



LABOUR MARKET CHANGES IN PLANTATION: CONTEMPORARY ISSUES IN INDIA

Dr. S. Thangaraj

Assistant Professor, Bharathiar University, Coimbatore.

Abstract

The plantation sector employs both organized and unorganized labourers. Tea plantation alone contributes the employment of nearly 8.67 lakh workers directly and indirectly. For most of the plantation crops, the labor requirement is 5 to 6 times more as compared to other agricultural crops. At the beginning plantation labour market system was followed by British colonialism. Tea and Coffee Plantation is the major employment source for Estate Labourers. The structural changes have emerged among the plantation laborers in various categories of each estate. There are permanent, contract, regular (casual) laborers and seasonal laborers. During 1997 the Tea and Coffee Plantation sector faced a crisis on price and sales performance (drastic fluctuating trend). Subsequently, most of the Tea and coffee Estates were closed. A large number of labourers lost their work. The Trade Unions were unable to protect the labourers and reach an amicable solution with owners. Therefore collective bargaining power has been unable to fulfill in the Coffee and Tea Plantations in recent days. The management resort to labour-lay off. Management had tried to hire minimum number of workers based on their willingness and contractual basis. The structure of existing labour practice has changed in the way of collective forming approach. Besides, the features of Plantation Labour Act and its provisions are diversified, labour laws are not implemented. The present situation of the labor practices in the sector is not peaceful. Hence, this paper makes an attempt to try to solution for changing scenario of Plantation labourer in india.

Introduction

The Indian labour market system has been moving forward from Industrial to contractual basis earnings in IT Sector through employment opportunities in Abroad countries, and paradigm shift to self employment (Industrial services, education, medical, Real estate etc..) from Agricultural sector in this decade. The nature and situation of agrarian works also drastically moving towards decent jobs(white collar jobs) in Industrial Urban areas, (Nashik , Kolapur, Ludhiana, Kanpur, Koragpur, Dhanbad, Tiruppur, Coimbatore, Erode) Metros (Mumbai, Chennai, Ahmedabad, Bangalore, Delhi, Kolkatta). It causes a large number of geographical areas where congested and it takes place for pollution. On contrary, the employment opportunity from abroad countries and inter –State migration (pull –factor) also increasing more earnings with social security’s rather than local employment opportunity.

In India’s oldest industry in the organized manufacturing sector and has retained its position as the single largest employer in plantation sector. Indian Labour Force is classified into two major sectors namely, organized and unorganized sectors. The organized sector enjoys the existing provisions made by the law, whereas the unorganized sector is not able to enjoy the benefits mentioned in the various Acts for the welfare of the labourers.

Review of Literature

Patnaik (2006) The essence of neo-liberalism is a move towards expenditure deflating policies at the macroeconomic level, and some of the outcomes reported in the preceding paragraph were obvious fallouts of such policies. It is not only with respect to a couple of areas with respect to agriculture that such policies have unfolded, but in a pervasive and generalized manner for the rural economy as a whole.

Sharit K Bhowmick (2002) The lack of proper education affects the occupational prospects and upward mobility of the children of plantation workers. Because of the weaknesses in its punitive provisions, it has been felt that collective bargaining is a more effective method of getting the PLA implemented. Whatever little has been achieved in terms of legal reforms of laws, or improvement of labour facilities like drinking water supply and canteen facilities on the plantations has been the result of collective bargaining. But although the PLA provides comprehensively for the provision of better living and working conditions for plantation labour, there is still not a single tea plantation wherein all the provisions of the Act have been fully implemented, in spite of the high degree of unionization in the tea industry and the great influence wielded by trade unions on tea workers.

Jatinder Kishtwaria et al (2004) have studied An Ergonomic Assessment of Women Workers involved in Tea Plantation in Himachal Pradesh. This study is describes about nearly three fourth of the sample respondents were illiterate. All of them were employed as casual labourers in the tea estates. Due to plucking method by which equipments, worker’s physical stress was determined on the basis of average and peak and acceptable limits.

Samantha Goddard (2005) conduct a survey “Tea Break- a crisis brewing in India”. He belongs to Action Aid UK, joined together with Indian civil society groups, and conducted interviews with workers on Devarshola tea plantation owned by



Hindustan Lever. He found that the workers paid low wages for increased workloads, suffering hunger and malnutrition, facing increasing job insecurity. Besides, the reason could be that the cause of the crisis is decline in demand on global tea market, a decrease in demand for low-quality tea from tea companies.

Sen Gupta Palas R., Samir Bal (2006) have conducted a study on “Sources of Conflict as perceived by workers, Trade unions and management in Tea plantations in West Bengal. The major findings of the study quoted about the reasons for arising problems. Unemployment problems amongst the residents of the gardens have been the most important reason for tension in the garden. There is a general perception amongst the workers that management only cares about their own welfare and do not care about the welfare of the workers and the tea gardens. Majority of trade union leaders of Darjeeling think that there is no tension between workers and management due to lack of cooperation by the management in Darjeeling tea gardens.

Occupational Wage Survey (Sixth Round 2006), found that majority of 80.79 per cent of the workers was employed on piece-rate system of wage payment, where as the remaining 19.21 per cent of the workers were employed on time-rate basis. The employment of piece-rated workers was observed in all the three plantations. The overall average daily wage rates of men, women and adolescent workers combined for all the plantations, were recorded at Rs.60.47, Rs.57.15 and Rs.33.49, respectively. The overall average daily wage rate for all the workers in three plantations stood at Rs.58.37. It is observed that earnings of women workers were less than that of their male counterparts in all tea, coffee, rubber plantations.

Damu, T (2006) quoted about wage difference in various states in the plantation sector. Compared to the minimum wages of Tamil Nadu which is Rs.58.55 and Karnataka, which is Rs.52, even the present minimum wage rate in Kerala is much higher by about Rs.21.71 and Rs.38.26 respectively. In Assam and West Bengal, wages paid under settlements are Rs.51.10 and Rs.48.40 respectively plus a subsidy on account of food grains issue, and fuel supply, which is of cash equivalent to Rs.17 per day. These are also much lower than the minimum wages paid to the plantation workers in Kerala.

Plantation companies point out that if the proposed wage revision comes into effect without taking into account these hard realities. It would further widen the wage difference between Kerala and other tea producing states, putting the former at a great disadvantage.

Changes in Labour Market after 1998

Before 1991, the export and sales activities were favourable to owners. Plantation constituted about 17 per cent of total agricultural export. In this respect, business performance by planters, small growers sold their goods by way of auction, export (tea, coffee, cardamom, pepper). The tendency towards labour environment, labour practice, wage agreement, involvement of trade unionism (collective bargaining, tripartite resolution) planters association and their cordial relationship were flexible according to their expectation level.

Business activity model were slightly changed under open market economy. Planters aim to produce larger quantities as compared to competitive countries like China, Kenya, Sri Lanka, Indonesia, Vietnam, Malaysia etc. This resulted in high cost of production mainly because of climatically and soil condition of our local (indigenous) plantation products, like tea, coffee, cardamom.

In this context, the liberalization policy had emerged a major change of Plantation sector, especially the small growers and labourers. The exigency of business transaction of plantation sector had shifted to U.K and Vietnam buyers in stead of Soviet Russia (Tea, Coffee). In the meanwhile, Indonesia & Kenya Tea, Brazil Coffee, Malaysian Rubber had entered into our country. Therefore, indigenous market had suffered loss, in the way of cost of production (maintaining for quality) protection of small growers. The large size estate owners who tried to drastically reduced the labourers provision (wage, additional work force). At the same time, they are unable to promote the local consumption of Tea, Coffee. Despite, the prevalence of PLA, the policy of globalization is not favorable to labourers, either directly or indirectly. If the plantation workers have skill about the particular work, they must have work based on the market trend with negotiation expectation of the owners otherwise, nothing can be done and compete by them. In this regard, a number of cases were pending in labour court till now. Simply says, “The owners who already suffered. Therefore, the workers are adjust with the owner of the Estates”.

Moreover, the trade unions are also unable to take proper decision as well as collective bargaining for wage agreement and settlement of dispute. A large size companies adopted the approach of multinational companies. It means, the nature of work is specified by the owners. There is no provision about the favorites of labourers. The practice of labour-lay out was adopted. Most preferably, they had trying to minimum number of workers based on their willingness and contractual basis. A few



large size Tea Estates are sharing their cultivation and processing units to labour co operatives. They have concentrated much more only the part of marketing, export activities. Here, the structure of existing labour practice has changed in the way of collective forming approach. Besides, the features of Plantation Labour Act and its provisions are diversified.

In the present day of labour market, the abolition of contractual work in the plantation is prescribed by the Act. But, it is practiced in the way of indirect method. The labourer who wants to do more work on the basis of additional quantity is producing. They are engaged only the work based additional remuneration is paid. There is no time limit for regularize to the labourers. The Employment trend in the Tea, Plantations is that the number of labourers in company estates has thinned down to almost 1/3 in the past 5 to 7 years. As the price (Tea) in auction centers either fell down and too fluctuating trend drastically, the plantation companies resorted to cost reduction strategies in all possible ways.

At present, it has almost stopped recruiting new labourers in the place of one who retire. The companies have seek extra task (output) from the existing labourers and resort to recruiting casual labourers (temporary regular wage labourers, when ever they engaged the work they can collect the full day wage from the Estate , their work environment is not count for the Estate) . Therefore the company does not have to take responsibilities such as PF, Gratuity, and medical allowance and so on. The holidays and week days after extracting the legitimate amount of work, the labourers are shifted to other plantations of the same group of Company to work for an additional payment of Rs 2 per Kg of leaves plucked. Employment is shrinking in the estates. Where as in Coffee estates, if the labourer who plucked coffee berries which is fixed the actual target, (additional berries of 10 kgs), they (labour) paid additional amount of Rs.5. It has practiced only large size estate of coffee plantation in TN, Karnataka. Sometimes it is vary from estates where belong to the owners. Finally the engagement of labour is only negotiable wage based, not for the norms of Plantation Labour Act . Moreover, In coffee plantation, the work is engaged for large number of seasonal workers during the harvesting of coffee nut. The remaining days the workers who engaged other horticulture and orchard farm worker. The maximum work is done at coffee plantation is only contract basis (Quantity of work produced and getting high remuneration work)when compare than daily wage, permanent work wage earning, if the work availability is properly. The involvement of Trade Union in Coffee Estate is not effective because of preferential engaged contractual work by the owners.

During peak season of coffee or Tea demand the owners who extract the work from labourer. But their (owner) point of view, maximization of profit is the major component of protecting and retaining strategies for global competition. On contrary, If the labour standard will go down, the maintenance of quality of product may affected. In Tea Plantation of Tamilnadu and Kerala , some of the North Eastern agricultural and Plantation Labourers who migrated and engaged the work at any amount would provide by the owners, because their local wage is very lower than TN and Kerala State. This much of issues are not covered in the terms of Plantation Labour Act 1951, and convention by ILO.

Wage Provisions by Plantation Labour Act 1951

1. Wage Determination

The pattern of wage determination is fairly uniform in the plantation sector throughout the South Asian region. In Bangladesh, this is done on the basis of bilateral negotiations that take place every two years to review agreements on wages and allowances for workers. Bilateral deliberations between trade unions and planters' associations also form the foundation of three-year wage settlements in the north Indian states of Assam and West Bengal. This feature is also seen in the southern Indian state of Tamil Nadu, with the additional provision that the understanding so arrived at is formally ratified under the Industrial Disputes Act to give it state-wide recognition. A major departure exists in another southern state of Kerala where a Plantation Labour Committee (PLC) is operative. Apart from determining wages, this tripartite body also deliberates on other worker-related issues. In Sri Lanka, the post-privatisation regime has seen the revival of bipartite wage settlements in respect of the corporate sector but wages for workers in private estates and small holdings are periodically notified by the government. It is an important feature of South Asia that wages have been higher and working/living conditions better where trade union involvement is more active.

2. Wage Components

By and large, plantation wage within the region is a combination of time and piece rates. The former has two components - basic wage and cost of living allowance (or food subsidy). Whereas workers in south India are entitled to a dearness allowance that is linked to the cost of living index and revise every quarter, the practice in Bangladesh and north India is to provide them and their dependents food grains at a subsidized rate. Workers in Sri Lanka are given a composite wage and a price share supplement, besides an attendance incentive on the number of days worked. The piece rate is applicable to harvesting and is thus available only to those (mostly women) who are engaged in this activity.



3. Non-Wage Benefits

In addition to wages and incentives, most plantation workers are entitled to a package of wage-related allowance and non-wage benefits. In the former category are provident fund, bonus, gratuity, holiday pay, etc. while the latter incorporates the cost incurred by the management on housing, welfare benefits, medical care, education of children, recreation facilities, care of pregnant mothers and children, tea issues, etc. According to tabulations obtained from employer organisations, they add up to 20 to 25 per cent of the wage. Particularly in Sri Lanka, government initiative has also taken the form of closely interacting with overseas donor agencies and voluntary organisations towards obtaining grants and other forms of financial support for fostering social development activities on tea estates.

4. Recommendations of Second Labour Commission

A national wage policy must bring within its purview problems of workers in the unorganised sectors who are not unionized. Therefore who have no bargaining strength. In fact the entire emphasis of Government wage policy should be on fixing minimum wages and implementing them for the workers in the unorganised sector. Fixing a national Minimum Wages for different jobs in the unorganised sector, revising these wages periodically, linking them to dearness allowance in order to prevent erosion in real wages and the assume much significance in this context. Government has to set up a proper machinery for fixing these wages and also ensuring that they are paid.

The average daily earnings of male workers were highest at Rs. 95.51 in Rubber Plantations followed by Rs. 73.90 in Coffee Plantations and the lowest at Rs. 64.17 in Tea Plantations. Similarly, the average daily earnings of women workers were highest at Rs. 91.86 in Rubber Plantations followed by Rs. 72.25 in Coffee Plantations and the lowest at Rs. 63.05 in Tea Plantations.(occupational wage round survey 2006)

The highest average daily earnings were reported for 'Supervisor' at Rs. 90.79 in Coffee Plantations and Rs. 149.32 in Rubber Plantations. In Tea Plantations, however, the highest average daily earnings were reported at Rs. 109.48 for 'Driver'. On the other hand, the lowest average daily earnings were reported for occupation 'Plantation Labour' at the rate of Rs. 62.01 in Tea Plantations and Rs. 71.99 in Coffee Plantations. The lowest paid worker in Rubber Plantations was the 'Field Worker' (Rs. 90.27).

Majority of 80.79 per cent of the workers was employed on piece-rate system of wage payment, where as the remaining 19.21 per cent of the workers were employed on time-rate basis. The employment of piece-rated workers was observed in all the three Plantations.(Tea,Coffee,Rubber).(occupational wage round survey 2006)

Mandatory Requirements by I L O Convention

At international exports now, most of the buying countries are expected the labour standards. Many big plantations are interested to implement the corporate social responsibility (CSR). Many international buyers are expected the code of conduct certificate like Ethical Trade Initiative, Fair Labour Organisation and SA 8000, these two are universally accepted popular code in tea industry. Many tea estates are got these certificates for the market promotion. The main aim of this code is develop the labour standard, but in practical these code are not implemented in major plantation, but they are try to got these certificate.

The main code of these certificate are Freedom from forced labour, No child labour, Freedom of association and right to collective bargaining, Freedom from discrimination Wages, Health and safety, Working hours, Regular employment etc.

Along with following code lists 14 standards conditions must exist for fair trade: It has to be directed by the convention of ILO.

1. Freedom of association to be guaranteed. Recognition of independent democratic trade unions and the right to organize and bargain collectively.
2. Workers must be paid a living wage.
3. Guaranteed adequate housing, sanitation and safe water.
4. Weekly hours to be fixed at 40 hours over 5 days. Double time for overtime.
5. No child below the school leaving age or the national registration age, whichever is lower, should work on a tea plantation.
6. Health and safety standards: provision of protective clothing, no use of banned chemicals, training in occupational health & safety, establishment of safety committees.
7. No discrimination on grounds of gender or race. Equal pay for equal work. Access to training and promotion should be available for women.



8. Vocational training and paid time-off for trade union education.
9. Casual, seasonal, piece-rate and task work should be discouraged but where it is unavoidable, pay and benefits should not be less than those of permanent workers.
10. There should be paid maternity leave of at least 90 days, in addition to annual leave, with no loss of seniority. Paid paternity leave should also be granted.
11. Respect for workers and dignity of labour. Sexual harassment of women will not be tolerated.
12. Provision of welfare facilities and adequate social security provision, especially retirement benefits.
13. Workers' children should have access to a crèche and school within reasonable walking distance.
14. Environmentally friendly production of tea should be encouraged.
15. The above mentioned wage agreement and code of conduct are implemented only in few plantations.

Issues on Migration

Migration takes place in the plantation sector towards getting employment from plain regions to Hills region or semi-Hills regions where there is an ample of Plantation crops cultivating. But, instead of pull factor by Plantation sector employment, it shows unwillingness among the labourers, due to inadequate wages and lengthy working hours. So, in recent days they are shifting to other employment like, textile, construction, automobile etc. Sometimes inter-state migration also happening in this same sector also. In Jarkhand, Tiripura and West Bengal Tea Estate labourers who shifting their same work to Tamilnadu for continuing Estate work due to higher wage is providing in this region. In west Bengal Tea Garden worker's daily wage is Rs 67, But at the same time in Tamilnadu it is 125. They are getting Rs 90- 110. But, in the Cardamom estate labourers also migrating to various cities from Kerala and Tamilnadu state in recent days.

Issues on Wage

In this decade, the wage structure is an contentious one. Because, the major crops (Tea, Coffee) wage rate is differ from Kerala, Tamilnadu, Karnataka and West Bengal states. Indirectly many of the Planters were trying to their labour environment is shifting into contractual agreement basis. Even if, the labourers are unwilling to contract basis, it would be better for too much of work has assigned by the supervisors during seasonal time (Coffee, Tea Estates) Regarding west Bengal Tea Plantation wage rate, the Small Planters reported that, if the present wage rate go beyond this limit, we can not run this Tea Gardens. In West Bengal, the minimum wage rate is Rs 87.50 for Unskilled workers. In tea Plantation Rs 67. But, they are (labourers) demanding to get Rs 250 per day.

In Tamilnadu, the minimum wage rate is Rs 80 for skilled and Unskilled workers. In tea Plantation Rs 125. But, they are (labourers) demanding to get Rs 200 per day. Because, they didn't get that wage rate for all the estates. They are providing up to Rs 85-100 per day. So, in equal wage system of Plantation is a major issues in this scenario. Therefore, trade union's intervention is also inefficient, due to less collective bargaining power. Because, the capitalistic supporting economy does not co operate for communistic way and socialistic way of occupation. It means, a large number of provisions for labourers, they are against the Planters, contrarily, owners stated that "we are in a position to compete with Global market, that is why, labour laws provisions are not always suitable for Globalization and Liberalization policies".

Conclusion

Plantation workers are unable to retain and continue to do work in plantations, where they are shifting to other type of work, like unskilled works in industrial areas. Automatically labour shortage is occurred in plantation. They approached to cheap labourer on the basis of migrant and vulnerable groups in Bihar, Madhya Pradesh, Tiripura states through brokers. This can be done through indirect broker system of labour (cheap labour) supply. But they don't have proper wage system and welfare measures. Due to encourage of contract basis labour system in plantation, the provisions of labour law is tough task and safety needs of labourer is not concentrate.

In present scenario of Plantation sector labour's work environment is interchangeable. Initially it was the proper channel of labour market set up such as, Permanent, contract (only for provisionally marketing and processing pattern by large estates) and regular wage earners and seasonal workers. Due to the market fluctuation and imposed by open market economy the structure has been drastically changed, despite a number of provisions and scheme by Ministry of Labour and Plantation Labour Act. As a result, the cordial relationships by Trade Union and Planters and owners have away from the right pathway. Therefore, the system and pattern of work environment by Plantation is deviate. This situation should be rejuvenate by the Ministry of Labour and Tripartite association by Trade Union and Planters in India.



References

1. Nagaraj.K& Vedavalli.L,Contractual Agreements in the Tea Plantations of Tamilnadu. . N L I Research studies series No: 054/2004, V V .Giri National L;abour Institute-Noida,2004.
2. Occupational Wage Survey (Sixth Round 2006), Report on Plantation Industries, Labour Bureau, Ministry of Labour” – www.labour.nic.in / labour beureau/utm.
3. Sharat K. Bhowmic et’ al Tea Plantation Labour in India . Seventh Digest of Indian Labour Research (1993-97), labourbureau, Ministry of Labour, Government of India, Chandigarh/Shimla, p.92-93.
4. Palanithurai, “Indian Tea Knocked out of the cup”, Global & Local–A bi-monthly newsletter that generates discussion on globalization and decentralization, Rajiv Gandhi Chair & The Ford Foundation, Issue No.5, July-August 2006.
5. Damu, T., Director of Kannan Devan Hills Plantation Co.Pvt. Ltd., Wage Hike Threatens tea Industry, The New Indian Express, P.14, January 23, 2006.
6. Indian Express, “Wage hike threatens Tea Industry”, Business Express, January 23, 2006, p.14.
7. Sharat K.Bhowmik, Tea Plantation Labour in India, Friedrich Ebert Stiftung(India office)D-9, South Extension, New Delhi, 1995, 92-93.
8. Kingshuk Sarkar, Labour and HRD in Indian Tea Industry: Will they come together, CJMR, Mumbai, January 2007
9. Sridhar V, State Coffee growers in deep crisis as price crash, The Hindu,Nov-4-2008.
10. Tea Board to form Self –Help Groups of Small Growers-Press Trust of India.New Delhi. Feb-13,2008.
11. Pramod Giri,Hill Unrest to cripple Tea Industry: Govt, Hidustan Times Live Kolkatta, March 18,2009.
12. Coffee Board, “ Pulney Zone – Self Contained Note”, Batlagundu, Senior Liasion officer,2006.
13. Kullan T.M., Toxic Tea Market in the Nilgiris Profusely Bleeds, Save Nilgiris Classic Tea, Coimbatore: Hill Tea Printers, April 2006.
14. Balasubramanian PG, A Study on the Status of Plantation workers in Tamilnadu,Gandhigram Rural University, unpublished thesis- May 2008.