

# CHAPTER - V

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### 5. INTRODUCTION

Tea is a way of life in northern part of West Bengal where a large number of tea gardens are situated in Darjeeling hill areas, in the plains<sup>off</sup> Darjeeling district known as Terai region and in the Dooars region of Jalpaiguri district. The tea industry of North Bengal has a chequered history of more than 150 years and it pervades entire economic and socio-cultural aspects of the people of North Bengal. West Bengal is now the second largest tea growing state in the country next only to Assam, housing nearly 300 tea estates are in aggregate, Among the 300 estates in West Bengal nearly 90 tea gardens are situated in the hills of Darjeeling at present where the world famous Darjeeling tea is grown. The rest are located over the Terai region of Darjeeling district and the Dooars region of Jalpaiguri district, the distribution being around 50 and 152 respectively.

We have conducted a thorough study to find out the impact of globalization on the industrial relation n the tea industry of India with special reference to the tea industries located in Terai and Dooars regions of West Bengal.

The different components of industrial relations mainly viz. that is wages and bonus, social costs, gate meetings, lockouts, strike, promotional opportunities, technological up gradations, non payment of Gratuity and non contribution towards Provident Fund are considered to be the major components of industrial relations.

The effect of globalization on each of these components of industrial relation has been thoroughly studied.

Though the new economic policy which advocated the doctrine of LPG (Liberalization, Privatization and Globalization) was introduced by our government in the year 1991, but we had started to visualize its effect on Indian tea industry in general and tea industries located in the Terai and Dooars region in particular with effect from the year 1998 onwards.

After a careful study, it can be concluded that the policy of liberalization and globalization have got a cascading effect on almost every component on industrial relation in the tea industries located in the said two regions of West Bengal.

### **5.1 Findings of the study:-**

To study the impact of globalization on the industry relation parameters of the tea industry. We have selected a sample size of 30 tea gardens located in the Dooars and Terai regions of West Bengal.

We have studied the parameters of industrial relations in the tea gardens like Beach Tea Estate , Bandapani Tea Estate , Bata bari Tea Estate, Chalsa Tea Estate, Dim Dima Tea Estate , Denguajhar Tea Estate, Dal Singh Tea Estate, Gandrapara Tea Estate, Mechpara Tea Estate, Mathura Tea Estate, Mathu Tea Estate, Phas Kowa Tea Estate, Kill Cott Tea Estate , Raja Tea Estate, Carron Tea Estate, Kumargram Tea Estate, Baradighi Tea Estate , Chaluni Tea Estate, Zurrantee Tea Estate and Bagrakote Tea Estate in the Dooars region and Mahurgang & Gulma Tea Estate , Belgachi Tea Estate, Bijaynagar Tea Estate , Kamalpur Tea Estate, Lohagarh Tea Estate, Noxalbari Tea Estate, Pahargumia Tea Estate, Kiran Chandra Tea Estate, Atal Tea Estate and Ord Terai Tea Estate in the Terai region.

The present study has tried to find out the impact of globalization on the parameters which have significant bearings on industrial relations in the tea gardens of India and in the tea gardens of Dooars and Terai region in particular.

Globalization has an adverse impact on the industrial relations in the tea industry of India in general and the Dooars and Terai region in particular is very significant. Declining trend of quantity of export of tea from India, increasing trend of import of cheaper rate of tea have been creating major problems in the era of globalization.

Declining trend of export and increasing trend of import have imposed tremendous pressure on the tea price and the auction selling price of tea has fallen

drastically during the period 1999 onwards leading to loss of profitability in one hand and on the other side foreign exchange earnings has been reduced. As a result of this number of tea estates either has been sick or closed all over India. In West Bengal, the tea gardens situated at Dooars region have been the worst sufferer. During our study period, at least 14 tea gardens either have been closed or have been abandoned as reported by the Secretary of DBITA (Binnaguri).

Under these deplorable conditions, the tea workers have been badly affected. Employment opportunities have been declined due to closure and abandonment of the gardens. The growing unrest among the workers has deteriorated the management-labour relation in the tea industry.

## **5.2 The major findings of the impact of globalization on Industrial Relations.**

a) **WAGES AND BONUS** : The daily wage rate of an adult worker in the tea industry of Dooars and Terai is Rs 85 at present (2011). In the year 2010, it was Rs. 67 per day. SO there has been an increase of Rs 18 or 27% in the daily wage rate. But in these days of high inflation, the increasing number of unemployed dependants of the workers has eroded what ever benefits the workers could have expected. This fact has caused to develop discontentment among the workers. The wage rate in the tea plantation is comparatively lower since its inception and the result is it develops antagonism and bitterness in the minds of the workers which leads towards bad industrial relations.

BONUS issue is a major cause for developing industrial conflicts which lead to deteriorate industrial relations in this plantation industry. Presently bonus is paid to the tea workers through industry-wise agreement. It is interesting to note that despite of lack of profitability in the overall tea industries from 1999 onwards. The management used to declare considerable rate of bonus till the year 2000. After that a decline in trend was observed and it continued till the year 2008. After that, the bonus rate became higher. This trend is definitely a sign of better management-labour relation offered from the part of the management.

b) **SOCIAL COSTS** : One of the major sources of friction is the indifferent attitude of the management to implement the necessary statutory provisions of the

Plantation Labour Act 1951, which came into effect in 1956. This act provides various welfare measures for the betterment of the life of the worker such as housing, medical facilities, schooling facilities, of the children of the workers, supply of drinking water etc.

But it is found from the study that, the social costs incurred by the management of the tea gardens in these regions have been shown a declining trend in the post globalization period in terms of real value of the costs incurred.

So, the workers are deprived from enjoying the statutory benefits. As the workers have been trying to organize agitation to avail these benefits. As a result of which the industrial relations of these gardens have been adversely affected.

c) **PROVIDENT FUND & GRATUITY** : Our study finds the amount of provident fund and gratuity have been mounting up year after year. In case of provident fund, the management deducts the amount from the wage of the workers but they have not deposited it in the respective accounts. This practice has been continuing since long before. This practice on the part of the management has created a fear psychosis in the minds of the existing workers that they might be deprived of this future benefits or their legal heirs. So the workers feel insecure and sometimes they organize violent movement. This sort of fact deteriorate the industrial relation in these tea industries in Dooars and Terai.

d) **STRIKE** : During the period of 60s , 70s and 80s, that is during the pre-globalization era the trade union movements in the tea gardens were more aggressive . Strike and Violent Movement were common in the tea industry of Dooars and Terai. Though the nature of the movement of the trade union in the tea gardens have changed to a considerable extent due to change of socio-economic scenario of the society. Still to fulfill the demands, mainly the demands of the higher wages and the higher rate of bonus, the tea workers go out for a strike. Our study finds the number of strikes in the post globalization period has increased to a considerable number. Frequent strikes hamper the production function causing loss

of valuable resources and friendly atmosphere prevailing in the tea industry. The harmonious industrial relation thus starts to deteriorate in this process.

e) **LOCK-OUT** : We have observed during our study in the tea gardens of Dooars and Terai that in the era of globalization the tea workers have become frightened due to closure and abandonment of tea gardens and increasing trend of lock-out tends to <sup>increase</sup> loss of job and fear of unemployment. It is observed in the days of liberalization, employers have become as powerful as the government is not supporting any kind of labour movement that may lead to close down of the organization. Therefore, we find there has been a growing tendency on the part of the employer to close or declare a lock-out to prevent the workers to raise their voice. As a result the number of lock-outs has been increased in the post-globalization period in comparison to strike. This situation has definitely eroded the labour-management relations in those tea gardens of Dooars and Terai.

f) **MAN-DAYS LOST DUE TO WORK STOPPAGE (Strike , Lock-Out and Gate meeting)**

It has been observed from the present study that man-days lost due to strike in the pre-globalization period have not fluctuated considerably. It may be, the workers had not preferred to observe aggressive movement against the management and the average number of strikes was held in these tea industries of Dooars and Terai region were only 3 days per year. Due to the demand of wage hike two major industry wise strikes were held in the year 1999 and 2005 which continued for long 11 days and 15 days and huge number of man-days lost had been recorded in the post-globalization period.

Man-days lost due to lock-out have increased in the post-globalization period. This trend indicates the employers or managements prefer to bear loss due to stoppage of work for lock-out rather than allow the workers to raise their legitimate demands also. This sort of attitude has expressed a sign of unhealthy industrial relation in the tea industry of Dooars and Terai region.

Gate-meeting is regarded a very useful tool to protest against the anti-labour attitude of the management and to raise the demands of the workers. It is observed from the study that the man-days lost due to gate meeting is much higher in the post globalization period in comparison to the pre-globalization era. This trend indicates neglected attitude of the management or employer towards workers to fulfill the demands of the workers causing un-harmonious industrial relations to prevail in the tea industry of Dooars and Terai region.

### **5.3 RECOMMENDATIONS**

- 1) For maintaining better industrial relations, it is recommended for the tea garden owners to spend more quantum of money for welfare and benefits of the workers working in the tea industries.
- 2) The recommendations of the Sabyasachi Sen committee are to be implemented where it has been categorically stated a large part of the social cost should be born by the government itself.
- 3) The productivity of the tea gardens are to be increased considerably so that it can compete with the tea producers of other countries of this world.
- 4) Strict government regulations should be there to prevent the unnecessary lock-outs and abandonment of tea gardens at the whims of the tea-garden owners.
- 5) Frequent transfer of ownership of the tea garden should be tried to be restricted as far as possible.
- 6) The workers should be cautioned about their obligations towards their particular gardens.
- 7) The attitude of the trade union leadership should be amenable to the changed situation and circumstances so that their militant attitude towards the management is reduced to a considerable extent.
- 8) Wage rate should be revised in accordance with the real purchasing parity and it should be at par with the tea industries across our country.