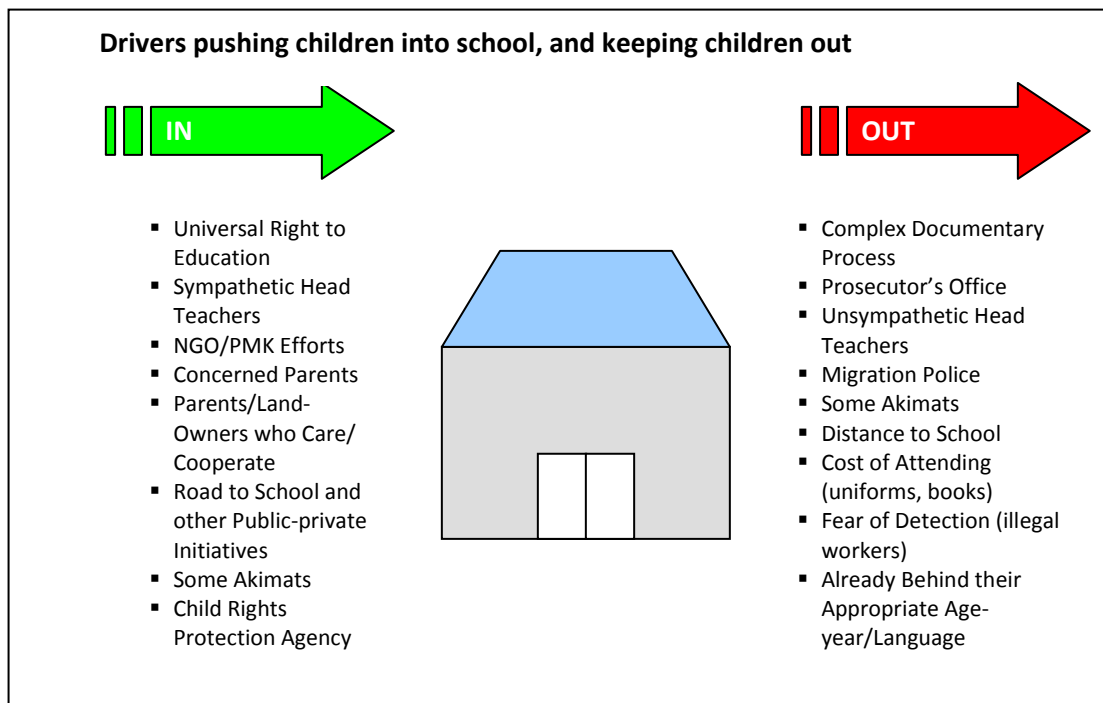
³⁵ Given the scrutiny and random raids, it should be noted that all teachers, head teachers, and even local community organizations like the LCF may be at risk of direct scrutiny and harassment from the authorities if they are openly associated with the cause of enrollment of migrant workers' children or migrant worker needs and concerns. They might, in a worse case scenario, be required to hand over data revealing the identities of migrant children or workers.

Schools are also frequently located far from farms, with no suitable public transportation, making it challenging for children to attend school. The traditional culture and the lack of educational attainment of many migrants themselves can mean girls are not permitted to travel on their own to attend school, or the importance of school attendance for both boys and girls is diminished.

d. School Enrollment and Child Labor Prevention

School enrollment plays an important role in child labor prevention and child safety, so the drivers pushing children into school and keeping children out are important to inform PMK policy and programs (support and advocacy) in this area.

Figure 1: Drivers For and Against School Enrollment



However, school enrollment is not a 'cure-all.' School enrollment spans children aged 6-17. Even if all eligible children are enrolled in school, the child labor and

child safety challenges are still not eliminated. Not least because the peak harvest season coincides with the long school vacation. Children need to be cared for while their parents work the farm and this leads many very young children, as well as juveniles over 16 years, to be present on or near the fields, or in and around the curing barns (where tobacco is strung, hung, and stored), therefore increasing the risk that they are involved in tobacco growing activities on the farm.

In 2010, PMK sponsored a local NGO to organize participation in summer camps. The camp program helped to remove a number of children from farms during the summer, and the many children fortunate enough to be sponsored by PMK reported that they had an unprecedented positive experience there, including making friends, eating healthy and regular meals, and engaging in a wide range of recreational activities.

The field team that reviewed the initiative reports found that approximately 400 children were enrolled, which they estimate represents 25-40 percent of the school-age children and 28-58 percent of the under-school-age-children.³⁶ The field team found that the older children of local and/or migrant families were not present in the camps visited, and had often remained on the farm to help with food production and supporting the household. The camp programs lasted for 20 days each, a period still leaving children with time on the farm before the new school year started. Some lessons learned for future initiatives and programs are presented in the Recommendations section.

PMK cannot and does not shoulder the sole responsibility for developing strategies aimed at keeping children off the farms and out of tobacco work areas.

³⁶The wide percentage ranges presented here reflect: first, the different 'sets' of children attending four separate sessions at camp over the summer, and the partial overlap of these sets where children attended more than one session; and second, the doubts of the NGO organizers and Camp Directors about the total accuracy of the lists of names and villages of the children sent.

During interviews, the field teams noted many strategies developed by farmers and workers to keep children off the farms and work areas such as:

- very young (pre-school) children being cared for by the landowner's relatives while their parents work on the farm;
- parents with school-age children reported them to be staying in a nearby town with relatives during the vacation;
- school age migrant worker's children living with the landowner to be able to attend school (too distant from the farm/migrant families' dwelling to make daily attendance possible);
- children playing in the yard/vicinity of their houses and storage sheds, supervised by adults, and not actively curing/stringing tobacco;
- migrant workers who indicated that they had not brought their children in 2010 and had decided to leave them behind with relatives;
- migrants who indicated they had brought an additional relative, e.g. grandmother, to support them with child care in 2010.

Observations and Findings – Situation of Migrant Workers

1. Employment Agreements between Farmers and Workers

The local Labor Code and the 2010 PMK Leaf Purchasing Agreement require farmers to have a signed employment agreement with every worker. The content of employment agreements seen by the field teams was not uniform across all farms, because although PMK provided guidance in the form of templates, the versions used were often drawn up by the farmers themselves or given to them by Migrant Ltd. The research results suggest that 13 percent of all farmers surveyed do not have signed contracts with all workers, and 18 percent of workers say they do not have signed contracts with farmers.

Field teams found that while the requirement for farmers to have signed contracts with all workers was widely followed (87 percent), usually using appropriate languages, in many situations, the migrant head of household functions (operationally speaking) as the farm manager and the workers are his or her family members. Field teams found that this requirement had often been taken literally, to the extent that it meant that heads of households had signed contracts with blood relatives and relatives by marriage. Here are some illustrations of the social consequences of this:

One worker shared:

“My mother has taken care of three sons, two of whom have gone away to work in the city. The land is now in my name. Today I have asked my mother to sign a contract which states that I will pay her wages on a monthly basis. This is disrespectful; she refuses to sign any such contract despite our repeated efforts. Therefore, as per the requirements, I am not compliant to the code laid down by PMK.”

Another worker who operates a farm with family members said:

"I have signed contracts with my mother, three brothers, three sisters-in-law, and five nephews. So I meet the requirements. But in reality I do not follow any of the mandates in that contract."

Another farmer shared his dilemma surrounding signing a contract with his 19-year-old son:

"My son is useless. He doesn't want to work and spends all our money on gambling and playing video games. We paid a lot for his education and he dropped out of school. I have forced him to work on the farm, but since he understood the contract, he is demanding monthly wages from us. We are in a great dilemma as we can't put his name on the Land Deed, and if we pay him wages, he will continue to pursue his bad habits."

These complex situations were not found on all farms. Some farmers interviewed contracted with only a head of household or a single worker, rather than all individuals. The field teams came across a number of large households where some adult family members work elsewhere but return and contribute to the farm for a short period, or even for as long as two to three months. In these situations, returning family members did not have contracts to cover their work on the farm, either. And, effectively, the labor contributions of different members of a household are varied, so multiple contracts would be required to adequately reflect the diverse roles and contributions on a farm. Not all people work full time. Also, people who work informally or casually, or move from farm to farm were not generally covered by tobacco-specific employment contracts, including the necessary health and safety provisions unique to tobacco. Templates for such *ad hoc* work contracts, e.g. suitable for daily labor, were available (from PMK), but the field teams did not see them in use.

PMK very effectively mobilized farmers to formalize their relationships with workers in 2010, providing templates and guidance. The employment contracts

farmers and workers signed were based on the labor law, but the local custom guided what happened on the farm. So, for example, the written commitment to pay a monthly salary actually runs counter to the custom, practice, and preference of most workers to be paid with a lump sum at the end of the harvest. And as a result, many conventional indicators of an employer-worker contractual relationship were mostly not in evidence (e.g. pay slips, written grievance procedures, overtime pay, written policies, weekends off, paid holidays, sick leave, et al). Out of the 70 respondents on these issues, 33 workers (47 percent) reported that they are given a pay slip. Interviews confirmed, however, that 4 survey respondents could not read these pays slips due to the language that they had been printed in. The field teams found no evidence of any written grievance procedures on farms surveyed, and workers are typically expected to bring up issues with the owner in person. Conceived originally as a resource for workers to resolve legal issues, PMK has sponsored the LCF to run a hotline for migrant workers, and this has evolved quickly since it started in mid-2010 to provide a mechanism for dispute resolution.

The expanded use of conventional employment contracts generated two side effects:

- A rather tense and sometimes repressive environment between parties who have in many cases developed clear norms (*quid pro quo*) and practices through long-term relationships.
- New obligations to follow the law and meet social requirements were apparent, but while these were sometimes included in worker agreements, they often lacked clarity on what was expected in practice.

A revised set of templates including the option of a 'service agreement' for those farms where the relationship is less one of employer-employee would help the parties get closer to the reality of the arrangements and mutual expectations.

Revisions and an expanded range of options for the 2011 season could also make the contracts and formal agreements a better point of reference for monitoring and assessment in the future, particularly if the social requirements – and what they mean in practice - are more clearly described. This is covered in more detail in the Recommendations section of the report.

2. Farm Managers and Absentee Landlords

There were a number of farms on which the leaf purchase agreement with PMK was signed by an absentee landlord,³⁷ rather than the farmer or person who actually is responsible for running the farm and fulfilling the contractual obligations (implementing GAP practices).

Where a land owner relies on a relative or local 'sub-contractor' to run the farm because they are elderly, infirm, or busy with other commercial activities, there was limited evidence that the owner had clearly passed on their obligations to the sub-contractor. Field teams found no written agreements to this effect, i.e. obligating managers to follow the same commitments as the farm owners. A number of serious violations, such as for child labor and other obligations defined by Kazakh law, were on farms run by local (Kazakh) managers.

Migrant workers also operate as farm managers. Growing tobacco is a skilled job. While the job requires manual labor, knowledge of tobacco agronomy is vital as well. Many workers on contract and non-contract farms interviewed by Verité field teams have had years of experience in tobacco growing, enhanced by the agronomic training and support of PMK over time. These 'workers' operate as 'managers' or, when several families are working on the farm, as self-managed

³⁷ Kazakh law requires the contract to be signed by the farm's lease holder (we refer to the holder as a land owner).

teams setting their own division of labor and roles within a family structure, rather than working individually as farm laborers with an overseer.

In these cases then, the land owner is frequently not the most visible 'manager' of the farm taking direct responsibility for the labor conditions of local or migrant workers. Field teams witnessed many farmers i.e. those who had signed the agreement with PMK, deferring to workers for answers to questions involving day-to-day information about the farm operations. Many land owners interviewed openly acknowledged the role of 'workers' in managing their farm without oversight.

3. Shortcomings of the Leaf Purchasing Agreements and Contracting Process

a. Missing Links

PMK's contractual focus on the owner of the land, as per Kazakh law, brings with it some short-comings and unintended consequences. For example, this focus:

- i.* May give owners disproportional power over the arrangements, roles, and division of earnings further down the chain. This means the distribution of earnings, while 'clear' between the parties (farmer and workers), may not reflect the level of effort and contributions to the production process of workers.
- ii.* There is sometimes a contractual 'gap' in the chain where the land owner has delegated the day-to-day operations to a manager. For example, the farmer is contractually committed to observe the law and prohibition against child labor, but a manager may not be. Field teams could not establish how the explicit

obligations in the PMK-farmer contract are transmitted to informally sub-contracted farm managers.³⁸

- iii. Could jeopardize the farmer because the consequences for a worker being found committing a violation, e.g. using child labor, are greater for him or her than the worker and his or her family who can find another farm or job in the following season if caught, while the farm does not get a new contract. The sanctions are not appropriately targeted. And finally,
- iv. There is still a 'space' in the chain for contracted farmers to become 'middlemen,' a phenomenon that is covered in more detail below.

b. Dilution of the Message and Commitment

The delegation of responsibility dilutes the channel of communication and the overall messages which are given directly to the farmers who sign a leaf purchasing agreement with PMK. The team observed far greater levels of indifference to the social obligations (in the leaf purchasing agreements) among such third party managers than among farmers themselves. Kazakh farm managers' own children were identified in a number of the child labor violations in 2010, as revealed through unannounced audits.

c. The Leaf Purchasing Agreement: a Focal Point of PMK-Farmer Relations

The leaf purchasing agreement is the main vehicle and nexus for the PMK-farmer relationship, as buyer and seller. PMK has not traditionally informed or

³⁸ The pattern for most farm visits – save the smallest farms reliant on family labor only (e.g. 2 or less hectares) - was to find and meet the farm owner (PMK contract holder) who in turn directed the field team to the person running the farm, sometimes a relative or otherwise another neighbor or friend from the village. With visits confined to one day, it was not possible to assess and quantify the extent to which farm owners supervise their managers. However, many farmers after introducing the field teams to migrant or local workers left the interviews entirely to them and often admitted openly how little up-to-date information they knew.

communicated with farmers (or workers) outside the framework of the leaf purchase contract except for the educational materials about the GAP priority issues, e.g. GTS, Child Labor, CPAs, and the overall Agro Calendar (shown below). In 2010, the farmers (and workers) noted a higher frequency of visits and many visits by interested parties other than the agronomists in 2010, i.e. PMK staff, managers, and international associates, Verité et al. There is, however, still no formal channel for farmers to convey and discuss grievances regarding the leaf purchasing agreements or other matters. The LCF remit does not extend to mediation between farmers, workers, and PMK. Farmers reported that they have only one way to communicate with PMK, via the agronomist, with the implication that this is sometimes insufficient or unsatisfactory from their perspective. Increasing and broadening communication between farmers and PMK will ultimately also help to address labor abuse issues because, for instance, it will encourage farmers to be more transparent about potential difficulties they may have in implementing PMK's agriculture labor practice requirements.

Two Kazakh farmers interviewed by Verité about the citations for child labor violations in 2010 had not even considered trying to appeal the citation based on information supplied to management by the agronomist, even when the basic facts appeared to them to be incorrect. (For example, the ages of the children cited as working on a farm by an agronomist during an unannounced visit in August 2010 were said, by their father, to be incorrect.) Ad-hoc conversations with agronomists and PMK staff are the most common forms of exchange.

4. Migrant Labor and Pay, Advances, and Deductions

As noted above, the employment contracts do not completely reflect the operational reality on the farm and the understandings between farmers and workers on pay.

Data from interviews conducted with workers in Kazakhstan and Kyrgyzstan in December 2010 and March 2011 is summarized below. There were variations in final pay that reflect a variety of circumstances faced by the workers in 2010. The significant variables for high deductions or advances during the season affecting the net pay recorded, however, were family obligations and health (or health problems of another family member) and the cost of transport to and from the worker's home town. Another key variable was productivity or yields on the farm.

1. It was not always possible to record additional earnings e.g. from sale of fruits and vegetables during the season, income usually shared between family members, and/or day labor work for other farmers.
2. In practice, on most farms, some family members tend to come later and leave earlier, with the head of the household remaining to finish the season and make the final deliveries.

For example, nearly all families interviewed in Kyrgyzstan in 2011 had earned more or considerably more than the equivalent of the minimum wage. One 3-person migrant household that managed to produce 1.6 tons of tobacco above the norm earned KZT 600,000 net after deductions for the season, or KZT 660,000 gross. Overall, each working family member earned an equivalent monthly income of well over (more than KZT 7,000 per month) the minimum wage level.³⁹

By contrast, a married couple with one pre-school age child interviewed in Kazakhstan in December had experienced very poor production levels (-0.45 below the norm per hectare) and could not cover the advances and deductions from their share of the earnings, leaving them without resources to return to Kyrgyzstan for the winter and dependent on local work and the good will of the

³⁹ We are taking 1.7 tons as the norm per hectare.

farmer. This family had Soviet passports, which adds to the cost of travel to and from Kyrgyzstan.

a. Wages or Advances

Interviews showed that the way things are perceived or spoken about on a day-to-day basis is also not aligned with the terminology in the employment contract. For example, farmers and workers most commonly use the term “advances” to describe pre-payments in cash during the season, rather than salaries or wages. So, while the farmers’ leaf purchasing agreements with PMK specify that farmers can apply for credit from PMK to pay workers’ monthly wages, only 33 farmers opted to take this credit line from PMK. Even where some kind of cash advance was paid monthly, it was not generally based on the minimum wage, and workers did not perceive these payments to be ‘wages.’

Some farmers realize that a commitment to pay a monthly minimum wage - as an employer - could result in losses that they would have to absorb if, because of unforeseen factors such as weather or fire, the volume, yield, or grades achieved did not reach breakeven level. This implies that, as in all agriculture, risk is real, and that despite the prior knowledge of prices to be paid for the tobacco, farmers live with an underlying uncertainty of the return and earnings against outlays, including labor costs. Experienced farmers have developed an important understanding of the level of advances that can be paid before incurring their own risk of loss (see below).

The revenue sharing model that is practiced on most farms effectively shares this risk between workers and farmers (the model is covered in more detail below). Farmers fear living up to the contractual expectation to pay at least the minimum wage on a monthly basis, as advances can quickly result in a perceived ‘overpayment’ to workers. That means that while the worker receives the

equivalent of a minimum wage each month, these payments count as advances against their share of the sales proceeds to be earned at the end of the season on delivery of tobacco to PMK. In this way, the risk is no longer shared, but actually transferred to the worker in the form of a 'debt' or 'overpayment.' This was an outcome reported in several of the end-of-season workers' finances reviewed in December 2010 and March 2011, although the reasons for the 'overpayment' (i.e. advances exceeding share of sales revenue) were different. Workers could owe the farmer money even when the advances each month are not based on the minimum wage, as when there is a significantly lower than expected crop, or when the worker requests and is granted a particularly large advance to cope with a family emergency (illness), excessive spending in the local shops, or an exceptional celebration (e.g. wedding).

b. Field Team Findings

Wage standards were assessed to be uniform for local and migrant workers. Verité teams did not witness unequal treatment between local Kazakh and Kyrgyz workers; on the contrary, many good social and working relations were witnessed. Similarly, where instead of a wage-based agreement between farmer and worker a revenue-sharing deal was in place, no differences were observed between local and migrant workers. The survey data supports this, with 95 percent of farm owners reporting that wages for migrant laborers are the same as locals.

PMK commenced the 2010 season with the intention that workers receive monthly wages and an income equivalent to not less than the minimum wage in Kazakhstan of KZT 14,950⁴⁰ per month. PMK made concrete efforts to facilitate this by offering advances against leaf purchase agreements for farmers needing cash flow support to cover such monthly wage payments. PMK reported that 33

⁴⁰USD 1 = KZT 146 (March 1, 2011).

farmers took advances. While this is only 10 percent of all contracted farms, it represents 42 percent of farms on which there were migrant workers. Nevertheless, 92 percent of farmers surveyed said that workers are still being paid a lump sum at the end of the season, and only 2 percent of workers interviewed said they are paid monthly.

At least one farmer and the workers on the farm had tried hard to comply with the initiative and to accommodate this 'hybrid' approach into their arrangement with workers, by recording each month what was 'due' (the wage) in the same ledger as cash advances and deductions were recorded, i.e. effectively showing a 'net balance due' in the ledger, not just a cumulative debt to the farm owner.

Both farmers and workers confirmed that they track cash advances during the season (for travel, medical fees, clothing, etc.) and then deduct these from the final payment made to the workers. Modest but clear record keeping systems existed in almost all households visited. Deductions are not usually a source of friction or controversy among the parties interviewed: relatively few disputes were reported; no interest is charged on advances. The LCF was called to mediate and resolve a few differences between farmers and workers at the end of the season, but reported only 4 incidents of serious dispute on reconciliations for the whole season.

Almost all farmers (94 percent) reported that the percentage of end-of-season deductions was less than 34 percent of final payment. A smaller sample of farmers and workers were interviewed in Kazakhstan close to the end of the season to review the overall financials for 2010. The data collected from 30 farm owners on farm income and expenditure at the end of the 2010 season – cross referenced with eight workers – indicates that the broader survey finding on the percentage of end-of-season deductions is representative. Of this interview set, we were able to establish that a large majority of the workers had earned close to

or more, sometimes considerably more, than minimum wages during the 2010 season.⁴¹

All workers interviewed in Kyrgyzstan in March 2011 agreed with what had been the amount of their final take-home income, although they had no paperwork to show the basis of the final payment or deductions. Each one remembered clearly the final amount.

Farmers and workers have not embraced a monthly wage. The survey data suggests that the majority of farmers still pay workers at the end of the season (see Table 5 below), provide workers with advances to cover basic necessities, and do not charge interest on these advances. However, the current end-of-the-season payment violates the labor law for employers/employees. There is also the question of what wage is fair for workers acting as managers, as they might reasonably be entitled to more than the minimum wage. Farm workers are generally a family group. Pay, therefore, is handed generally to the head of the household and not each of the family members. More than 50 percent of workers do not receive a pay slip.⁴²

Table 5: Farmer Responses on if Wages are Paid Monthly

Answer		Responses	%
Yes		12	27%
No		33	73%

⁴¹Data collected included gross and net amounts received, direct expenses, cost of PMK supplies, the number of people working on the farm, the 'deal', the end of season revenue from PMK, and the number of months present working. Averages do not reflect any division of labor among household members during the season.

⁴²A proxy for a pay slip used by many workers and farmers interviewed is the PMK sales summary. Without a contract outlining the agreed 'deal' though, this record of sales does not convey what the worker (individually or collectively) was due, nor what he or she was actually paid (after deductions).

A version of an end-of-season 'receipt' developed by PMK was trialed in 2010, and field workers note that some workers signed this at the point of payment. However, this document did not include the most relevant financial information (it did not act as a cumulative pay record).

5. Revenue Sharing

Overall, the team concluded that the employment contracts between farmers and workers do not always reflect the reality of how work is agreed upon and conducted, nor do they encompass the relationships and range of understandings between the parties, save on a small minority of farms. From the farm visits and interviews with workers and farm owners, Verité field teams consider that the actual working relationship between many of the parties interviewed is a form of revenue sharing, not one of employer-employee. The common practices found on many farms visited are mutually agreed between farmers and workers, but are often not easily aligned with the labor law of Kazakhstan.

Common practices found were:

- Some workers work the farm owners' land alone, effectively they are 'renting' the land from the land owners who, as owners, make the sales agreement with PMK. The 'deal' sets out the division of the direct farm expenses and the proceeds from the sale of tobacco.
- Accommodation is provided without charge.
- In many cases, extra land is provided for a family vegetable garden and, in some cases, for a market garden.
- The most common 'deal' in 2010 was a 50-50 split in which workers were paid 50 percent of the sales proceeds after deductions for farm expenses. In other cases, farm owners worked on the basis of a 60-40 percent split with

workers, where all expenses were borne by the farm owner and the workers received 40 percent of the sales proceeds at the end of the season. A smaller number of 'deals' encountered were 80 (worker):20 (farmer).

- Some migrant workers receive advances on an 'as needed' basis, usually for food, medical treatment, and personal needs. These advances are later deducted from workers' share of the profits and rarely constituted more than one-third of the total earnings.
- Farmer-worker agreements or 'deals' reflect a wide range of give-and-take factors and motives of the parties.⁴³
- Revenue sharing agreements are reinforced by PMK's scrupulous procedures for delivery and the probity of the sales transaction, where there is little room for manipulation of the facts and figures i.e. the financial outcome for the farm as a whole.
- A majority of farmers go to the buying centers with workers (or one representative of the workers) at the end of the season to weigh the tobacco and calculate payment. Few workers reported that they did not understand how their share or end-of-season remuneration was calculated (this figure was 4 percent of workers).

Most farmers and workers have an explicit revenue share agreement, often summarized in a written agreement (service agreement). The farmers interviewed like an end-of-the season payment because it provides incentives for workers to produce high quality tobacco and reduces the need for credit and rewards output as well. Often the farmer will define his or her expectation of a return and 'cap' it

⁴³For example, some older farmers are quite content with a very narrow profit or break-even financial outcome from their share of tobacco sales, as their motive is rather to add to their pension entitlement (via their payment of a higher national insurance quota related to the tobacco's sales value). In another case, a Kyrgyz family was specifically entrusted with other duties by the widow who owns the farm and has no adult male children. None of these kinds of *quid-pro-quo* are represented in formulaic employment agreements.

per hectare worked, giving the workers 100 percent of the revenue over a certain tonnage produced per hectare.⁴⁴

The workers interviewed mostly prefer to obtain their payment at the end of the season, as this helps them to avoid forfeiture of spare cash e.g. during raids by Migration Police or officials, or the temptation to overspend rather than save during the season.⁴⁵ While at first sight the field teams were concerned that some of these revenue sharing 'deals' might not be equitable, a financial analysis at the end of the season revealed that, broadly speaking, workers do well from the standard 'deals' in operation.

In conclusion, while employment agreements are the most relevant form for a small number of farms and are needed to support the application for work permits, they do not convey the operational reality of or mutually agreed 'deals' on the majority of tobacco farms. A revenue sharing deal shares both risks and rewards between farmers and workers, as well as liabilities (losses, farm expenses). If they work productively on tobacco and other cash crops, they can earn more than the minimum wage. Workers' health care and other liabilities such as tax on income is their own responsibility. As an employer, the farmer assumes many more of these liabilities.

⁴⁴In contracts used prior to 2010 on some farms (called service agreements) that were shown to the field teams, the profit share, the minimum expectation of the farm owners, and other benefits and liabilities, such as responsibility for health care, are expressly and quantitatively noted.

⁴⁵Both men and women farmers and workers also alluded to the problems of drunkenness and rowdiness among male migrants where there is 'too much cash' available during the season.

6. Work Hours

There are notable gaps in compliance with the law regarding work hours. The seasonality and variable levels of effort (working hours) that are common in agriculture do not fit some of the strict and industrial requirements of the law. See PMK's Agro Calendar flow chart below:

Agro Calendar

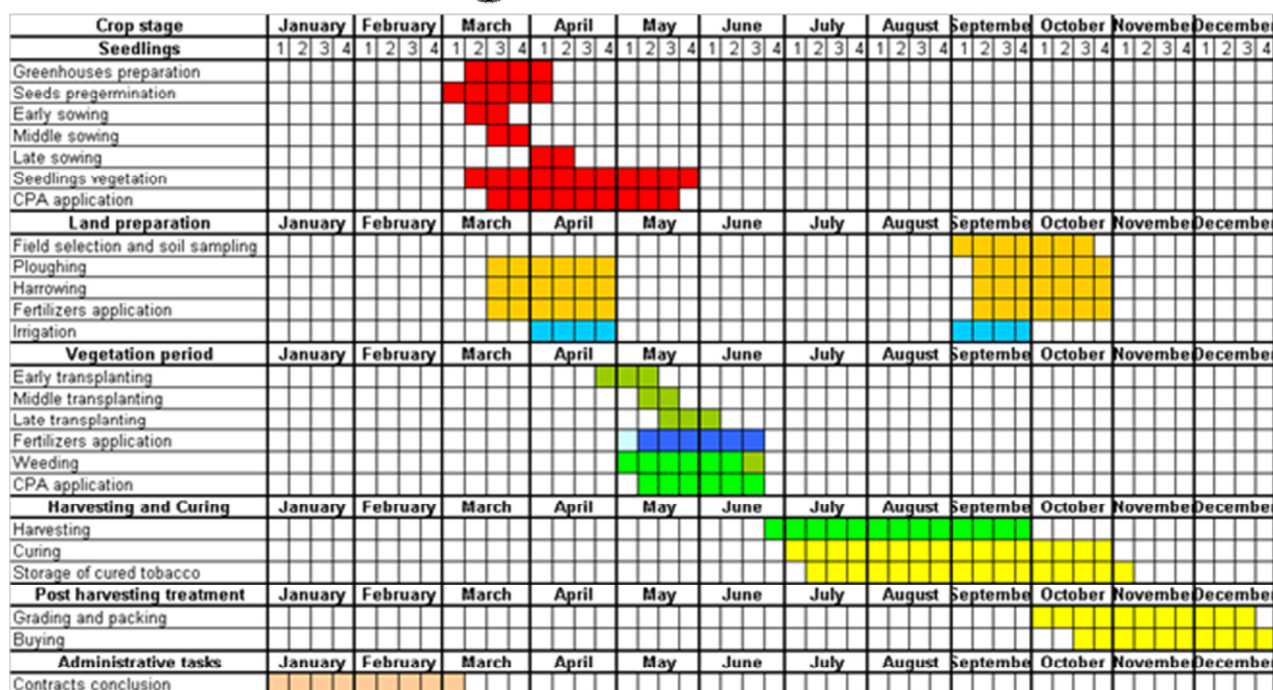


Figure 2: PMK Agro Calendar

Due to the nature of work in the tobacco sector, determining work patterns was a major focus of the field teams' investigations. Considering that all hours worked during the season were not spent on tobacco harvesting itself, the team looked further into the patterns of work hours, breaks, and rest days. The PMK Agro Calendar (above) details the flow of tasks from March to December - the tobacco harvesting season. The interviews confirm that the most labor intensive work is completed in March and April and from July to December. The months of May and

June are allotted for tasks which are comparatively less labor intensive and do not require workers to be present in such large numbers.

The data collected suggests that workers work the hours that are necessary to plant, tend, and harvest the crop, and that the flow of work is not consistent from March until the end of December. At the height of the season, most workers are in the field almost every day of the month, often working 11+ hours per day. (Field reports suggest that workers often work from 5:30am to 11:00am, spend the afternoon stringing or working on vegetables, and then go back to the field from 4:00pm to 8:00pm.) The Verité field teams observed that workers operate their farms like small businesses, determining hours and days off as needed to produce the tobacco. Farmers were clear in their comments that they do not tell workers what number of hours to work, when to take days off, etc., and farmers do not keep track of hours worked as the basis for paying wages.

Kazakhstan labor law indicates a maximum of 40 hours per week (36 in tobacco) and “if extra working hours are requested, they will be offset by reduced work hours on other days or the employee will be granted additional days off.” Surveys provided a mixed picture. Hours worked varied, but more than half of workers interviewed (68 percent) reported working more than 8 hours per day during peak season. Eight of these workers reported working 10-12 hours per day during peak, and 15 stated they work 12 or more hours. Two workers (among those stating they work more than 8 hours) reported working a maximum of 15-20 total hours per day. The average work hours are divided into early hours of the day on the farm and late afternoon and evenings for stringing tobacco.

Most farmers (70 percent) confirmed that workers do receive a day off each week. Thirty percent of farmers stated that workers do not receive a day off each week, and more than half (54 percent) of farmers reported that workers did not have days off on the weekend. Workers interviewed in Kyrgyzstan reported having

worked without a break during the sowing and harvesting periods, and taking considerably long breaks during the non-peak harvesting season. During this period, workers report being involved in tasks such as domestic work at the farmer's home and farming vegetables for their family's consumption and their own commercial use. Some also hired out as day laborers to other local farmers. The workers also received time off during the rains which paralyze all operations/activities on the farm. However, 60 percent of workers interviewed stated that they work 30 days per month during the high season. Workers on certain farms explained that:

"...when you work, the hours worked is not a consideration; targets are set for the production cycle, which need to be achieved."

As a result, the workers work continuously for a period of time. Workers also shared with the field teams that a major factor determining their working hours was the weather. Rain usually hampers the work schedule on the farm. The workers engage in leaf picking before rains are due, and on rainy days, work is limited to stringing tobacco.

In Taraz (Dzhambul Region), workers reported that:

"On some days this year, we did not have work for seven continuous days due to heavy rains. The family sat around, we did some repair work on the accommodations provided to us. The women of our family also helped a few hours a day with the cooking in the farm owner's house. Due to the delay caused due to the rains, the work exceeded [normal hours] for the remainder of the month."

The law also requires that employees be given paid annual leave of 24 days per year. A considerable majority - 80 percent - of workers say that they do not receive annual paid leave. Slightly more than 50 percent of farmers said that workers do receive paid annual leave. The topic of annual leave deserves more

examination because of the discrepancy between farmer and worker reports, but the data suggests that farmers are often not in compliance with the law on paid leave.

Where farmers have opted for written agreements which are more in line with realities of each farmer-worker 'deal,' and which cover responsibilities and revenue sharing (so-called 'service agreements'), there are also legal weaknesses to be overcome. Namely, migrant workers, even those registered and in receipt of a temporary work permit, are not automatically registered as individual entrepreneurs,⁴⁶ a status required for this kind of contract. Farmers who have not managed to exercise full oversight of a farm where children under the age of 18 were discovered working are breaching the law.

Hire of workers by the day and for piece work were in evidence on farms that the field teams visited, but these arrangements were relatively few, and also lack formality, so the terms and conditions were hard to evaluate. Agronomist interviews confirmed that such arrangements are harder to monitor or influence.⁴⁷

7. Fair Treatment

Workers interviewed did not testify to any abuse or harassment by farm owners with one exception. We did hear from one worker interviewed that there had been one case of verbal abuse and one case of verbal harassment. It was reported that

⁴⁶ In order to become a registered individual entrepreneur, a migrant worker or local could register with the tax committee. Then the relations between the land owner and the entrepreneur would be civil relations rather than a labor contract, and quota would not be needed. A partial list of what is required is: paying taxes quarterly; having a bank account; registering as a temporary tax payer; and obtaining a valid passport.

⁴⁷ To illustrate: a contract farmer relying on *ad hoc* or casual work from an Uzbek migrant 'crew' working mainly on soya has no contracts or employment relationship with the crew directly. It is not possible to track hours, income, or work and how the farmer agrees with the soya farmer on access or use of the crew. In this case, the agronomist felt that it was beyond his terms of reference or 'right' to investigate, since it involves a third party (the soya farmer).

the farm owner was the abusive party, and the report was connected to the owner not paying workers the full amount at the end of the season, and claiming “you can go to the police if you want” but that “nothing good will come of it.”

No abuse or harassment was witnessed by the field teams. In fact, in many cases, farmers have supported workers in coping with harassment by the authorities e.g. visits from the Migration Police.⁴⁸ The independent and confidential LCF hotline, supported by PMK, has also dealt with a wide range of requests for assistance and information and provides a welcome outlet for situations where workers have questions or need to solve a problem. No physical abuse was reported via the hotline or in interviews with workers. LCF information leaflets were well-received when they were provided by the field teams; some workers interviewed had already acquired copies.

Profile of the Role of the LCF

The LCF was selected to implement a PMK sponsored project aimed at monitoring foreign workers’ labor rights and providing migrants involved in tobacco growing with legal and social support. PMK has supported a project on migrant workers’ rights carried out by the LCF and focused on:

- > monitoring the overall situation of migrant workers in tobacco;
- > providing legal advice to migrant workers in case of incidents or any disputes between migrant workers and a farmer or other third parties using a legal database created specifically to help identify needs and options to assist migrants workers with meeting legal requirements; and
- > the set up and promotion of a telephone hotline to provide an accessible and anonymous opportunity for migrant workers to call in and report any violations of their rights.

In addition to the hotline, LCF workers have visited many tobacco workers and also, like Verité, has conducted worker surveys, which reveal a wide range and a high frequency of documentation problems and challenges (no passports, inadequate supporting paperwork, e.g. contracts, failure to obtain the necessary date stamp on entry from immigration, no or invalid passports, etc.).

⁴⁸The Migration Police are part of the Ministry of Interior and have responsibility for monitoring illegal migrants working and living in Kazakhstan.

8. Forced Labor

Migrant populations are generally considered as particularly vulnerable to potential forced labor situations. This issue is therefore critically important in Kazakhstan because the country depends on migrant labor in the economy as a whole, and likewise tobacco production is dependent on the availability of skilled or semi-skilled migrant workers.

Citizens of neighboring countries can visit Kazakhstan for short periods without complex procedures to come and go, but they are not allowed to work. The quota system for obtaining a temporary work permit for agriculture is difficult and costly, and works well only with the cooperation of the farmer (employer). The quota system dictates that migrant workers are bound to a single employer for the length of their stay in Kazakhstan.⁴⁹ In addition, migrant laborers and their families working on farms in Kazakhstan are granted only temporary residency status, and face the possibility of deportation at will by Migration Police. This puts tobacco and other migrant workers in Kazakhstan at risk of abuse – raids, bribes, and the constant risk of being reported to the authorities for any irregularity. Some workers interviewed – even those with work permits – generally confine themselves to the farm where they work in order to minimize their exposure to potential harassment.

In the leaf purchasing contracts, PMK specifically prohibits farmers from using forced labor and, related to this, also requires farmers not to retain migrant workers' passports (unless agreed to by the worker for purposes of safe keeping).

Against this backdrop of migrant workers' general vulnerability on the one hand and PMK's requirements with respect to forced labor on the other hand, Verité

⁴⁹ International Labor Organization, *Labor Code of the Republic of Kazakhstan*, May 22, 2007, <http://www.ilo.org/dyn/natlex/docs/MONOGRAPH/76433/82753/F982631364/Microsoft%20Word%20-%20ENG%20KAZ.76433.pdf>

sought to determine to what extent situations of forced labor occur in tobacco growing in Kazakhstan and to assess the related risk factors.

a. Retention of Workers' Documents

Almost one-third (30 percent) of farm owners interviewed said they were holding their workers' ID documents, and 25 percent of workers surveyed said that their ID documents were being held. Although most workers reported to the Verité teams that they could access their documents, a minority reported that they could not be sure this was the case, as they had not tried to access them in the past. Workers and farm owners both shared a view that this was a mutually beneficial arrangement, primarily for security reasons. In some cases, a worker had prepared a hand-written note with a declaration to this effect. When asked if they surrendered their documents voluntarily, 100 percent of respondents without their documents said they had. Despite this 100 percent finding, observations led Verité teams to believe that there were a minority of cases where this might not have been entirely voluntary, and determined that these cases represented border-line forced labor and warranted further investigation. Cases were followed up on and revisited either in Kazakhstan or Kyrgyzstan. In the most troubling cases identified, the workers had already left the farm and returned home, with their passports/documents, dispelling the concerns of the field teams over forced labor.

When the field teams reviewed the situations where farm owners were holding workers' identification documents, farmers [and workers] consistently cited one or more of the following reasons for the retention of documents:

- geographic location of farms (proximity to the border);
- proximity of the farm owner's dwelling;
- absentee landlords;

- the level of trust between the farm owner and the workers (length of relationship);
- when a farmer had had bad experiences in the past (e.g. workers arrived with the expenses covered at the farmer's cost and promptly left for other work opportunities).

At a practical level, these reasons may be viewed as legitimate and workers do not challenge them. Furthermore, in the 2010 season, Verité teams were reasonably satisfied that farmers did not use passport retention as a means of coercion and that workers can cross the border without ID and regularly do so (remembering that 30 percent of migrant workers on tobacco farms had no ID to start with).

However, the practice of passport retention remains problematic – even with consent of the worker – and is against PMK's requirements which only allow passport retention for safe keeping purposes. Therefore, PMK will need to make further efforts to eliminate this risk and, perhaps, to explore other *bona fide* methods of providing security for unproven or new workers to farmers (see recommendations).

Examples: Passport Retention

Farms on the Border with Kyrgyzstan: None of the workers held or had access to their passports. These farms largely belong to absentee landlords and were run by local Kazakh guards/managers. While Kazakh guards reported that the workers' passports are held by the owner to ensure that workers complete the production season before returning to Kyrgyzstan, workers were unable to comment on whether they would get their passport in times of mid-season emergencies if they needed to return home.

Considering that these farms were merely two hours from the Kyrgyzstan border, field teams reported that farmers are concerned that workers might leave and go home at any point. It was interesting to note that in three of the farms visited, the landlord held the passport of the head of household and not the entire family. As the payment at the end of the season was only released to the head of the household, to be shared with other members of the family, this was a form of security.

First-Year Workers: Interviews with workers working in Kazakhstan for the first time revealed that they were required to deposit their identification cards or passports as an 'assurance' to the farmer that they would stay until the end of the season. Workers shared with the field team that after working for several years with farmers, a trust is built up and farmers feel less of a need to hold passports. It was interesting to note that on the same farm, passports of families working for less than two years were held, whereas families working for a longer period of time were in possession of their own legal documents. Despite living side by side, in conditions not significantly different, most workers were told by the farmers that the documents were taken for safekeeping more than any other reason.

b. Freedom of Movement

The research did not uncover any significant issues regarding freedom of movement or confinement to the farm by farm owners. The possibility of denial of a request to leave was reported in only 2 interviews with farmers, and the farmers reported that they would only deny permission due to the mid-harvest timing of the request. Workers categorically denied that they were unable to leave their job or were employed against their will.

On the other hand, the system and ambiguities of temporary work permit holders in Kazakhstan, as described above, has created an environment in which workers themselves may find it preferable not to travel or leave the farm during the season. However, this is owed to their fear of being harassed by authorities and not a result of abusive practices by farmers.

c. Debt Induced Forced Labor

Debt induced forced labor typically describes a situation where at the outset of a work relationship the worker (or someone related to him or her) has been put into a debt vis-à-vis the employer (or someone related to the employer), and the worker must continue to work until the debt is repaid. The services required and the duration of this work often may not be formally defined, which means that workers may be forced to work far more than strictly necessary if the arrangement was formalized. Often, the original or underlying debt will have been incurred through some kind of deception or cheating, for example over charging for food or provisions provided to a worker. Debt induced forced labor, in some societies, also involves a person working to pay off the debts of another relative or family member; for example, as many documented cases in South Asia and elsewhere show, debt induced labor often involves a bond being passed down from generation to generation and has its roots in discrimination or abuse of particularly vulnerable groups, e.g. ethnic minorities or those who cannot read or write.⁵⁰

Through its interviews with farm owners, the LCF, and workers, the team investigated whether this phenomenon is present in Kazakhstan, and if so, on what scale. Verité field teams found no cases of debt induced forced labor because of debts to the farm owner. Indeed, very few farmers reported that

⁵⁰ See, for example, pages 30-45 of the ILO Report: *A Global Alliance Against Forced Labour Global Report under the Follow-up to the ILO Declaration on Fundamental Principles and Rights at Work 2005*.

workers owed them money. Most farm owners (78 percent) reported that deductions never exceed payment, and 16 percent reported that this seldom occurs. Only 2 farmers said that deductions (advances and workers' share of direct farm costs) always exceed earnings, and one farmer said they sometimes do. LCF reported being called to 4 farms at the end of the season to mediate between 19 migrant workers and farm owners over final payments and reaching mutually agreed outcomes in each case.

The data collected from 30 farm owners on farm income and expenditure at the end of the 2010 season revealed a small number of cases where advances and deductions had exceeded revenue. These certainly had produced situations of some concern, but were not *per se*, attributable to bad faith, the manipulation of advances, or misrepresentation (of earnings) on the part of the farm owner, and did not always result in the workers being bound to stay and work out of season. In one documented case, workers had remained in Kazakhstan to take on other work to settle the debts they incurred with local grocery and goods suppliers, i.e. not with the absentee farm owner. In another, the workers were inexperienced and did not clear any income after the deductions, but the farm owner had made them a financial settlement anyway to enable them to return home.

This latter type of case found during field visits could, after investigation at the end of the season, often be attributed to a poor harvest or lower-than-expected tobacco price (e.g. lower grades) at the end of the season. Although rudimentary in form, many farmers and workers report separately that their record-keeping of deductions is clear and transparent, helping to mitigate surprises at the end of the season. No workers interviewed reported to Verité field teams that they could not leave their job because of a debt or that anyone was employed against their will on the farm.

Workers who had opted to remain in Kazakhstan for the winter indicated a number of financial and personal factors, in addition to those related to production outcomes suggested above, that made them stay:

- Some families reported higher than usual expenditure during the 2010 season which meant that they had insufficient funds to make the journey to and from home this year. Examples cited included a family illness (mother) and an exceptional event (a wedding).
- Just 1 family member had returned to provide support to the wider family to reduce the travel costs.
- There were good opportunities for employment and earning money locally for the winter.
- A desire to avoid the 'painful' loss, on top of direct transportation costs, of a large share of their earnings to border officials as bribes when crossing the border (see Table 6 below giving illustrations of cash payments made by migrant workers at the Kazakhstan-Kyrgyzstan border).
- A number of older workers explained that they appreciated the period of rest.

One group of workers investigated at the request of PMK were reported to be staying on for the winter to work on a construction site in order to pay off relatively large amounts owed to local grocery stores and to others in the community for goods obtained on credit during the season. These workers were not supervised during the season, having an absentee farm owner. This case was being monitored by LCF.

Table 6: Examples of Cash Payments Made from Earnings at the Kazakhstan-Kyrgyzstan

Border

Legal requirements	Authorities Extracting Bribes	Cited amount per Person of Bribes on Arrival to Kazakhstan in KZT	Cited amount per Person of Bribes Departing from Kazakhstan in KZT
Workers having legal passports and valid work visa/migration card	Customs	Nil	5,000
	Border Security	Nil	
Workers with invalid/expired/Soviet passports	Customs	1,500	10,000
	Border Security	1,500	10,000
Workers with valid passports and visitor migration cards valid for three days	Customs	1,000	10,000
	Border Security	1,000	10,000
Workers with no passport and migration cards	Customs	10,000	20,000
	Border Security	10,000	20,000
Workers traveling with their own vehicle - all valid paperwork	Border Security	Nil	50,000
Workers traveling with their own vehicle - no valid paperwork	Border Security	10,000	75,000

Ref: KZT 147 = USD 1

For both international migrants and internal migrants, the cost of broker fees or transportation to the place of work at the beginning of a work contract may result in bonded labor. Workers in many industries, not confined only to agriculture, sometimes get into debt, and then, being unable to pay it, become bonded or obliged to work until it is repaid.

In general, the survey data shows a fairly uncomplicated picture in Kazakhstan, with a standard approach to recruitment and method of travel by migrant workers

from Kyrgyzstan to tobacco growing areas. The Verité field teams' observations and survey results suggest that workers do not acquire their jobs through a labor broker as an intermediary, and, therefore, debt to an intermediary was not reported. Families interviewed in Kyrgyzstan reported that taxi drivers have divided their area of operation geographically, with each one transporting workers from the villages assigned to them during their early negotiations.

Taxi drivers seldom approach workers out of their 'territory,' and have had a long-term relationship with a number of families they have been transporting over the years into Kazakhstan. Based on the interviews, Verité field teams believe that the passengers remain the same, and that taxi drivers use previously determined routes of travel to enter Kazakhstan, having created their own relationship with certain officers of the border security at different ports of entry. Workers reported that the drivers take complete account of their passengers and their legal documents beforehand, and the fee for transportation is based on the varying situations of legal status. Interviews during the third visit to Kyrgyzstan in March 2011 revealed that workers pay out-of-pocket to taxi drivers, and no worker reported being in debt to the drivers. Drivers are paid for the cost of a one-way trip when they arrive at the farms by the owners, in most cases. Workers typically bear the cost of the return trip, which is paid upon arrival at the return destination. Interviews with returned workers in March 2011 revealed costs for the return trip in the table below.

Table 7: Costs Associated with Taxis Reported by Workers

Cost	Number of Workers Reporting this Cost
Under KZT 5,000 per person	2 workers
KZT 5,000 – 7,000 per person	10 workers
KZT 8,000 per person	1 worker
KZT 10,000 per person	1 worker
KZT 12,000 per person	1 worker
Other	One worker reported that the cost was KZT 10,000 for a full family of 8, while another reported a cost of KZT 12,000 for the family (this worker did not specify the size of the family).

The typical cost is within the range of KZT 5,000-7,000, and would depend on the size of the workers' family (or travelling group), as taxi drivers usually charge per person. While the costs paid to transport providers did vary, there were few cases cited by workers demonstrating manipulation of the process by these agents. This finding is backed by work done by the LCF to support individual workers in particular difficulties with unscrupulous taxi drivers, e.g. the retention of a woman worker's passport by one taxi driver.⁵¹

9. Recruitment, Work Permits, and Deportations

a. Recruitment

The recruitment process for workers on tobacco farms begins in February. Recruitment of workers is, in essence, the allocation of land to the head of the household. There is no shortage of land, but contracting with PMK requires the farmer to demonstrate the plan the farm will implement, including the numbers of

⁵¹This had not been returned as of December 2010, however, the woman worker was interviewed by the field team in December, and acknowledged the support of the LCF and expressed confidence in getting it back.

adult family members or workers available for work in a particular season. PMK will not contract for purchase of tobacco unless the farmer can demonstrate their preparedness to work the land. The major requirement for being hired is the physical capability to carry out assigned tasks. Previous experience is considered an advantage, but is not required. Discussions with land owners, migrant, and local workers indicate that the process of recruitment was clear and straightforward. Discrimination in hiring workers on grounds of caste, creed, gender, and nationality was not reported in any interviews.

The field teams found consistent responses about recruitment from both the worker and farmer interviews. Farm owners recruit the majority of new and returning workers. Due to its close proximity to the border, owners from the Dzhambul Region⁵² reported traveling to Osh, Kyrgyzstan and hand-picking the workers for their farms. No workers interviewed stated that they had to pay farmers or labor brokers to get their job.⁵³ A majority of workers reported having found their jobs through friends and relatives who had previously worked on the tobacco farms.

b. Medical and Pregnancy Tests during Recruitment

The survey results suggest that women are not given a pregnancy test as a pre-requisite to working on the farm. One hundred percent of farmers interviewed reported that they do not give pregnancy tests. In 2010, the field team found that there is a clause (1.6) in the template agreement developed by PMK by which employees must attest to any prior medical conditions: “By concluding this Employment Contract the Employee hereby confirms that he/she is a person with

⁵² Please see “Visibility into the Tobacco Growing Supply Chain” for a more complete discussion of the Verité team’s findings in the Dzhambul region of Kazakhstan.

⁵³ As noted above, migrant workers usually incurred costs for traveling to Kazakhstan (e.g. taxi transport, payments at the border).

no health contraindications for the performance of work on the basis of a medical assessment.”⁵⁴ This clause could oblige pregnant women to declare their pregnancy. There were cases documented where farm owners had hired pregnant women, fully recognizing their condition and limited ability to undertake the work.

c. Deportations

Heightened interest at the national level during the year meant more raids and investigations in the tobacco growing areas of Dzhambul Region and Almaty Oblast. The Charter for Human Rights says that in 2007, more than two million labor migrants across all sectors and across all Kazakhstan were deported, but this deportation has slowed down and only 1,000 migrants were deported to Kyrgyzstan in 2009. During the 2010 season, however, there were repeated visits to farms by Migration Police even where workers had obtained work permits, sometimes resulting in bribes paid by migrant workers or menacing. Deportation is a constant threat. Moreover, it appears to have affected farmers whose workers were legally registered to work temporarily on their farms in 2010 more than those whose workers remained unregistered during the season. Migration Police visited farms with registered workers as many as four times during the season. Where paperwork is not completely in order, officials generally demanded bribes to avoid further trouble or deportation. This means, paradoxically, that registered workers were just as or even more exposed to harassment by the authorities than unregistered workers. At the end of the 2010 season, our investigations indicate that at least 12 workers were actually deported, but we also met some farmers who reported that some of their workers had left the farm voluntarily prior to a possible deportation to avoid repercussions (prohibition to return for five years). In one instance, the male heads of households/older members of four families were

⁵⁴Source: PMK Employment Contract Template Final – Eng (2010). The same clause remains in template contracts under discussion for 2011.

harassed and forced to leave Kazakhstan on a pure technicality, but not by the Migration Police. These workers had a long-standing relationship with the farm owner, who claimed they were not working illegally and had work permits.

Example: Deportation in 2010

Farm E had four families working on a large and established tobacco farm. The same migrant families had been coming to this farm for eight years. The migrants own their own cars to come and go. In 2010, they brought one school-aged child who went twice to the PMK-sponsored summer camp.

According to the farmer, the migrants' papers were in order. When the Migration Police visited the farm, they took the workers' passports with them for further inspection, leaving the farmer with a signed, official receipt. [A few days later], other policemen came to the farm, asking to see the migrants' passports. These policemen did not accept the signed paper confirming that the workers' passports had been taken by Migration Police for review. Eight migrants were taken into custody and were kept waiting for one day in Shelek. The following day, the eight migrants were taken to the Prosecutor's Office in Issik where they were ordered to leave the country before October 20 (apparently as part of a public campaign against migrants). They left on October 19 and re-applied for a new guest visa in Bishkek. In November, the migrant workers returned to farm E on a 15-day visitor's invitation/visa and completed the harvest.

The farm still lost two hectares of tobacco during this time, and the migrants lost their own cash crops (vegetables, potatoes for sale). The farm owner helped the migrants to sell some of their vegetables (earning the families KZT 700,000 additional to tobacco monies).

The farmer could not explain why the authorities went after "his" migrants.

10. Lack or Loss of Passports

In sub-section 8-a above, we discussed our findings regarding the issue of passport retention by farmers. In this section we deal with a separate issue of workers who did not have possession of passports (or similar ID documents), but not because the farmer was holding the passports. There were a variety of different reasons for such a lack of passport possession:

- workers stated that they had lost their passport;
- workers stated they were unable to retrieve their passports from a third party (not the farmer) who was holding it in lieu of debt or as part of a dispute;
- workers did not have a passport to begin with.⁵⁵

Lack or loss of ID or passports by a migrant worker is a problem at many levels. It can reduce their ability to return home, severing social and cultural ties over time. It also makes enrollment of children in school even harder. They cannot be registered as workers or entrepreneurs.

Example: Lost of Passports

On one farm [farm “O”], a female worker reported having lost her passport in Kazakhstan. She also reported that the farm owner had mentioned that she can get a “pass” when she wants to return to Kyrgyzstan. During a follow-up visit, it was established that the family had stayed on for the winter. The woman worker was not present, but the field team spoke with her husband, who confirmed that she is still without a passport. In general, the situation of this family is a cause for concern, as their earnings are low, the accommodations inadequate for year-round living, and, objectively, they appear ‘trapped’ in this situation. A second attempt was made to encourage the family/the woman to contact LCF for assistance.

The LCF legal project has rightly focused on this issue, which sits clearly within its human and legal rights remit. The LCF has been called to intervene in a number of passport retention cases with some success, e.g. a worker whose passport was being held in lieu of a debt to a taxi driver and was later returned. However, in other cases cited by LCF, mediation was ongoing and the outcomes uncertain. In conclusion, workers without any ID or passports are the most vulnerable. They

⁵⁵ Verité data gathered from interviews with stakeholders at the LCF and PMK, as well as the LCF Annual Report and a PMK report dated December 2010, provide some information on the extent of documentation issues. LCF visit findings and outcomes showed that more than 30 percent of workers have no documentation. Among 65 calls received to the LCF hotline, 8 were regarding lack of documents, while 2 were related to lack of documents or registration (birth) of children.

can be deported or threatened at any time and have no formal defense – i.e. a work permit, however variable the protection that this apparently offers. Interviews with some farmers demonstrate that they have realized the seriousness of the consequences of this phenomenon. Some farmers indicated that they had warned workers that they would not be welcome on their farm in 2011 if they did not obtain a valid ID document or passport during their visit home.

11. Freedom of Association

Migrant workers' greatest obstacle in attaining the right to freedom of association is the temporary nature of employment. In addition, the Labor Code of the Republic of Kazakhstan limits some rights of trade unions in respect to collective bargaining, as well as the concluding and monitoring of the implementation of collective bargaining agreements. Only general meetings of workers are vested with the right to initiate collective labor disputes rather than trade unions. With regard to temporary workers, it should be noted that the ILO Committee on Freedom of Association hold as a principle that temporary workers should be able to bargain collectively.⁵⁶

Although Kazakhstan has made steps toward ensuring the rights of these migrant laborers by ratifying the International Covenant on Economic, Social and Cultural Rights and ILO Convention No. 87 concerning Freedom of Association and Protection of the Right to Organize, migrants are not entitled to establish trade unions and have limited opportunities for participating in the previously established workers' associations.

⁵⁶International Labor Organization, *Rights of Migrant Workers in Kazakhstan*, March 2008, Available at: http://www.ilo.org/public/english/region/eurpro/moscow/info/publ/right_migrant_kaz_en.pdf

12. Discipline and Termination

The team found, using the words of workers themselves that, “There is no need to discipline [us],” and similarly, “The farm owner really doesn’t have an authority to be able to discipline workers.” The relationships between the farm owners and the workers vary, of course, but where the deal involves a target, there was little day-to-day monitoring or call for disciplinary action.

Some workers reported that a member of their family had left before the end of the harvest without repercussions. In cases where the farm owners had workers in a more typical employee situation, with more oversight, there were no cases of termination reported.

13. Environmental Health and Safety

Also covered by the Verité investigation was workers’ safety, access to basic necessities, and related rights. To verify this, the field teams considered attitudes and compliance with practices to reduce hazards, including:

- awareness of dangers, education and safety programs (especially GTS and pesticide and equipment use);
- incidence of illness;
- procedures and safe storage of pesticides and fertilizers;
- fire safety/precautions;
- personal protective equipment (PPE), access to clothing/protective equipment, and use or reasons for not using PPE.

Farmers have few written policies or educational materials that they provide to workers, but they do pass on leaflets provided by PMK to workers – these were posted in curing barns or had been retained by many workers interviewed.

a. Application of Pesticides and Fertilizers

The Verité field teams' findings indicate that there is a broad awareness and practical observance of GAP guidelines regarding safety on the farm through training and on-farm supervision by PMK agronomists. Farmers and workers report that the application of input such as fertilizers and CPAs or pesticides is often supervised by or even undertaken by PMK agronomists. This supervision of pesticide application is assisted by the low ratio of farmers to agronomists.

The field teams found that PMK agronomists have established firm standards regarding chemical use and storage that are protecting children. Agronomists supervise the applications of agro-chemicals on farms and the hazardous products are rarely, if ever, stored or kept on the farm. This means that the serious risks to children associated with application of inputs are avoided.

Field teams did not witness the application of chemicals, but received consistent reports from farmers and workers that:

- the agronomists provide CPA training;
- the agronomists apply or supervise the application of the chemicals;
- there is awareness of the need to use PPE and the needed PPE is provided;
- vulnerable people are kept clear of the farm during and after CPA application.

Verité field teams report that most workers had folders including information on PMK policies, and that CPA and health and safety guidelines were posted on some of the farms. In response to a question about whether workers had been trained to safely handle, store, and dispose of pesticides and herbicides, 52 percent said yes. However, the statistic is slightly misleading, as teams were told repeatedly that the agronomists are the only ones to handle the chemicals and, as

already noted above, these are rarely, if ever, stored or kept on the farm before or after these applications. It was further reported that climate and agronomic conditions in 2010 had meant there had been little need to apply CPAs.

b. Medical Care and GTS

Employers are not required by law to make Social Insurance contributions for migrant workers. This lack of Social Insurance is a significant disadvantage for migrant workers. Kazakhstan is one of the few countries that establishes a distinction between National and Migrant workers in their national labor policy. Migrants who register through Migrant Ltd. have access to state medical care, and the fees are deducted from the end-of-season payment. The service is not reliable, however.⁵⁷ The Labor Code (Article 164) does establish the employer's liability to compensate for harm or danger caused to the employee's health while performing his or her duties, including those situations that occur as a result of occupational accidents. This requirement extends to migrant workers as well. Further, there are no exemptions for migrants on the process for exercising their rights to compensation. Field teams analyzing farmers' operational costs did not note any farmer referencing Civil Liability Insurance premiums paid, even though this is feasible for short-term employment.⁵⁸

Field reports and survey data suggest that there were no major medical issues uncovered in the research. There were no reported accidents and no reported cases of GTS or heat stroke, although some workers did report feeling dizzy at

⁵⁷A recent study conducted by the Children's Fund of Kazakhstan, which surveyed 131 migrants, found that 64 percent of migrants could receive health care on a paid basis, but 28 percent did not have access, even if they paid. The interview report does not provide more detail on this subject or clarify the reason that 28 percent could not obtain medical care.

⁵⁸The provisions of Republic of Kazakhstan Law No. 30-III ZRK dated February 7, 2005 on the "Employer's Compulsory Civil Liability Insurance to Cover any Harm Caused to the Worker's Life and Health in Performing His/Her Labor (Working) Duties" extend to all workers, including migrants.

times because of the heat. There are local doctors and hospitals where migrants can receive care; there is no emergency response system because the farms are located in remote areas. The data regarding medical facilities on site suggests that half of the farmers surveyed have first aid training or a first aid kit and the other half do not. Access to medical centers and doctors was variable, taking from a few minutes (i.e. a medical post in the same village) to at least one hour away.

c. Machine / Equipment Safety

The only machine used for this production process is the tractor at the beginning of the season and tractors or similar vehicles for haulage from fields to the curing barns. The tractors are usually rented at the beginning of the season by the contractor. Other than these, no other machinery is used by the workers, making labor law provisions mostly irrelevant to the assessment.

14. Living Conditions

Many farmers and workers interviewed share the same facilities and live in the same compound, indicating that the standard of accommodation for migrants broadly matches that of local people. The Verité field teams observed diverse communal living arrangements between farmers and workers. Examples include: day-time child care by the landowners' older relatives of workers' children; shared cooking and bathing facilities (steam bath houses); or occupation of a shared dwelling. In these contexts, the physical provisions (such as minimum standard housing as defined in the contract) fit less easily into the framework of an 'obligation' or as part of a 'remuneration package,' and are instead a collaboration towards a shared economic goal: production and sale to PMK.

A large majority of contracted farmers interviewed were in compliance with PMK's basic social requirements for workers regarding conditions and accommodation.

For example, interviewed farmers had nearly all made demonstrable investments to improve their workers' living conditions. Where they had not, they received direct assistance from PMK in 2010.⁵⁹ Migrant workers remaining for the winter who were interviewed in December were all housed in suitable accommodation, with one exception where two migrant workers families were housed in buildings requiring considerable maintenance and not suited to year-round living given the climate and temperatures.

Field reports broadly suggest contextually reasonable living conditions and plenty of access to water and sanitary facilities in the field and close to their houses. Ninety-eight percent of workers reported having free access to drinking water while working, and 93 percent of workers reported having access to sanitary facilities while working.

Field observations during the season and the financial reviews at the end of the season indicate that workers were not required to pay for any of their basic amenities such as housing, water, and sanitation facilities.

⁵⁹For example, PMK delivered and adapted (with doors and windows) 9 basic housing structures made of metal with doors and windows and approximately 1,160 cubic feet to be used as temporary accommodation for migrant families for a small fee to farmers, and provided 28 – 30 wooden outhouses to replace cardboard boxes in the fields.

Observations and Findings - PMK

1. Visibility of the Tobacco Growing Supply Chain

a. PMK Contracting Process

The GAP requires there to be written contracts, known as leaf purchase agreements, between PMK and farmers. PMK contracts directly and exclusively with farmers/farm owners, as per Kazakh law. Eighty-nine percent of farmers surveyed stated that they had a signed leaf purchasing agreement with PMK in 2010, while the remaining 11 percent were operating without an agreement. As part of the survey research, interviewers asked farmers to produce a copy of their leaf purchasing agreement with PMK. Of the 22 who responded to a request to see an agreement, 12 produced the agreement, 5 could not, and 5 stated that the agronomist had the agreement.

The 2010 PMK leaf purchasing agreement specifies terms and a number of standard contractual obligations, including:

- grades and their related prices delivered ex-works (the buying center);
- acceptance rules (i.e. how the grades will be determined and delivery accepted);
- duration (i.e. the final date by which tobacco can be delivered);
- terms of payment.

In 2010, both farmers and key workers were present at the signing of the agreements. In the main, farmers and workers found the terms and conditions clear.

The agreements also outline a number of social requirements that farmers must adhere to:⁶⁰

- the law in regard to forced labor, child labor in tobacco (minimum age of 18), safe and hygienic working conditions, and minimum standard living conditions;
- no discrimination against migrant workers (providing migrant workers with the same labor conditions as local workers and facilitating registration for work permits);
- the manufacturer's guidelines for safe use and storage of fertilizers and toxic chemicals, and PMK's safety protocols with respect to GTS.

The agreements do not explicitly offer specific additional compensation for compliance with these elements. With the exception of a provision that PMK reserves its right to cancel the agreements in case of violations, the agreements do not set out specific procedures for farmers in cases of noncompliance with these social requirements.

At a practical level, the annual contracting process includes several stages, which provide room for review of past compliance with social requirements and, if appropriate, sanction or cancellation. The farmer submits a proposal to PMK for the coming season. PMK then reviews the proposal and assesses it based on the growing conditions and the farming strategy, including labor available and past track record. Non-renewal is considered for those farmers who were not compliant with important aspects of PMK's requirements in the preceding season, but PMK is moving towards agreements based on specific conditions and continuous improvement.

⁶⁰ Some of these social requirements were introduced with the 2010 season, while others had existed in previous contracts.

Interviews with PMK revealed that in 2010, PMK refused to renew the agreements of 21 farmers detected using child labor in 2009. Farmers interviewed were all aware that noncompliance could result in cancellation or non-renewal in 2011. There are some 'unwritten' obligations also. For example, according to the agronomists, attendance at PMK training workshops, which cover agronomy and social issues, is compulsory, but there appears to be no clear sanction for a failure to attend trainings.

The timing of contracting varies. In 2010, the field teams witnessed leaf purchase agreements dated as late as September and October. There are clearly considerable challenges in aligning the signing of the leaf purchase agreement with PMK and finalizing employment agreements with a sufficient number of workers to implement the PMK contract.⁶¹ Although workers arrive and start to work as early as March, in practice, agronomists and PMK often do not sign leaf purchasing agreements until the tobacco is already in the ground. Thus, technically speaking, during the period when there is not yet a leaf purchasing agreement in place, farmers are not obliged to comply with any of PMK's social requirements, thus undermining the effectiveness of PMK's policies. We understand that for the 2011 season, PMK intends to sign the leaf purchasing agreements in April.

b. Bezkontraktniki or Non-contract Farmers

The plan for Verité farm visits was developed independently by the Verité field team, using lists provided by PMK with farm names and addresses, as well as

⁶¹The established procedure of migrant workers' access to the Kazakhstan market, which recognizes only temporary labor migration, also complicates this and can also result in considerable differences in the terms and forms of formalizing migrant labor relations with the employer compared to native Kazakh workers. Labor contracts can be concluded only after the employer has obtained the relevant permissions.

advice and background information from HRW and other stakeholders interviewed in Kazakhstan. However, the Verité team encountered farms growing tobacco whose owners did not have a current leaf purchasing agreement with PMK. The GAP requires PMK to conclude leaf purchasing agreements with any individual or entity from which it buys tobacco. As PMK is the only buyer, all tobacco sighted can reasonably be assumed to reach PMK through a third party holding a leaf purchasing agreement.

Verité termed these farms *bezkontraktniki* – literally ‘without-contract farmers.’ Non-contracted farms ranged from tiny plots or part of a garden next to a farmer’s house, with tobacco being grown for a bit of extra cash, through to 2-3 hectares being run professionally by experienced migrant workers. The reasons reported for not having an agreement directly with PMK varied, but included: land title or a range of documentation problems, previous quality problems or disputes, and tax or financial problems. Some *bezkontraktniki* were willing to speak with us, while others were not.

This is not a new phenomenon and is known to PMK. Independent of labor issues or social requirements, the GAP has always contained standards for product integrity, which aim for complete traceability of the product from seed to packaged tobacco thereby “... [reducing] the potential for low-quality outputs with no supervision from the agronomists.” The technical aspect of this standard involves the elimination of non-tobacco related materials, or NTRM. However, beyond these technical aspects, Verité considers that a lack of traceability also represents a considerable risk to PMK in terms of social compliance. Non-contracted farms whose tobacco still ends up in PMK’s supply chain are potentially undermining the progress being made on contracted farms, because what happens on these farms is not monitored and no remediation or corrective action is possible.

In a recent effort to identify all the sources of tobacco being purchased, PMK identified 34 non-contracted farms that grow tobacco in the area. However, the field teams' findings and survey data strongly suggest that there are more than 34 such farms, and they estimate that more than 10 percent of tobacco ultimately purchased by PMK may come from non-contracted farms.

Table 8: Non-contract Situations Observed by Verité Field Teams (August 2010)

Farming Set Up	Why they may have no contract with PMK
Owner/farmer i.e. Kazakh family/no employees	May have 'failed' for technical reason such as inability to show clear title to land, or have debts with the tax authorities.
Multiple farm owners – may include one with PMK contract	Sharing (or sub-contracting) a migrant work force among a number of crops. (We observed this with an Uzbek work-gang primarily engaged in production of the less intensive cash crop, soya.)
Experienced tobacco farmer migrants 'renting' land from a local landowner	Unable to contract with PMK in own right; owner unwilling or unable to do so.
"Back-garden production"	Very small plots often adjacent to house in village
Revenue Sharing	Migrants undertake all work and after an agreed percentage to the land owner, take home the rest of the sales receipts.
Land-Owners with local only, local and migrant, and only migrant farmers	May have been disqualified by PMK, or may simply not want to 'bother' with the new levels of scrutiny.

Most arrangements between land owner and worker, if not worked by the owner him or herself, are very similar to those on contract farms, including some similar types of labor violations. For example:

- some children between the ages of 12 and 18 years-old assisting parents in stringing tobacco; 15-18-year-olds working in the tobacco fields;
- some cases of makeshift, inadequate housing.

However there was a more pronounced set of violations on non-contract farms visited compared with contract farms including:

- workers without written contracts, not even with the head of household;
- owners withholding workers' passports were unprepared to show them to the field teams;
- unsafe drinking water;
- workers reporting they had little freedom to come and go from the farm.

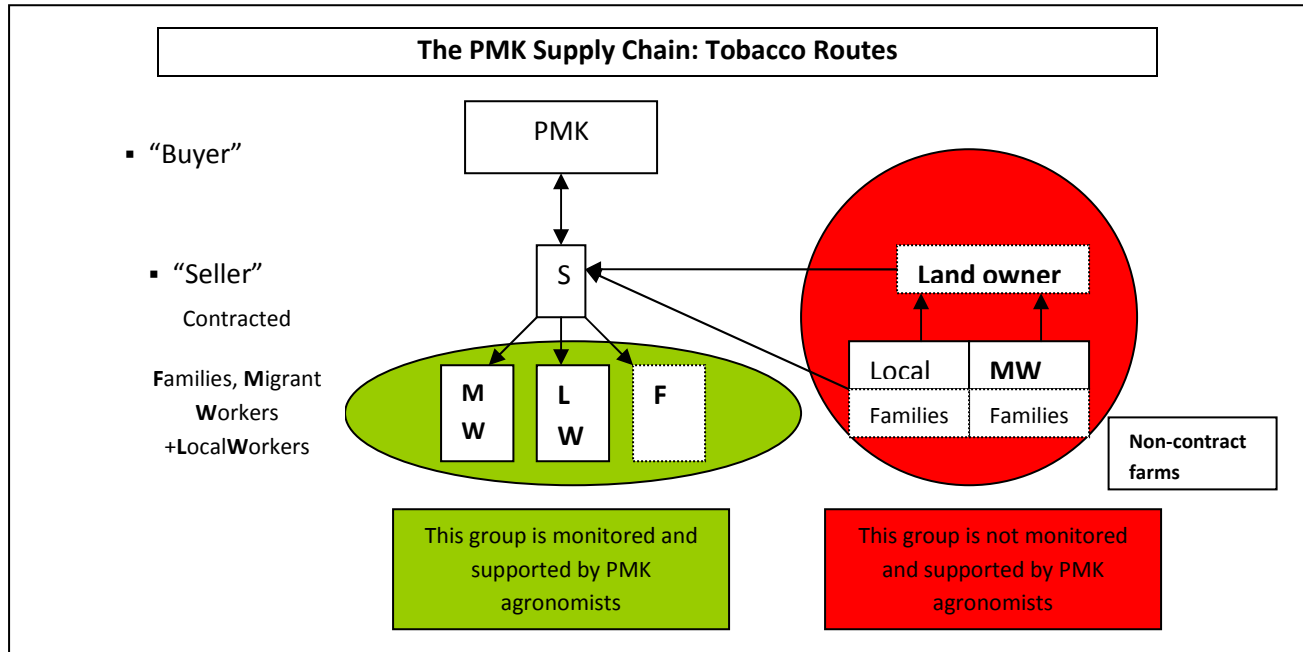
We suggest that these differences are partly a result of non-contracted farms not having exposure to or benefitting from the considerable level of investment by PMK in training and on-farm support in 2010. The only farmer respondent to list an under-18-age worker to the question "What is the youngest age currently employed at the farm?" was a non-contracted farmer suggesting a lower level of awareness of the emphasis by PMK on this issue.

The main risks from *Bezkontraktniki* involve the following:

- non-contracted farmers are not obligated to abide by the social clauses in the leaf purchasing agreement;
- these farms are not supposed to be visited or monitored by agronomists or LCF; and therefore,
- workers on these farms are especially vulnerable, fall outside any formal obligations on pay and conditions, and are without channels of redress for abuses of any kind;
- non-contracted farms put at risk all the efforts and progress of the remaining contracted farmers.

Furthermore, the owners of non-contracted farms were sometimes less willing to cooperate with the field teams. This means that the survey results for conditions on non-contracted farms cannot be considered conclusive.

Figure 3: PMK Tobacco Supply Chain



Another outcome of non-contract farming involves reduced income. Non-contracted farmers and workers are paid less for their tobacco. In some cases surveyed, based on PMK grades/prices for 2010, this is as little as 30 percent of the actual sales value. This is simply because they are selling to at least one 'middleman' – a contracted farmer (one with a leaf purchasing agreement), who then sells to PMK. The diagram above illustrates the potential routes of non-contracted tobacco to PMK compared with contracted farms.

c. Reasons for Non-Contract Farms

Based on interviews and the perspectives of PMK staff, Verité field teams offer the following explanations as to why non-contracted farms exist:

- *Document Problems:* land tenure issues, such as when the land is not subdivided and properly passed on to children who want to farm tobacco by the grandparents, and whose name is still on the deed.
- *Multiple Farm Owners:* Several farm owners may share a migrant work force or 'crew' - indeed this crew may work on other crops as well as tobacco - and only one of them may have a contract with PMK.
- *Farmer or Worker Renting Land from the Formal Owner:* The owner is unwilling or unable to sign a contract with PMK, therefore, the farmer or migrant worker rents the land and produces without a contract.
- *Small-Scale Production:* Some farms are very small and production is for small amounts of cash for the household.
- *Farmers using 'Casual Workers':* Some farmers use casual workers, who go from farm to farm, and they do not want to have signed employment agreements, per the PMK contract, with each of these workers.
- *Resistance to New Contract Policies:* Some farmers do not want to bother with the level of scrutiny conducted by PMK.
- *Insolvency, Outstanding Debts to Banks, or Tax Debts:* Making it legally impossible for PMK to issue a contract.
- *Technical Problems with the Tobacco:* Persistent past problems with NTRM, unacceptably high moisture content.
- *Child Labor Violations:* Where contracts were not renewed in 2009.

d. Dzhambul Region

PMK sources tobacco from 2 regions of Kazakhstan: Almaty Oblast, with the town of Chilik acting as overall operational center for all purchases, and Dzhambul, with farms located in and around the town of Taraz. The areas are more than 600 kilometers apart (see Figure 4 below). Of the total number of PMK-contracted ⁶²

⁶² From PMK farm list dated August 16, 2010.

farms, there are 292 farms in the Almaty region employing a total of 395 migrant workers, compared to 9 farms in the Dzhambul region which employ 100 migrant workers. According to PMK data, 12% of the tobacco purchased by PMK in 2010 came from the Dzhambul region and 88% from the Almaty region.

Through the interviews and observations gathered over two visits, the field teams found some shared features with farms in Almaty Oblast, notably:

- Land owners are reliant on migrant workers from Kyrgyzstan.
- Some workers did not possess any valid form of identification.
- Workers are paid in a lump sum at the end of the season, minus deductions for travel, food, and other necessities.
- Payments to workers are made in cash; there are no official time keeping systems, and there are often no pay-slips or documentation provided for workers.
- Workers have long term relationships with the owners.
- Some farms were visited regularly by Migration Police; seven workers were deported in 2010 (without work permits), two of whom were interviewed in Kyrgyzstan.⁶³
- Some workers do not get weekend days off or 1 day off in 7.

The differences in the Dzhambul region, compared to Almaty Oblast, which the field teams noted were:

- Farms are larger with an average of 14 workers.
- There are more local Kazakh workers (14 percent).

⁶³PMK Agronomists had either no knowledge of this, or had not reported it to PMK, who in December 2010, believed that despite harassment, and the 'preventative' departure of some migrant workers, nobody had been deported from either Almaty or Dzhambul regions.

- Some land owners initially travel directly to Osh in Kyrgyzstan to recruit workers, and incur the cost of transportation to the farm themselves. For the return trip home, workers bear the cost. Due to the proximity of Taraz to Osh, and in order to minimize travel costs, workers often take buses from the Kazakhstan-Kyrgyzstan border to Osh during the return trip.
- The contracts with workers are concluded exclusively with the head of each household.
- There are no citations for child labor violations by PMK.
- None of the workers were legally registered with work permits. There was no quota in this region for the 2010 agricultural sector. Border Security issues a migration card with a 'visitor' status to all workers traveling to the Taraz Region, valid for three working days only. These cards, and the proximity of the area to the border, make workers feel that they could so easily be deported that the cost of obtaining permits could be wasted.⁶⁴



Figure 4: Map of Locations for Chilik and Taraz (Source: m.wikitravel.org)

⁶⁴ Source: worker interviews Kyrgyzstan, March 2011. Plus, to highlight likely reasons for this from the Registering Migrant Workers section: a total of 3,200 work permits for citizens of Kyrgyzstan include a sub-quota for agricultural workers allocated by region, including Almaty Oblast. There is no equivalent of Migrant Ltd. for Dzhambul.

Where the Dzhambul region diverges most from Almaty Oblast is in the scale of violations encountered and the sharp contrast in views recorded between farmer interviews and worker interviews on most issues. A diverse range of GAP violations, noncompliance with Kazakh law, and noncompliance with the leaf purchasing agreements were noted in Dzhambul:

- Workers have no written contracts; farm owner contracts are with heads of households; and some workers have a verbal agreement only.
- There is no training upon hiring.
- There is a high incidence of child labor on the farms with children as young as 11 working (stringing). Some 16 and 17 year-olds work full time. Workers claim children only complete work that they are physically able to handle.
- Housing and facilities (e.g. potable water) do not meet minimum standards and were often inadequate for the climate.
- Land owners/managers take workers' passports and documentation on each farm.
- Awareness of issues is low or nonexistent: many workers claim that there is no forced labor, and that the way they operate is 'tradition.' Some workers forfeit a whole season's pay if they return home early or must pay a fine.

e. Dzhambul - Contrasting Views: Farmers and Workers

In the Almaty region, the field teams found that interviews with farmers and workers were well aligned, i.e. they did not paint starkly different pictures of a given situation. In Dzhambul, however, there were direct and fundamental contradictions between data gathered from interviews with farmers and workers. The most significant examples from Dzhambul Region include:

Table 9: Significant Findings in the Dzhambul Region

Issue	Farmers/Managers Reported:	Workers Reported:
Child Labor	<ul style="list-style-type: none"> -There is no child labor; -There are no school aged children on their farms; -One owner admitted that there are some school aged kids on his farm, and that they assist in domestic work, loading, and unloading. 	Workers reported that there is child labor on the farms, most commonly occurring with children ages 13-15. Many of these children are tasked with stringing tobacco, although some 16 or 17 year-olds act as full time employees, and are paid accordingly.
Sanitation and Potable Water	There is clean, safe water.	One worker reported that he must share a bathroom with 31 other people; others reported that all water needs to be boiled; [some] workers drink from a dirty canal.
Housing	<ul style="list-style-type: none"> -Housing is completely satisfactory with a working heat system. -They provide clean, secure houses, with plenty of room. -There is temporary housing for tobacco guards. 	<ul style="list-style-type: none"> -Eighty-eight percent of housing facilities were poorly ventilated. -One farm owner prevented field teams from viewing the housing units. -The guards' housing not located by field team.
Retention of Passports/ID	Only one owner admits to holding the originals of workers' passports or identification documents.	All workers claimed that the owners took their documents for "safekeeping."
Freedom of Movement	No significant findings reported.	<ul style="list-style-type: none"> -Some workers reported being denied permission to leave based on the stage of the production cycle. -Some workers claim that they are forced to forfeit an entire season's pay if they have to return home early. -One worker reported that he must pay the farm owner a fine if he leaves early for any reason.
Laws, PMK policies and rights	<ul style="list-style-type: none"> -Farm owners claim they have no knowledge of PMK labor requirements. -All understand the prohibition of child labor, and all associated penalties. 	<ul style="list-style-type: none"> -None of the workers were legally registered as migrant laborers in Kazakhstan. -Each worker reported a lack of written codes of conduct, or applicable Kazakh law on the farm premises, and a total lack of knowledge about relevant codes, laws, and regulations. -Some workers receive weekend days off, and others are not receiving one day off in seven.
Contracts	All farm owners admitted that they do not have contracts with any of their workers.	<ul style="list-style-type: none"> -All workers reported they work temporarily. -All contracts are concluded exclusively with the head of each household.

2. PMK Social Initiatives in Almaty Oblast

PMK has developed and supported three social programs involving Child Labor Prevention and legal support for migrants through two Kazakh NGOs, Karlygash and the LCF. These programs have provided opportunities for considerable learning about strategic interventions in these areas.

a. Child Labor Prevention - Summer Camps

Enrollment of children into school has been a priority for PMK and its partners, and enrollment has been growing. However, it is a complex process in itself, and falls victim to the conflicting mandates of different government agencies who are balancing two incompatible principles: 1) a child's universal right to education and 2) temporary residency does not provide entitlement to send your child to school. In addition, parents are sometimes unwilling to let their children attend summer camps because they want their children to help around the farm.

The PMK-sponsored camp program enrolled 397 children in two camps. This was a follow-up which built on lessons from an earlier pilot initiative with the Eurasia Foundation in 2007. The 2010 summer camps were offered for 20 days in July and 20 days in August, with a 10-day break in between. Of the 397 children that were enrolled, six attended both sessions. The children were identified by the agronomists. Field teams reported that the camps were clean and orderly, and offered children a wide variety of activities.

Sending farming children to camps where their identity as tobacco producers' children is not known and where many other children attend broadens their social horizons through meeting children from all over Kazakhstan (Russian, Kazakh, and Uyghur were spoken). All parties involved felt that the camps were an enriching experience. Both the children who attended and their parents were

appreciative of the opportunity. Verité field staff acknowledged the efforts that PMK made in setting up the camps program and the speed at which many hurdles were overcome, e.g. medical certificates for all children required by the camps' organizers.

While the camps were successful in removing some children from the farms during the summer months, they by no means fully addressed the child labor issue. The 397 who were enrolled represent just over half (54%) of all children on the farms, but 85% of all school age children, Kazakh and Kyrgyz combined; and camps lasted only for 20 days, which left children with a great deal of unstructured time during the summer months. As noted above, Verité field teams consistently located children working on farms and several camp attendees also said that their siblings were working on the farm.

b. Road to School

PMK supported a "Road to School" program by sponsoring 150 migrant children from the tobacco farms to help them start a new academic year in September 2010, with the local NGO Karlygash as implementing partner. It is a republic-wide 'back to school' campaign including financial and in-kind support. This initiative involved supporting children back to school for the new semester one week after the second summer camp. The Department of Children's Rights supports this program and viewed PMK as a very supportive partner.

c. Legal Support for Migrant Workers

The LCF was supported by PMK to offer legal services and support to migrant workers. This effort has been beneficial to both workers and farmers and provided important learning from its frontline social interactions and anonymous 'hotline' for

problem solving. Taking lessons learned from this pilot, which in the meantime has been extended for the 2011 season, can only improve the effectiveness and impact going forward.

LCF developed simple and accessible mechanisms for grievances in order to collect complaints via the hotline and react to the complaints with legal assistance, as well as mediation. This mediation took place between farmers and migrants, and also between the Kyrgyzstan Consulate in Almaty.

In order to find and inform migrant families about this new service, the LCF delivered leaflets to 340 workers on 74 farms and put posters up in 13 different villages, as well as conducted an initial survey of 61 migrants completed on July 27, 2010. The LCF created a legal database to provide assistance to the migrants.

Undoubtedly, the LCF program has provided a direct and important community service of benefit to workers and farmers. The hotline, originally intended to address migrant workers' legal issues, received calls spanning a wide range of issues of importance to migrants in its first six months of operation. Their role expanded over the harvest season, and they were called in to mediate between farmers and workers for end-of-season payments and to counsel migrants on a variety of issues. The LCF thus provided an important mechanism for workers to channel their grievances.

It takes time to instill confidence and trust with both the migrant workers and local farmers, but Verité team interviews and field observations confirm that LCF staff have developed good relationships with farmers and workers over the first year of this program.

3. PMK Adherence to PMI GAP Standards in Kazakhstan

GAP reports show the many actions taken by PMK in Kazakhstan in support of the Labor Practices and GAP Action objectives in 2010. In this section, we aim to summarize some of the findings of the Verité field teams as they relate to the GAP in Kazakhstan and to highlight where we have encountered a difference or a divergence between them and the situation as reported by PMK Management.

a. Unannounced Visits to Farms

PMK management reported that, in 2010, they undertook unannounced visits in 100 percent of contracted farms.⁶⁵ The interviews with farmers indicate 63 percent were visited (a figure that discounts the teams' interviews with farmers at non-contracted farms). Unannounced visits are a key tool for monitoring child labor and other labor conditions. Around 66 percent of contracted farms have no migrant workers and nearly three-quarters (73%) of all farms have children. In Dzhambul region, all the farms employ migrant workers (a total of 100 people).

b. Non-contracted Farms

PMK is aware of non-contracted farms and reported that there were 34 such farms. Non-contracted farms are not presented in the GAP reports. Verité documented 10 farms, of which some were not known to PMK, indicating that the PMK assessment may not be comprehensive. More importantly, we perceive non-contracted farms as a very considerable risk to:

⁶⁵ In its correspondence with Human Rights Watch (dated July 7, 2010), Philip Morris International noted that for the season, PMK had strengthened its system of unannounced visits, and expected to have complete coverage of all farms employing migrant workers.

- the progress being made on contracted farms (in Almaty region), because what happens on the non-contracted farms is not monitored and no remediation or corrective action is possible;
- farmers and workers getting fair pay and conditions on these farms;
- GAP standards for product integrity and traceability.

c. Child Labor

PMK has built up a vital picture of the numbers and ages of children on active tobacco farms, which was used to manage the summer camps initiative. PMK acknowledges that the lists of children contained flaws and need to be further developed. These lists represent a good baseline. Training would enable PMK agronomists and other staff who regularly visit farms to be better equipped to identify and respond to many types of situations affecting children, including situations where they are at risk or even worst forms of child labor (WFCL).

Finally, it is important for PMK to continue to document the ages and identities of migrant children arriving on the tobacco farms, and PMK and farmers should encourage migrant workers to register their children at the border. The general lack of documentation of adults and children represents an ongoing challenge in the area of monitoring for both Child Labor and WFCL. Verité stresses that during the interviews and farm visits, the teams encountered no cases of children being present in Kazakhstan in the company of adults to whom they are not related. However, until there is clearer identification of the relationships between children and adults, phenomena such as trafficking cannot yet be ruled out across farms with migrant children present during the season. Investing further in documentation and registration at the border will also facilitate efforts to enroll migrant children in school, where this is permitted by the local authorities.

More familiarity with remediation responses and related issues would also enable the PMK team to be able to upgrade the next phase of work with local social project partners on support to children, particularly focusing more on the children's ages, identities, and their relationships to the adults with whom they are living.

d. Financial Outcomes on Farms

The GAP program states that PMI “implements programs to promote the safety, well-being and social and financial security of those involved in the production and handling of tobacco.” With respect to financial security, farm efficiency and productivity are key variables in achieving breakeven or profitable farms. This is also a determinant to how migrant workers fare (i.e. determining their annual earnings and a range of social impacts - for instance achieving the equivalent of the minimum wage each month, having sufficient resources to leave for the winter, and coping with health or other emergencies, etc.). Agronomists interviewed had different perspectives on where their support to farmers and farms could or should end. Farm economics is still an issue to be explored by PMK as a useful indicator of potential problems and which permits a timely intervention.

4. Kazakhstan: Future Compliance with the ALP Code

PMI is introducing a new Agricultural Labor Practices (ALP) Code for roll out globally in 2011. PMI's guiding principle for achieving compliance with the ALP Code is to work on the basis of continuous improvement on each and every farm supplying tobacco to PMI directly or indirectly. In case of violations of this Code, PMI will work with both affiliates and suppliers to improve their practices, provided there is a clear commitment to corrective actions on noncompliant farms. If there is no clear commitment to corrective actions, or if there is a persistent lack of action and improvement, PMI will terminate the contract. PMI also reserves the

right to terminate contracts immediately in cases of severe violations of the ALP Code.

After the intensive learning and development of new systems in 2010, PMK is now well positioned to move forward to implement the ALP and achieve systematic and continuous improvement on those farms whose practices are not yet in full alignment with the principles and standards of the ALP Code. Like other PMI markets, PMK will be able to use more comprehensive reporting tools and approaches in due course. PMK's current monitoring system is highly relevant for the implementation of the ALP Code, with its emphasis on farmers' compliance with the law, and the building up of cumulative records for each farm using both written and photographic materials, for example on living conditions.

a. Implementing the ALP Going Forward: The Role of the Agronomists

The agronomist's primary specialization is in science-based, agricultural work. They have not yet been trained in methods and approaches to tackle less technical and more social and normative issues. Interviews with the whole agronomy team indicate that while some of the agronomists have adapted and innovated to accommodate their new roles and responsibilities, others had not. Some expressed discomfort, or felt that the role compromised a number of their links and ties to the communities. They will need orientation on the drivers behind the introduction of the Code and their role and responsibilities in taking forward the agenda of the ALP Code in Kazakhstan in their work with farmers and workers. Again, like other affiliates, PMK will benefit from the development of the ALP training program which aims to equip field technicians and supporting functions with both the knowledge and skills to tackle labor practices issues.

b. PMK: Positioned for Roll-Out

Among the PMK team, there is a heightened awareness of the complex and varied situations prevailing on the farms and some of the root causes of labor violations. There is evidence that in addition to the Verité field work and interactions with PMK, the agronomists and the LCF are also more systematically ‘flagging up’ anomalies or cases of concern. These are being swiftly brought to management’s attention, e.g. reports of debt or difficulty. These cases are all being given more attention than previously (investigation, follow-up, and support where needed). As a result, in 2010, PMK has built up a detailed picture of the farms from which it purchases tobacco, with the information coming from three perspectives: the LCF, its own agronomists and managers, and Verité. This has provided a fuller analysis of the circumstances of workers during the season, as well as those opting not to return to Kyrgyzstan at the end of the 2010 season, than previously was possible.

E. Recommendations

This section offers commentary and a risks/strengths assessment, followed by recommendations on five areas of operation needing changes in 2011. The recommendations are shown in **bold** and aim to increase the chances for success in implementing core labor standards on farms that supply tobacco to PMK in Kazakhstan. We also offer suggestions and ideas for other actions and changes in approach over time. The five areas are:

1. **PMK Relations with Tobacco Farmers**
2. **Farmers' Relations with Workers**
3. **GAP Standards, Action Plans, and Monitoring**
4. **Strategic Partners and Stakeholders**
5. **From GAP, to GAP including the ALP Code**

1. PMK Relations with Tobacco Farmers

1.1 Explaining the Vision

Commentary: In a context of declining tobacco production, PMK does little to convey its strategic intent (vision) formally or in writing to farmers, other than through the leaf purchasing agreement. There are no mechanisms for farmers to communicate with PMK or to lodge complaints. Farmers are not asked to demonstrate their commitment to the PMK vision, but are being asked to change their practices with regards to their workers (or with regards to labor standards on their farms) without a clear picture of what the future of tobacco growing for PMK will be.

Risks: Farmers remain unclear about PMK requirements and their responsibilities.

Strength: Most farmers trust and appreciate the efforts of their designated agronomists.

Recommendations:

- **PMK should communicate more with farmers about the PMK vision and be able to demonstrate their commitment.**
- **A new procedure is needed for farmers to show in writing – through a farm action plan - how they plan to change practices and/or conditions on their farm to be more compliant.**

Suggestions:

- Implementation of a farmer's action plan could be a condition of issuing a new contract to a farm where there are problems.
- Reported violations and cancellations could include a more explicit process to allow for rebuttal, corrections, or appeal by farmers.

1.2 Leaf Purchasing Agreement

Commentary: PMK leaf purchase agreements with farmers specify social requirements. Farmers incur additional expenses to comply with these requirements, for example the costs associated with obtaining work permits and the scrutiny of the Migration Police, investing in appropriate accommodation for workers, and supporting workers' efforts to enroll their children in local schools, among others. Financial returns are variable enough for farmers to feel unable to pay workers a minimum monthly wage without potentially incurring losses/forcing workers into debt. The contracts are still vague on the buyer's expectations of the specific measures to be taken on each farm to achieve compliance.

Risks: Leaving implementation to the discretion of each farmer will mean uneven improvement at best, and persistent noncompliance at worst.

Strengths: The leaf purchasing procedures are clear and appreciated by farmers and workers. The presence of social clauses is accepted by most farmers, and they are asking for more clarity from PMK on expectations.

Recommendations:

- **Guidance on what is expected will help orient each farmer, even if it takes some longer than others to achieve these (i.e. continuous improvement).**

Suggestions:

- It is important to ensure that these additional costs to meet social requirements are fully factored into the cost of production calculations by PMK. A consultative and comparative approach across a representative sample of farms could deliver new insights for the existing methodology.
- Targeted financial assistance, a volume-related bonus, and a reward or incentive structure could assist those with less means or less will to comply with social requirements.

1.3 Reinforcing Farmers' Commitment to Continuous Improvement

Commentary: The 'drop out' rate is likely to accelerate. Farmers for whom the social requirements are too intrusive, who have other business opportunities, or whose age makes farming generally less feasible are the most likely not to seek a renewal of their leaf purchase agreement in 2011 or subsequent seasons. We may *ergo* be seeing the upper limits of spontaneous change by farmers.

Risks: This development happens at a time when PMK will likely be less able commercially to justify the extension of much more investment or assistance.

Strengths: PMK has gained experience in developing strategic, cost-effective interventions that meet farmers' needs and lead to problem solving such as the LCF services versus the higher cost summer camps.

Recommendations:

- **Formal dialogue with the best and most committed farmers will help to identify practically what needs to be done on each farm, delivering a greater level of overall compliance year on year.**

Suggestions:

- PMK can reinforce farmers' commitment by formally acknowledging changes and efforts made on each farm each year, e.g. awards/rewards.
- PMK also needs to reinforce workers' understanding of and commitment to change, possibly also through commendations or awards.

1.4 Non-Contracted Farmers (“Bezkontraktniki”)

Commentary: Non-contracted tobacco farms compromise the product integrity standard of the GAP. Labor relations within these undocumented chains remain invisible to PMK.

Risks: Potentially vulnerable workers on these farms are beyond help. Contract farmers become middlemen. Workers (including those operating under revenue sharing agreements) often earn far less on non-contract farms. The phenomenon undermines the overall effort to upgrade labor practices.

Strengths: PMK took steps in 2010 to address this challenge. PMK reviewed each case individually to assess the reasons for non-renewal of contracts, in some cases *bezkontraktniki* received contracts.

Recommendations:

- **Non-contracted farming should be seen not only as a technical or quantitative problem, but also as a direct threat to the overall efforts of PMK in the area of labor practices.**
- **Financial assistance for the legal support services provided for contracted farmers, e.g. LCF, should also encompass and assist in identifying and supporting workers on non-contracted farms.**
- **The priority for all selected strategies must be preventing tobacco purchases from farms whose contracts have not been renewed for significant labor violations, such as child labor.**

Suggestions:

- Phasing out of noncompliant farms through a clearer and more reciprocal remediation process - including a period of corrective action - could help eliminate the urge among existing contract farmers to ‘help’ growers whose contracts were ‘abruptly’ cancelled.
- Non-contracted growers are still a small group of people. Within one village, all will be known to each other. Better knowledge and categorization of non-contracted farms is both feasible and needed.

- A range of strategies to reduce the overall level of *bezkontraktniki* in 2011 will be needed for the different kinds of farms described. For example:
 - Monitoring for inexplicably high yields from contracted farms;
 - Penalties should be defined and announced for those farmers who accept and resell tobacco from non-contracted farms;
 - PMK should try to engage the cooperation of contract farmers and engage them in refusing to 'pass through' non-contracted tobacco;
 - Proactive monitoring of all tobacco growing outside contracted farms will be required.⁶⁶

1.5 Role of the Agronomists

Commentary: The agronomist is the principle conduit for information sharing between PMK and farmers/workers.

Risks: PMK management is dependent on the capacity and veracity of the agronomists to obtain a true picture of the situation on the farms.

Strength: The PMK staff has innovated and many individuals have adapted and acquired new skills through personal effort during 2010. Some farmers highly commended individual agronomists for their assistance.

Recommendations:

- **Accuracy of all field staff reports need to be independently cross-checked periodically.**
- **New policies to be implemented should be 'tested' through pilots or focus group style consultation before they are rolled out, to improve the opportunities for learning and overall chances of success [see for example "Record Keeping" below].**
- **Staff training is recommended to enhance further work on labor practices.**

⁶⁶Note: one sizeable non-contracted farm was located by the field team by accident as it appeared to be purposefully hidden behind a concealing 'wall' of sun-flowers.

1.6 Outcomes on Tobacco Farms (agronomy/experience)

Commentary: Some farms appear to be more profitable than others, with workers' lack of tobacco growing experience and productivity problems being key variables. These variables mean that similar 'deals' between farmers and workers produce very different financial outcomes (net pay) for some workers.

Risks: Poor financial outcomes raise concerns, as this results in lower income for both farmers and workers, with the workers' income falling below the equivalent of the minimum wage.

Strengths: The ratio of agronomists to farmers is favorable. Timely interventions can help farms produce closer to break-even/forecast levels.

Recommendations:

- **Periodic monitoring of progress should include an 'alarm' system for farms where low or uncertain productivity/yield may put workers at risk.**

Suggestions:

- Review low productivity on farms and isolate the contributing factors to be able to improve recognition and timely response by agronomists.
- Improve staff understanding of the economics of the 'deals' on offer, i.e. what workers need to grow to earn more than the equivalent of the minimum wage per capita.

2. Farmers' Relations with Workers

2.1 Work Permits, Harassment and Deportations

Commentary: Work Permit quotas for 2010, and also for 2011, are sufficient to cover all likely migrant tobacco workers.⁶⁷ Dzhambul presents a different set of migration challenges. Visits by the Migration Police are set to continue. Workers

⁶⁷In 2011, the total number of quota (category 4) is increased to 2,193 workers. Source: PMK, December 2010.

without documentation attract less attention from the authorities but remain at risk of harassment and deportation. Smaller farmers may be less willing to engage migrant workers in 2011, reducing their farm size. Migrants report that travel home across the border involves the extortion of considerable bribes by officials on both sides of the frontier.

Risks: The environment is intimidating, impacts the well being of workers, and contributes to the skilled labor shortage. Workers are dependent on the cooperation of the farmer to obtain a work permit. Loss of income to officials [bribes] erodes the impact of efforts to secure a minimum wage or greater for workers.

Strengths: PMK support for school enrollment and LCF outreach reaffirms workers' need to provide valid ID for themselves and their children; workers may also believe that they can protect their rights better in some situations through the hotline and because of the direct visit of their Consular Representatives during 2010. Farmers learned lessons about the technicalities that Migration Police use to deport workers.

Recommendations:

- **Technical assistance in preparing applications for work permits should be part of the new remit of LCF, as this would undoubtedly assist those workers whose land owner is less literate or has fewer resources to invest in the process on their behalf.**
- **Workers in Dzhambul are not serviced by Migrant Ltd. directly, and cannot count on the support of the LCF. They need an alternative (see section below).**

Suggestions:

- Farmers qualifying for advances to cover workers' salaries would like these to start earlier and be extended to cover worker registration costs.⁶⁸

⁶⁸The failure of farmers to deposit the value of a 'return ticket' with the bank as part of the application was the motive for the investigation and deportation 'scare' on tobacco farms in 2010.

- LCF could be encouraged to repeat their survey (using 2010 as a baseline) to establish the overall percentage of workers arriving without valid IDs.
- PMK could keep a register of registered workers to track percentages over time, or delegate this responsibility to LCF.
- PMK could commission research to quantify the cash workers lose at the border when they return home and develop strategies – evaluating their associated risks – to reduce this loss. For example: more visible collective or group ‘crossings’ of migrants accompanied by witnesses, or legal representatives; formal evidence based advocacy on behalf of workers to the relevant authorities, et al.

2.2 Employment Contracts and Service Agreements

Commentary: The effort to improve contracting between farmers and workers in 2010 led to a wide range of outcomes. In 2010, there was widespread although not comprehensive, use at PMK’s behest, of employment agreements in appropriate languages, replacing a model used previously by some farmers called a ‘service agreement.’ Managers or heads of household (workers) who run the farms for land owners are not yet covered by a suitable contract.

Risks: The uncertain status of migrant workers makes contracting challenging. Service agreements are not enforceable, as a migrant worker cannot register with the tax committee as an individual entrepreneur. Similarly, employment agreements with migrant workers without work permits would not be enforceable. Farmers may face tax liabilities in their more strictly defined role as employers.⁶⁹ Some had made provision for their tax liability, but others had not, or were unaware of it. The team was informed by some experienced farmers that employment contracts may create a further, and even larger, financial liability for farmers if an employee falls ill or dies while working on his or her farm.

⁶⁹ This field team observation is confirmed by the findings of the Local Community Foundation cited by PMK (December 2010): ‘Some farmers need “legal support” as well (taxation).’

Strengths: Revisions to 2010 employment agreements for 2011, together with a revised service agreement, are closer to the reality of the arrangements and understandings between the parties and offer a better point of reference for monitoring and assessment going forward.

Recommendations:

Without losing the qualitative or social requirements:

- **There needs to be more than one contractual framework to reflect reality on the farms particularly when:**
 - **the owner does not reside on or near the farm property;**
 - **running the farm is delegated to the head of household(s) working there.**
- **Farmers and workers should be able to elect to use the most appropriate, mutually agreed content for their working arrangements and obligations.**

Suggestions:

- It is in PMK's interest to ensure that the obligations of the farmer have been translated into a formal agreement or understanding with a designated farm manager or head of household (workers). The development of a new template for a farm manager's contracts or obligations, versus employment contracts (for workers), might assist in better delineating the obligations of these people [also covered above].

2.3 Farm Managers

Commentary: The farmer who signs with PMK is often not the person who manages the farm on a day-to-day basis.

Risks: They do not always act as if bound by the same terms and conditions as the land owner.

Strengths: Farmers do not hide this issue. It is easy to identify farms where the land owner is not regularly present on the farm.

Recommendations:

- **PMK must identify and 'flag' farms principally run by managers – whether relatives, locals, or migrants.**

Suggestions and Ideas:

- These farm managers should be included in all training offered to land owners by PMK.
- Support to farmers is needed to help them convey their managers' obligations to them more forcefully: a template for a 'manager contract' and/or awareness-raising.

2.4 Piece Rates and *Ad Hoc* Labor

Commentary: Casual work, piece work, and *ad hoc* labor are still an area of concern. Field teams found instances of all of these forms of labor and hiring, but do not feel there is a statistical conclusion to be drawn from this initial data.

Risks: Pay and terms and conditions are unknown.

Strengths: Templates were prepared by PMK.

Recommendations:

- **Farmers need more clarity on whether relatives or friends who help periodically on the farm constitute employees and require written contracts.**

Suggestions:

- Rates of pay and terms need to be directly investigated to gain a clearer picture of the actual scale and scope of contracting of piece workers, casual, or *ad hoc* workers.
- A fuller set of case studies could inform work on what would be best practice guidance for farms with these working arrangements going forward.
- The economics of employing local workers on piece work rates was questioned by at least one farmer and would benefit from more objective analysis.

3. GAP Standards, Action Plans, and Monitoring

3.1 GAP Monitoring and Reporting

Commentary: The combined forces of the agronomists and LCF are alerting PMK management far more systematically and consistently to cases of concern in Almaty Oblast than before. GAP reporting (e.g. see excerpt below from PMK presentation, August 2010) summarizes PMK's active efforts over time, but does not clearly set goals or capture the impacts of these.

Table 10: [Excerpts] PMK Report on GAP as of August 2010

Goal	Status	Notes and Actions
To have contracts with farmers for tobacco purchasing	Implemented since 1996	
To have signed contractual undertakings on child labor and forced labor	Implemented since 2001	Since 2002, agronomists provided seminars for farmers on child labor issues.
		All farmers had received written notices of prohibited Child and Forced Labor.
		In 2010, contract clauses related to Obligations of the Parties were enlarged by including minimum standard living conditions (dry and warm housing, sanitary facilities) and access to potable water for Seller's (farmer) Employee.
		In 2010, PMK conducted meetings/seminars on legislation requirements: 154 with farmers and 220 meetings with farmers and their employees (4 times per farmer).
To conduct random unannounced farm visits during peak activity season to verify compliance on child labor issues	GAP Target – 20%, PMK Objective – 50% Actual – 100%.	2009 - 21 violations recorded 2010 - 12 violations recorded
To verify that minors in tobacco farmer families are attending school	100%	
Verify the age of non-family members working on the farm	Reporting from 2007	

to comply with child labor regulations		
Support programs to eliminate unlawful child labor, activities that are hazardous for young farm workers and support school attendance		NGO supported 2010 school attendance drive 2010 summer camps financed
Support social programs		NGO supported for outreach
Safety training program for farmers	Implemented since 1998	regular update
Training on CPA handling	Implemented since 1998	

Risks: PMK GAP Reports do not show outcomes or the relative strengths or weaknesses of different approaches. It is difficult to monitor impact, change, or progress.

Strengths: In 2010, PMK trialed many new approaches (farmers/workers present at signing, summer camps, LCF hotline, etc.) from which it has taken significant lessons and started to identify outcomes and see the cost-benefit of different approaches and partners.

Recommendations:

- **It is important to upgrade GAP planning documents and presentations to frame strategy and outcomes more logically, e.g. stated goals, specific objectives, indicators of success, and variables/risks.**

Suggestions:

- This kind of reporting is a skill. Staff should be trained to assess their work and report on and measure outcomes, and contribute to team learning.
- Third party input can corroborate reports and give additional credibility to changes recorded. For example, farmers commended some agronomists for their support in improving conditions and tackling child labor use.

3.2 Dzhambul

Commentary: Interventions in the two tobacco growing areas where PMK operates have been uneven with alarming consequences [see previous section]. In

Dzhambul, overall, no workers have permits and the field teams encountered a greater frustration with PMK, deeper ignorance of the 'rules,' and hostility toward or even indifference to achieving compliance.

Risks: Each farm in Dzhambul represents a serious challenge in itself, but the situations on these farms are also a risk to the strong progress made in Almaty Oblast.

Strengths: Some Dzhambul farmers feel they have lacked a platform to talk, but appear willing to meet PMK more than half way, as they can produce high grades of tobacco at scale.

Recommendations:

- **PMK needs to re-assess the situation as reported by the responsible agronomist. Remedial action is urgent because of the gap between processes and engagement observed in Almaty versus this region, and because the field teams' difficulties in gaining access in some situations means that a full picture was still not obtained.**
- **Workers need to be supported directly, and not only through the farmers or managers, to know their rights. Even without work permits, agreements with all workers need to be promoted and to become more of the norm.**

Suggestions:

- Dzhambul farmers and workers need a new model of engagement dictated not only by the divergence on labor practices, but the distance from the buying center. For example:
 - A different way to ensure that workers – or a trusted witness on behalf of multiple farms – can still be present at the signing and/or the delivery of tobacco.
 - Direct provision by PMK of sales and financial statements (on financial outcomes) to the farmers' workers if the workers (or at least the head of household) are not present at the delivery.
- As in Almaty, farmers need support to bind their managers to respect the terms and conditions of the purchase contract.

- It is important to establish whether Dzhambul workers can or cannot qualify for the annual allocation of work permits and apply via Migrant Ltd.
- If possible, the mandate of the LCF needs to be expanded to include this region in 2011; or another equivalent support agency or mechanism identified e.g. direct petition, so that workers can articulate and begin to get help for their problems.

3.3 Child Labor

3.3.1 Child Labor Monitoring

Commentary: The general lack of documentation of adults and children represents an ongoing challenge in the area of monitoring for both Child Labor and Worst Forms of Child Labor (WFCL). Verité stresses that during the interviews and farm visits, the teams encountered no cases of children being present in Kazakhstan in the company of adults to whom they are not related. However, until there is clearer identification of the relationships between children and adults, phenomena such as trafficking cannot yet be ruled out across farms with migrant children present during the season. Investing further in documentation and registration at the border will also facilitate efforts to enroll migrant children in school, where this is permitted by the local authorities.

Risks: Tobacco is defined as hazardous work for children under Kazakhstan Law. Cancellation of contracts has reinforced the PMK's child labor policy, but not eliminated the problem. Trainings have not yet given farmers and workers-parents detailed guidance on different forms of child labor and how they can demonstrate compliance.

Strengths: Contract farmers are aware of the prohibition – and some know that this is the law. Many farmers have taken concrete steps to reduce or eliminate child labor.

Recommendations:

- **PMK needs to continue to produce their annual farm census, but should try also to deepen the information contained in its annual census on children present on or near tobacco farms.**
- **Together with LCF and other such partners, there needs to be greater outreach and awareness-raising on the importance of verifying children's identities and age.**
 - Investing further in documentation and registration at the border will also facilitate efforts to enroll migrant children in school, where this is permitted by the local authorities.
- **All workers' agreements should be checked to ensure they have an explicit child labor clause in their contract.**

Suggestions:

- Farmers need further assistance to educate workers and 'reinforce' the obligations they are assuming when they sign a contract with PMK. Here it will be important to note the experiences of the agronomists who have faced challenges in explaining that this is not just a PMK requirement, but also the law. For example:
 - Training for workers (and managers) might be arranged at the beginning of the season, perhaps at the time they are contracted, or on a village-by-village basis.
 - Workers should be obliged to confirm their knowledge of the law and their commitment to abide by it in a written statement.
 - Farmers and workers need to describe the specific arrangements that will be undertaken for supervision of their underage children or for school attendance for school-age children. This process would help to highlight those families who are genuinely without many options for supervision of children away from the fields.
 - Acceptable duties (non tobacco related) for all children on the farm should also be discussed and defined.

3.3.2 Remediation Strategies: Putting Children's Welfare First

Commentary: PMK programs for the elimination of child labor have tried to tackle children's presence on the farms, particularly during peak harvest season. The contract with child labor specialists, Karlygash, also provided a low level of preventative education on the issue during the summer camps.

Risks: When children are found, their immediate health, safety, and well being are of primary importance, and agronomists and other PMK staff who regularly visit fields could benefit from best practice guidance.

Strengths: Unannounced visits by agronomists result in detection of child labor.

Recommendations:

- **PMK needs to develop the capacity of field staff to identify children at risk or ensure that there is an expert local resource whose guidance can be promptly sought in situations of concern.**
- **Using best practice defined by expert agencies (NGOs, ILO, UNICEF et al), PMK should develop a range of potential responses to situations of child labor and concrete 'remediation' strategies, such as prompt interventions with the parents or care givers, in the interest of securing the child's well being.**

3.3.3 Child Labor Prevention

Commentary: In 2010, PMK undertook a child labor prevention campaign with the support of a local NGO, Karlygash, which involved offering children of farmers and workers the chance to attend summer camps during the school vacation and peak harvest season to remove them from the farms.

Recommendations:

- **Verité does not recommend a repeat of this as a strategy to support farmers and workers to avoid the presence of children on or near the farms.**

Suggestions:

For future child labor prevention initiatives in 2011 and beyond, we present the following ideas and suggestions:

(i) Preparation and Due Diligence

- More careful, prior preparation of the lists of children to be included in summer activities.
- Prioritizing and designing activities for those most likely to be engaged in some way in tobacco work if they remain on the farm, i.e. older children in their mid or late teens. The camps catered to children only up to the age of 15.
- Identification of children whose parents are not tobacco farmers but may be on the farm for other reasons.
- Ensuring that there are 'emergency' plans and accurate contact details for each child available to the organizers is an absolute imperative.
- Checking the credentials of all adults involved in the implementation is a basic and necessary precaution.

(ii) Age-segmentation

- It is important to consider how to provide age-specific segmentation of activities, especially for 14+ years age groups not well catered to at summer camps.

(iii) Other children

- Non-contract farm situations need to be assessed and children/young people included wherever possible.
- Care needs to be taken to avoid creating resentment among non-tobacco migrants, as well as children of other local people. Guidelines for who will be eligible for support need to be drawn up with more care by the implementers or PMK.

(iv) Proximity

- More localized arrangements for pre-school or early-school age children – perhaps day care centers or clubs in some of the villages – could avoid an

extended estrangement from their parents and improve acceptance by the parents.

- The Akimats in each area should, wherever possible, be engaged in the process, as they could prove a key partner in provision of venues and mobilization efforts.

(v) Full participation

- For migrant parents to be enthusiastic about the program, the design should include locations closer to the farms⁷⁰ and program content that parents value.
- Knowing more about workers' perceived needs, their own proposals for their farms, or their lack of options can be part of ensuring full participation.

(vi) Duration

- While many parents expressed gratitude for the opportunity to go to the camps presented to their child(ren), and the feedback from farmers and workers was positive, the vacation period runs for almost two months, so a three-week session per child did not actually achieve the objective of removing children during the main harvest period.

3.3.4. Child Labor Legislation and Advocacy

Commentary: The introduction of the law outlawing child labor (under 18) is a break with the recent past and was not widely publicized. The overall scale of the problem of child labor in tobacco is relatively small, particularly compared to other major crops such as cotton, grown in Southern Kazakhstan.

Risks: The comprehensive exclusion by law of children (under 18) from tobacco farming in Kazakhstan means that there is no room for working or other definitions of "light work" or the varying degrees of hazards in tobacco production in Kazakhstan, as in other sectors like cocoa in West Africa.

⁷⁰ Agronomists reported that quite a large number of parents would not let their children go to the Camps or the children themselves did not want to go because it was located far away from the farm.

Strengths: PMK is not alone in tackling this challenge and is earning respect for its efforts. Some stakeholders (such as IPEC) consider that a more realistic minimum age should be introduced, making 16 the minimum age for working on farms, and to allow 13-15 year-olds to do “light work” (still excluding tobacco, however).

Recommendations:

- **PMK could try to involve other companies in the two regions in which it operates to participate in support activities, sharing the financial load and contributing to raising awareness and standards more generally, thereby avoiding some of the emerging distortions of the tobacco-only focus.⁷¹**

Suggestions:

- Advocating for a better definition of acceptable children’s work on farms e.g. to meet household needs growing vegetables or food, or work in and around the house would make it easier to demonstrate that children’s presence on or near tobacco farms is not *ipso facto* child labor.
- PMK can build on the credibility it has gained for efforts to tackle child labor and use its influence to educate other companies operating in cotton and other agricultural products in Kazakhstan.
- The law runs counter to many people’s traditions and recent experiences, so advocacy is needed to urge the government to undertake an extensive communications campaign on this law, or PMK could join with business or other civil society groups to raise awareness.

3.3.5. Exposure of Children and Vulnerable People to CPAs

Commentary: CPAs are a health hazard to children, young people, and other vulnerable categories (older people, nursing or pregnant women, etc.).

Risks: Practices on non-contracted farms are not known.

⁷¹Even field teams found themselves in the uncomfortable position of sighting children working in fields on their own during the hottest part of the day, only to realize they were working on vegetables and did, therefore, fall outside the assessment remit and beyond anybody’s scrutiny or concern.

Strengths: Agronomists oversee or undertake directly the applications of agro-chemicals. This avoids serious risks to children associated with application of inputs.

Recommendations:

- **This should be actively continued if feasible, as it is delivering a strong response to this problem and directly eliminating hazardous conditions on the farms at these times by reducing the need to store dangerous substances generally.**

3.4 The Local Community Foundation

Commentary: Support for the LCF has been important for PMK learning, as well as being beneficial to farmers and workers. The LCF operated through the second half of 2010 at the frontline of social interaction between workers and farmers in Almaty Oblast.

Risks: The LCF involvement with non-registered migrant workers may expose it to risk, e.g. scrutiny from the Migration Police who could raid its offices with the knowledge that it knows the identities and whereabouts of such migrants.

Strengths: The LCF has become known and trusted, and is increasingly able to identify a wide range of social problems and find practical responses to these. LCF has mediated in farmer-worker disputes; and, highly significantly, has begun to build up a nuanced and detailed picture of the complex social issues and their root causes within local and migrant families.

Recommendations:

- **PMK, farmers and workers have much to gain from an extension of their support for the next 1-2 years, but should review LCF's remit to include farmers' tax and other technical concerns, non-contract farm workers, and, if feasible, workers in the Dzhambul Region.**

Suggestions:

- LCF may need to build up and find funding for complimentary programs to retain its independence and follow the logic of its mission for the area.

- The growing numbers of migrants working on other crops in Almaty Oblast and tobacco workers could be served well by a more structured service or support mechanism, e.g. Agricultural Migrant Fund, managed by LCF, into which PMK, and other individuals, agencies, and businesses could be invited to contribute.

3.5 Indicators of Potential Forced Labor Situations

Commentary: The 25 to 30% of farm workers who hand over their ID or passports to farm owners is a significant area of concern.

Risks: Passport retention is widely recognized as key potential means of coercion, making workers vulnerable to forced labor situations.

Strengths: PMK itself is bringing forward cases of potential forced labor for further review and investigation, demonstrating a deeper understanding of the various factors that can contribute to this.

Recommendations:

- **A set of indicators or ‘tips’ should be developed based on what is already known from PMK experience and the findings of this report to support the agronomists (and LCF and other possible PMK field partners in the future) in systematically ‘flagging’ farms which require monitoring for potential forced labor situations, including, for example:**

- **Passport retention**
- **Poor yields (e.g. because of lack of experience) which can significantly increase the risk of debt-induced forced labor;**
- **Deportation/threat of deportation;**
- **The facilities to save money safely if paid regularly in cash;**
- **Motives for not returning to Kyrgyzstan at the end of the season;**
- **Workers’ bad health.**

Suggestions:

- Some agronomists could benefit from training to be more confident in recognizing situations of concern (the combination of circumstances that can lead to debt-induced forced labor or other forms of forced labor) and recognition that workers live in a fragile financial cycle in which the balance between debt and dependency on the farmer and liquidity and independence is quickly tipped either way.
- Reliable and reasonably priced copying facilities could be made available at the buying center to enable farmers to copy workers' documents in order to reduce the practice of passport retention.
- For first time workers, or workers with a poor track record, it may be desirable to explore more neutral ways to build or restore trust of the workers with the farmer. In these scenarios, a variety of options could be considered. For example, deposits or passports might be held by trusted third parties or other workers could offer a peer group guarantee to the farmer (common, for example in savings and loans and micro-finance institutions).

4. Strategic Partners and Stakeholders

4.1 Outreach and Community Work

Commentary: PMK has engaged with a cross section of partners and stakeholders during 2010 and has gained presence in the relevant forums and debates on labor practices. PMK supports community work each year, but the approach would benefit from a more strategic framework which aligns with a clear objective so that there are real and measurable opportunities for learning, trialing new and innovative approaches to fundamental problems, and creating more cumulative impact for the investments and support given.

Risks: Interventions have lacked strategic clarity.

Strengths: Outreach has encompassed the business community (roundtable), other industries in Almaty Oblast, key government departments (related to labor practice issues) such as Departments of Education and Child Protection, NGOs,

the ILO, UNICEF and, has also helped to build a relationship with the consulate of Kyrgyzstan.

Recommendations:

- **The roundtable organized is to be commended and similar initiatives should be continued.**
- **PMK's interventions and dialogues need to be more closely correlated to strategic goals in order to deliver a more cumulative impact.**
- **A review of project documentation and partnership agreements in 2010 indicates that these could be improved to ensure both flexibility – many of the 2010 programs were quite new and were very reasonably compelled to respond to many unforeseen externalities – and effectiveness (in the use of resources, of course, but particularly reporting impact and measurement of outcomes).**

Suggestions:

- More systematic information exchange and alignment of activities between local Akimats and PMK could end some mistaken mutual assumptions and mistrust, and even secure more cooperation on needed infrastructure, e.g. sanitary facilities, play centers, and overall messaging, including compliance with the law.
- The gradual involvement of key stakeholders in discussion, planning, and decision making could greatly improve the effectiveness of and compliance to company policies.
- Many of the issues that will be taken to the hotline, though, could be addressed if PMK could involve stakeholders in policy development and provide more clarification of requirements and practices, and their stage of development (pilot, roll-out, etc.).
- An effective line of communication to and from PMK which is not via the agronomists would build dialogue with farmers and mutual confidence.
- The LCF hotline supported by PMK has been effective and its scope has evolved beyond the legal issues envisaged at the outset to address wider

topics of concern to migrants, but the hotline's services would be useful to other migrants – not just those in tobacco – and so an expansion of the hotline's reach, perhaps in conjunction with other private sector companies – would be beneficial.

- There are opportunities to build on the models and learning provided by these experiences in 2010, and to engage in new partnerships with dedicated agencies such as the Children's Fund of Kazakhstan and the ILO/IPEC, which are preparing for short-to-medium programmatic work on child labor in Kazakhstan.

4.2 Agricultural Labor Law and Advocacy

Commentary: At present, to a large extent, the efforts to ensure good agricultural labor practices in tobacco are not assisted, but impeded, by the industry-oriented labor laws and the contradictory migration laws and practices.

Risks: Abiding by the law is no protection against challenge by the state/deportations (for workers).

Strengths: Key potential co-advocates identified, and information gathering in 2010 at farm level, provides important insights and case studies with which to support future advocacy work.

Recommendations:

- **Partnerships make sense in respect to working toward compliance with the law in Kazakhstan to avoid company exposure.**
- **The revision of the national law and Labor Code for agricultural workers is needed, and PMK may not be alone in having an interest and wishing to work on this.**

5. From GAP, to GAP including the ALP Code

5.1 Skills

Commentary: As the ALP Code is introduced and rolled out in Kazakhstan, the PMK team will need to consolidate its skills and learning, and find ways to motivate farmers to participate in the process of continuous improvement toward compliance.

Risks: The ALP code covers a wider range of agricultural labor practices than have currently been introduced in Kazakhstan, and the ability to generate 'action plans' or 'solutions' is still being developed. The skills base of the PMK team is not yet consolidated, i.e. some agronomists have been able to adapt more effectively to the changing remit than others.

Strengths: The PMK team has gained experience in information gathering and identification of problems. With the roll-out of the ALP program, more tools and trainings will become available.

Recommendations:

- **For agronomists to continue to be the main conduit between PMK and farmers, they need additional training to enhance and share what they have learned to date and acquire new skills required for this change in their role.**

Suggestions:

- The local agronomy/labor practices team will need to include skilled people who can offer not just agronomic input, but social support and small-business advice to farmers (especially to reduce farmers' and workers' direct costs and improve bookkeeping and each farm's profitability).

5.2 Keeping Records: the Key to Ensuring that Income meets Basic Needs and More

Commentary: Most farmers have ledgers detailing deductions. Workers and farmers both express a clear understanding of how tobacco is graded and priced

and how compensation is calculated. A small number of farmers had begun to use a 'model' deduction book that PMK provided. Assessing whether workers' income is always enough to meet workers' basic needs and is of a sufficient level to enable the generation of discretionary income requires better record keeping.

Risks: Many workers are more or less autonomous and set their own work hours and determine their own division of labor, and these practices are not recorded and often fall outside what is required by the labor law e.g. maximum work hours per week.

Strengths: Improving the range of written records between farmer and worker, or farmer and head of household - starting with the employment or service agreements - remains the key tool to cover this labor principle. The trial of a formal 'statement' of the end-of-season outcomes was made in 2010.

Recommendations:

- **PMK should initiate a trial to test what record keeping systems for work hours are both feasible and worth the effort for farmers and workers, in return, perhaps, for a bonus or incentive.** For example:
 - farmers could be invited to volunteer to develop a time record keeping system of their own that is compliant with the law (explained to them) and to report back;
 - a few ideas could be tested with willing co-executors;
 - the hours and days worked on a pilot farm are managed and recorded by a committee of farmer/workers charged with this task;
 - PMK's sample record-keeping tools that may make this task easier could be (re)distributed and explained, as early as possible in the season, to re-trial these and assess adaptations needed with the users;
 - as one trial, a 'blackboard' could be provided to one farm and used to 'chalk up' this information as the week proceeds and summaries made monthly from the information.

- **An end-of-season statement was an important step towards going ‘beyond deductions-accounting,’ but the format for these should be reconsidered to reflect more of the critically important information such as:**
 - The overall deal/understanding;
 - The amounts received from PMK;
 - Any bonus or award being made (from the farmer/indirectly by PMK);
 - Mutually agreed advances and deductions;
 - The final amount received by a worker ‘net.’

A simple outline is provided below, which reflects the financial data that the field teams obtained from farmers and workers at the close of the 2010 season.

Suggestions:

- PMK could also support better record keeping by making extra copies of key documents available for farmers to distribute to workers e.g. buying center sales/payment slips.
- If PMK were to develop the tools to gain a deeper understanding of the financial outcomes on farms and the income received by migrant workers/households, it could help to ensure that the principle on income/minimum wages can be monitored better, including the outcomes of the specific agreements (i.e. 50:50, or 60:40).
- Tracking migrant workers’ financial situations over time could also show the extent to which migrants can meet their needs or have discretionary income to spend. For example, a set of standard indicators could show asset accumulation (e.g. migrants own and travel to Kazakhstan in their own vehicles, no longer require cash advances during the season, etc.).

Table 11: Sample End-of-Season Statement

Items	Amount
Total receipts from PMK	500,000
Less PMK supplies / other agreed operational deductions	(40,000)
	460,000
The deal/understanding	50:50
Total old loans/new advances/deductions	120,000
Total net to worker/s	110,000
Plus award or bonuses (productivity/social compliance)*	50,000
	160,000
Months worked - n/a if permanent in Kazakhstan	8
Number of working household members	2
I agree with the amounts shown and that this represents the final payment made to me on this <u>xxx</u> day of <u>yyy</u> year:	
Signed by:	
Worker	MMMMMM
Owner	NNNNNN
(3rd Party) Witness [optional]	OOOOOO

* No award or bonus system was in place in 2010; but when trialed in December 2010, additional earnings outside of tobacco were noted for workers who had remained in Kazakhstan over the winter.

6. Final Commentary

As previously described in the Executive Summary, without doubt, the most significant factors to be borne in mind with respect to all recommendations presented in this section of the report are the decline in the production of tobacco in Kazakhstan and the dwindling numbers of Kazakh farmers active in growing tobacco who are dependent on (often illegal) migrant labor. Unskilled labor migrants are in high demand in Kazakhstan, where these workers face the risks of deportation, being exploited by employers, or being abused by opportunistic law-enforcement personnel, regardless of the legality of their migrant status.⁷² Finally,

⁷²Erica Marat, *Labor Migration in Central Asia: Implications of the Global Economic Crisis*, May, 2009, Available at: <http://www.silkroadstudies.org/new/docs/silkroadpapers/0905migration.pdf>

given the flavor profile of the tobacco grown, there is inadequate demand to justify sustained or significant investment going forward, and few prospects of a return to growth or higher demand as leverage for significant changes at farm level.

Perhaps fortunately, a large part of the decline in production is due to external factors: the ageing demographics of tobacco farmers on the one hand, and the growth in other economic opportunities (both agricultural and non-agricultural) on the other. However, lack of dialogue and definitive information on the decline and the context has led to misconceptions and gossip about the intentions of PMK by farmers and other stakeholders, e.g. is the decline deliberate? The decline is so significant and palpable in each village that, alongside the non-renewal of contracts and stricter contracting terms, the farmers' broadly positive perceptions of PMK as a "*chestnyi*," or honorable and reliable buyer, are changing. New forms of information sharing, discussion, and joint planning are recommended. Expectations for 'interaction' and a 'relationship' with PMK are very high. Constructive dialogue is both possible and would be welcomed by lead farmers, and even many experienced and responsible migrant and local workers. The planned 2011 farmer and worker forum will provide an excellent opportunity to develop this approach and the in-house skills needed to sustain such dialogues. Willingness to continue to invest in farms and facilities for workers and to support PMK requirements from the business perspective of each farmer is tied to their knowing whether the business will continue beyond 2011.

There are some commonalities across all the farms visited, and the farmers and workers interviewed, with respect to labor practices. The profiles of contracted farmers are quite homogenous. There are three 'types:'

- Regarding more or less absentee landlords who are busy with other commercial interests and who hire migrants to run the farm virtually

autonomously for them, in some of these cases, there is concrete room for improvement in facilities and financial arrangements (the deal);

- Family farms, where the owner and their relatives undertake the farming and there is little or no hired labor;
- Older farmers without descendants or relatives who are able or willing to work on the farm who are contracting managers and a few migrant workers rather than lose the contract.

We can say with confidence that in Almaty Oblast there is a high awareness of PMK's 'rules,' and by far the majority of those who are continuing in tobacco have demonstrated commitment to meet the requirements being set out and are willing to continue to 'upgrade' their farms. Documentation is improving and registration of workers has been growing, but there is still further work needed, e.g. on payment breakdowns and accounting for expenses. Many tobacco migrant workers were in Kazakhstan legally this year. One can expect to see a reduction in the number of workers without documentation in 2011, assuming there is sufficient quota for work permits and, more importantly, the means to access them – and, therefore, a greater number of legally registered workers and higher levels of enrollment in school of children present with their families. Sustained work on the census of workers and their children on the farms in 2011 will highlight the level of support needed.

Workers who are more established have developed fairly comprehensive 'compacts' with the farm owners for whom they work. 2010 witnessed a drive to make agreements more formal by using written agreements, which has been partially successful. We doubt whether workers feel the contracts give them any more rights than they had previously earned through long-term relationships and good performance

Labor shortages and dependence on experienced and trusted workers may have begun to shift the balance in favor of workers in terms of their agreements and overall treatment by farmers in Kazakhstan. The larger picture is of farmers and workers operating under carefully structured sets of 'give-and-take' arrangements: use of land to grow food; opportunity to grow and sell other crops for sale in the local market; freedom to work for others; shared facilities (bath houses, cookers, washing machines, refrigerators, and household equipment); and so on. Where workers and farmers were interviewed together, the field teams frequently witnessed in detail the interactions between them, and the deference to workers by farmers with respect to many of the operating details of the farm e.g. cost/scale of input use in 2010, final grades achieved, etc. The longevity of the relationships – i.e. the return each year of many of the families interviewed – is also testimony to the nature of the social 'compact' rather than a contract between the parties and what underlies the treatment of workers.

Financially, some migrant families do well. Some earn far more than the minimum wage and show signs of capital accumulation – no advances or deductions needed, and they own their own vehicles to be able to travel to and from Kazakhstan. Others are less experienced and do not prosper. Some do not have valid documentation or farmers willing to go through the due process of registration with them. These workers are vulnerable at all times. For some working families, their involvement in tobacco is the story of varying fortunes, declines triggered by poor yields, or family or personal problems. We encountered some less socially responsible and sometimes harsh land owners and employers. It should be noted that hard working families who grow tobacco for sale as *bezkontraktniki*, stand to make even less in often, but not always, worse conditions.

Many farmers interviewed by the field teams, however, find PMK to be an honorable, values-led company providing a stable economic opportunity. Workers

appreciate the transparent pricing and buying center procedures. Both farmers and workers interviewed appreciate the secure market PMK offers. These are the best starting points for a more comprehensive strategy. Even if somewhat misguided, the summer camps provided an unprecedented, positive experience for the children, and were highly appreciated by their families. Farmers will be more likely to engage in dialogue about what is really needed this coming year after this exercise. These and other supports, e.g. the hotline service, credit, school enrollment, have provided important opportunities for learning to PMK and PMI and can contribute to more meaningful efforts to eliminate child labor and improve the way farmers and workers operate. Going forward, PMK needs to find approaches that are more participatory and less top-down, and to change the dynamics of interactions between farmers and outsiders, which farmers increasingly perceive to be intrusive and expressing implicit, often undeserved, opprobrium.