

**Globalisation: Its Impact On Industrial Relations in Tea
Plantation of Terai and Dooars Region of West Bengal.**

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Tea Garden of West Bengal

PREFACE

Tea industry plays a pivotal role in the national economy. Firstly, it generates employment opportunities being a labour intensive industry. Secondly, it contributes to the national economy by exporting tea and earns foreign exchange. Thirdly, it is mostly located in remote backward places and helps to develop the socio-economic conditions of those localities. And finally, it has eco friendly character and contributes to the national exchequer.

Despite ample research and development works having being done on tea – a perennial plantation crop of commerce and industry, it appears that a concise study in the area of industrial relation is a demand of the era of liberalization and globalization.

The pride of India being one of the most developed teas producing country has constantly been challenged both in terms of cost and quality of the product. Added with it, it is the impending import of tea from other countries like Sri Lanka, Kenya, Indonesia, Vietnam and Bangladesh etc. because of liberalization of economy.

India initiated the process of globalization and liberalization in the year 1991, in the wake of unprecedented balance of payment crisis. But the effect of it was visualized after the establishment of World Trade Organization in the year 1999 mainly from the year 1999 onwards, when we find that there has been a declining trend in the average value of tea exported in the global market.

With the introduction of New Economic Policy, the Indian Government started to reduce trade barriers gradually. As a result increasing number of competitors have put the Indian Tea Industry under a great threat and challenge. On the other hand, upward trend of continuous increase of auction tea price till the year 1998 encouraged and motivated the small farmers to convert their land into small tea gardens. This sector produces only tea leaves employing mainly casual labourers and do not come under the purview of the Plantation Labour Act '51. In order to cater the need of the small sectors, a considerable

number of Bought Leaf Factories have emerged and the scenario of the tea industry of Dooars and Terai region of West Bengal as well as India has changed to a great extent.

The situation started to change dramatically from the year 1991 onwards when the tea auction price began to fall causing a serious threat to the Indian Tea Industry. Profitability started to decline, financial crisis started to mounting up, and as a result, the tea industries of West Bengal and as well as in India began to witness closure, abandonment and lock-outs mainly during the period 2000-2005.

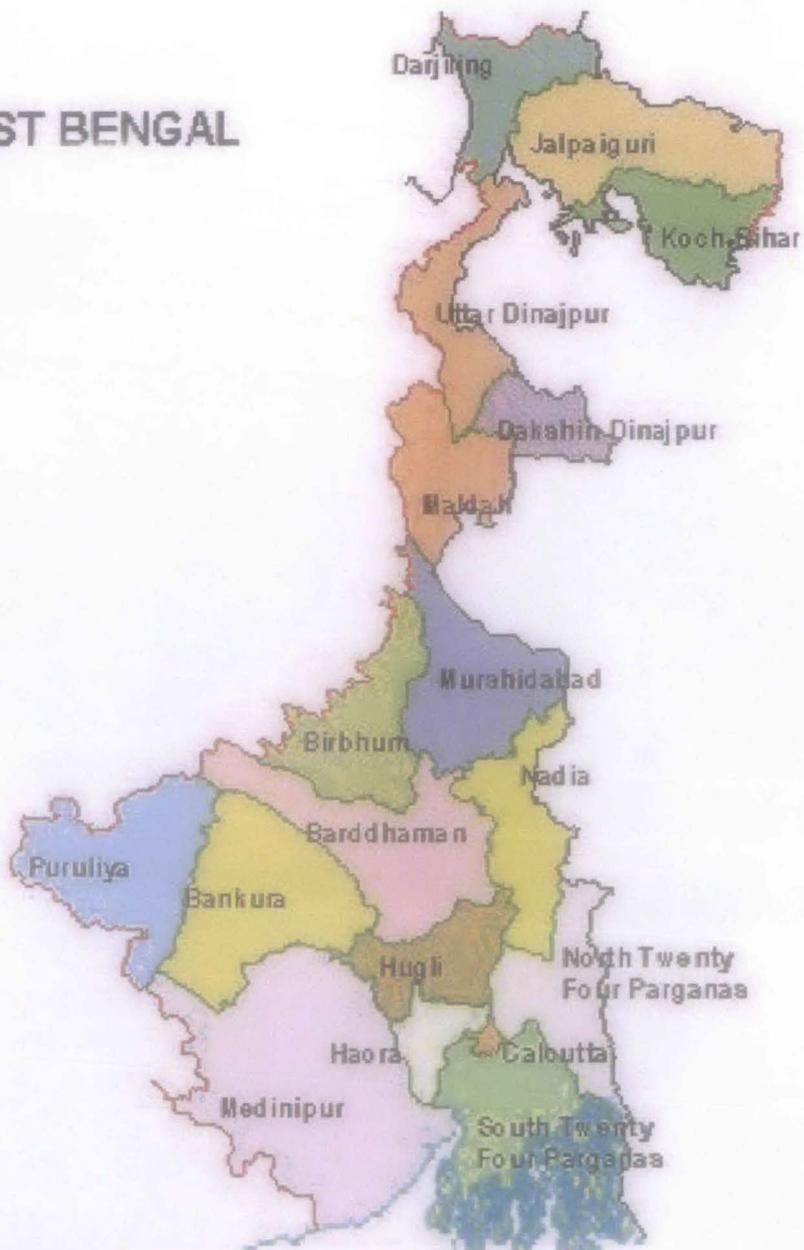
Under this gloomy situation, the tea workers have been the worst sufferer. Due to financial crunch, the organized tea estates have curtailed a number of welfare measures which they are liable to bear according to PLA, 1951. This form of social cost is a huge burden for the organized tea sectors. As a result of which, labour-management relations which is popularly known as Industrial Relations have been seriously affected. These deteriorating industrial relations have ultimately affected the morale of tea workers which in turn has affected the overall productivity and profitability thus creating a vicious circle.

The present study is intended to measure the impact of globalization and liberalization on the industrial relations in the tea industry. This study is also intended to recommend some suggestive measure, if any, for establishing harmonious industrial relationship in the tea industries for its overall prosperity.

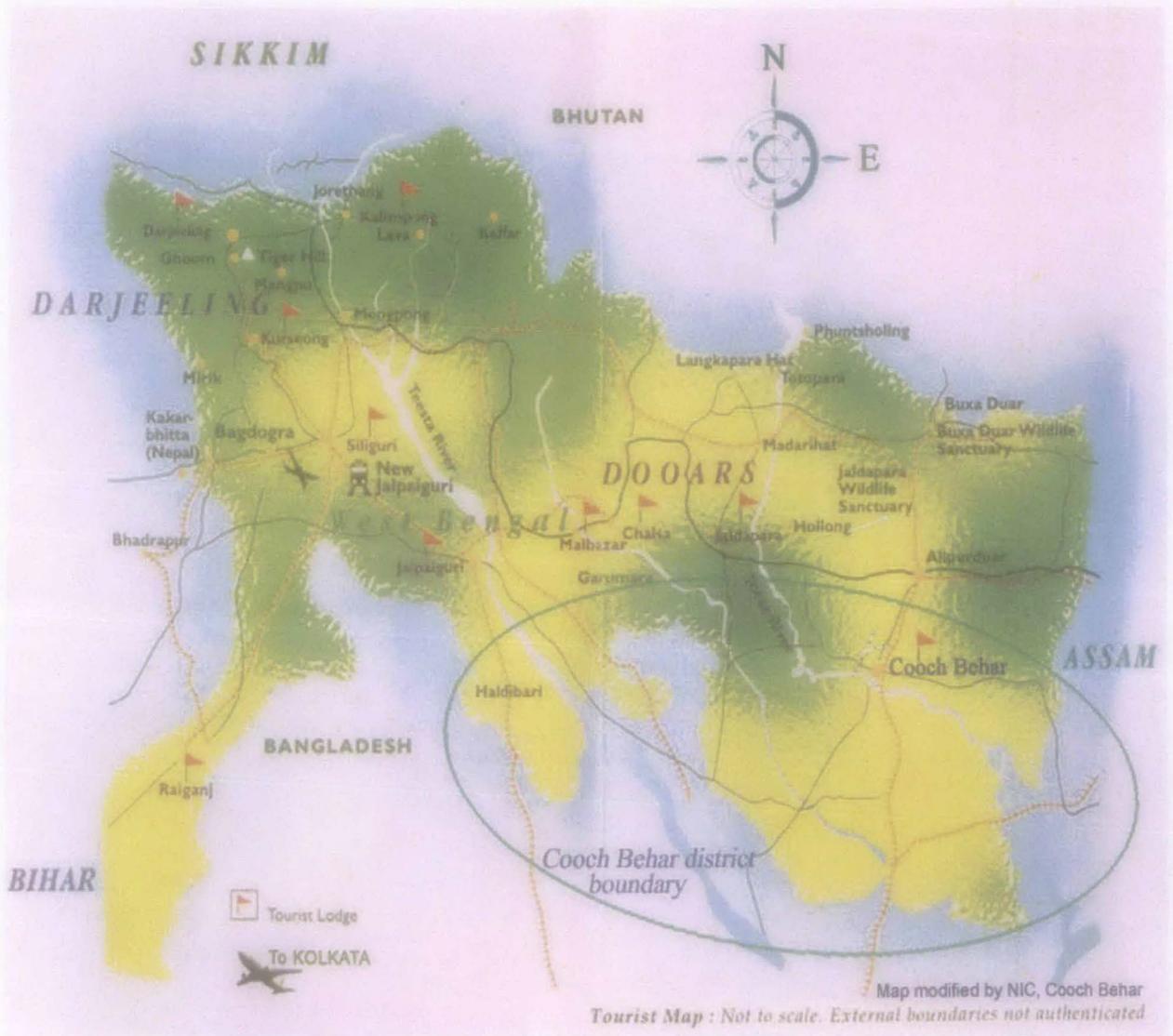
Challenges before the industry are indeed serious and the prime responsibility to transform such challenges into opportunities lies mainly with the management of the industry.

Subhasis Mitra

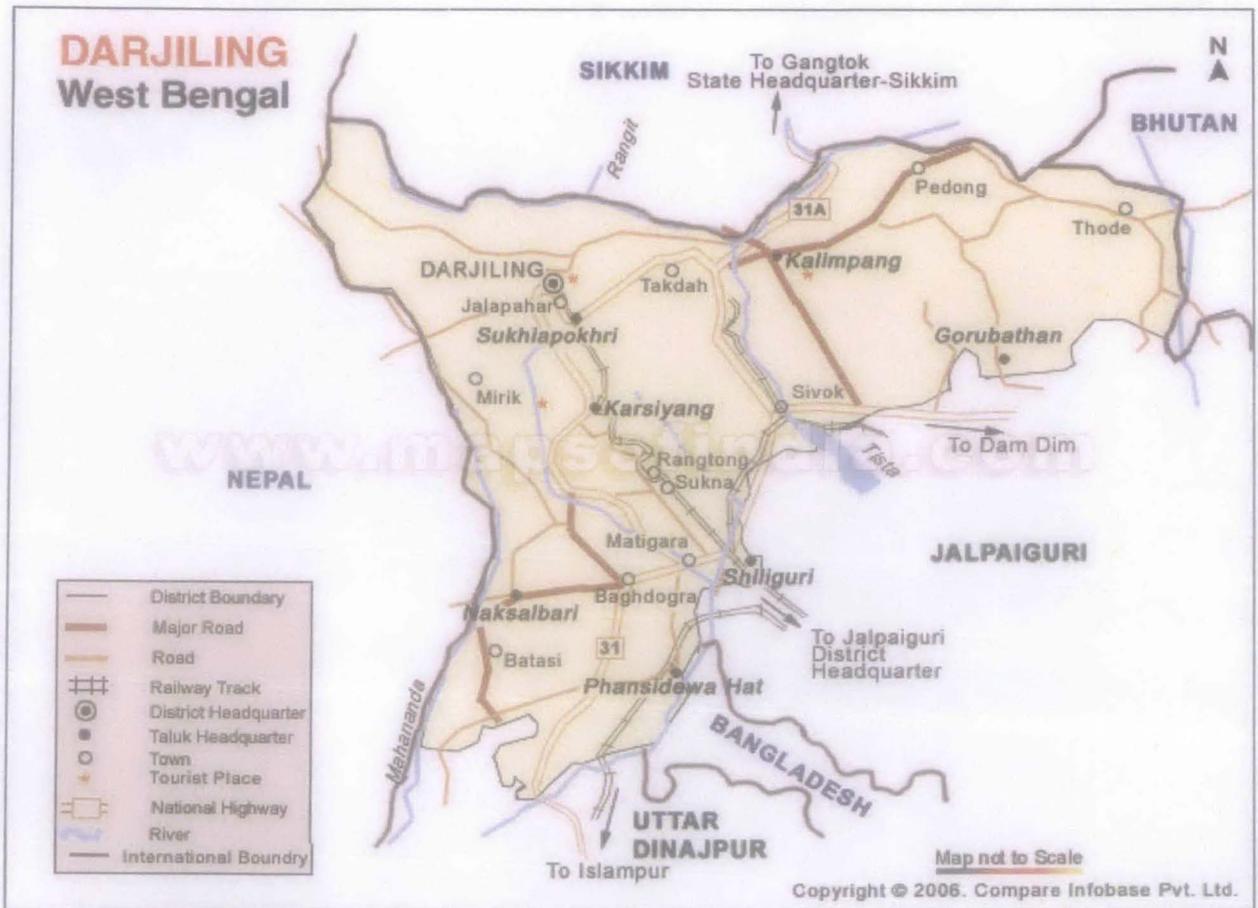
WEST BENGAL



Map of West Bengal



Map of Dooars Jalpaiguri District



Map of Terai Darjeeling District

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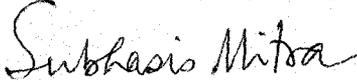
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The responsibilities of errors remain solely mine.

Dated: 19/12/2012
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Subhasis Mitra

LIST OF ABBREVIATIONS

1. ACMS – Assam Cha Mazdur Sangha.
2. AITUC - All India Trade Union Congress.
3. ARE – Arab Republic Emirates.
4. BRDWU – Bengal Dooars Railway Workers Union.
5. BMS – Bharatiya Mazdoor Sangha.
6. CBMU – Co-ordination Committee of Tea Plantation Workers.
7. CITU – Centre of Indian Trade Union.
8. CPI – Consumer Price Index.
9. CTC – Curl, Tear and Crust.
10. DBITA – Dooars Branch of Indian Tea Association.
11. FAWLOI – Financial Assistance for the Workers of Lock-Out Industry.
12. FERA – Foreign Exchange Regulation Act.
13. HMS – Hind Mazdur Sabha.
14. IIM – Indian Institute of Management.
15. ILO – International Labour Organization
16. INTUC – Indian National Trade Union Congress.
17. ITA – Indian Tea Association.
18. LPG – Liberalization Privatization Globalization.
19. NUPW – National United of Plantation Workers.
20. PBCBSKU – Paschim Banga Cha Bagan Sramik Karmachari Union.
21. PF – Provident Fund.
22. PLA – Plantation Labour Act.
23. SAARC – South Asian Association for Regional Co-operation.
24. SAFTA – South Asian Free Trade Association.
25. TIPA – Terai Indian Planters Association.
26. TU – Trade Union.
27. USSR – United States of Soviet Republic.
28. UTUC – United Trade Union Congress.
29. VRS – Voluntary Retirement Scheme.
30. WHO – World Health Organization.
31. WBTDC – West Bengal Tea Development Corporation.
32. WTO – World Trade Organization.

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Map of West Bengal

Map of Dooars

Map of Terai

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CHAPTER - I

CHAPTER – I

1.1 Evolution of Tea Industry

The Worldwide popular beverage tea is prepared from leafs and leaf –buds of tea bush which is known as *Camellia Sinensis*. It is authenticated from the various ancient writings that the origin of tea bush was rooted in China and the introduction of tea as a beverage credited to Chinese Emperor Shennong in or around 2737 B.C. The word ‘tea’ came from a Chinese ideogram pronounced ‘tay’ and with the evolution of time it changed to its present form in English with that pronunciation in 18th century. The other pronunciation for tea is ‘Cha’ used by the Cantonese dialect spoken by the people of the ports area of Guangzhu, Hongkong as well as in the Chinese dialect which travelled from China to Japan, Russian and Georgian subtropics, Iran, Middle East and India¹.

1.2 History of Development of Tea as a palatable drink:-

Tea as a beverage started to gain popularity in China between the period 6th and 8th century. In the 9th century tea cultivation had spread from China to Japan where tea drinking became the subject of an elaborate ritual known as the Tea Ceremony that greatly influenced the Japanese life and culture.

At the end of the 16th century the Dutch imported tea in Europe from China and Japan and in the 17th century tea became a fashionable drink in Portugal. By the middle of the 18th century it became the principal beverage of all section of people in different parts of the world².

Tea was also re-exported from Europe to America and by the mid-18th century tea became one of the most popular drinks in the American colonies. It became so important beverage to the Americans that the Anglo-American war on tea trade deserved special attention. As a protest against the Tea Act, 1773, with the help of which the British imposed tax on tea to perpetuate their monopoly on tea trade, the

Americans Organized the Boston Tea Party and sack upon sack of English tea was thrown in to the sea that led to the American War of Independence which facilitated freedom to the Americans.³

In this way tea cultivation which originated in China more than 3000 years ago had spread widely over the world. The British realized the prospect of trade and commerce in tea. In the 19th century tea was introduced in India and Srilanka by the British and in Indonesia by the Dutch. Commercial production in Africa started in former British colonies, such as in Kenya, Tanzania and Malawi well in the 20th century.

1.3 History and Development of Tea Industry in India:-

The British East India Company which was established in 1600 imported tea in England most probably from Holland in the year 1664. The company had a harmonious trading relation with China and as per trade agreement tea was imported from China to England. During that period China was the only exporter of tea. But this trade relation did not continue for long period and in 1883, the East Indian Company had lost its legal monopoly of tea trade between China and Britain, which led the British to search alternative sources of supply of tea. As a result the door of a new plantation economy opened before India in the year 1834.⁴

History says China was the then major exporter of tea in the world. Sir Joseph Banks took some positive steps in the year 1788 towards tea cultivation in the area of Bihar and Cooch Behar found it suitable for tea plantations.

In 1823, Major Robert Bruce discovered some indigenous tea plants growing near Rangpur in Assam.

Maniram Dutta Barua, Minister to the last King of Assam and a freedom fighter, is recognized to be the first tea planter in India. Afterwards he was hanged to death mischievously by the British administration on false ground.

The growth and development of tea industry in India has a long history. The discovery of indigenous tea in Assam in 1823 led to the origins of the tea industry in India. In that year Major Robert Bruce discovered some indigenous tea plants in Assam. Subsequently Lord William Bentinck, the then Governor General took effective steps to explore the possibility of cultivating tea plants in India by appointing

a tea committee in 1834 and the committee sent reports stating the tea plants found in Suddiya and Beesa was indigenous in upper Assam.⁵

However, the Calcutta Agricultural Society differed from the above opinion. The society demanded, in the early 1700s, the ships of the East India Company used to bring the tea plants in India by way of curiosity, and one Colonel. Kyd, a resident of Calcutta and an eminent botanist found tea plants growing in his garden in 1780. In 1782 this garden was handed over to Botanical Garden of Calcutta. In 1788, Sir Joseph Bank recorded the existence of wild tea growing in Cooch Behar and Rangpur (Now in Bangladesh) districts of Bengal and suggested the cultivation of this plant. In this process the wild teas of Cooch Behar confirmed the first discovery of indigenous tea in India.⁶

The Tea Industry in India is about 175 year old. It occupies an important place and plays a very useful role for the development of national economy. The East India Company initiated the task of establishing tea gardens in the state of Assam, the first tea producing state of India in the first half of 1830s. Thereafter, the British Government realizing the great economical prospect of tea adopted it as a priority area for development. As a result of which tea gardens flourished in the second half of the nineteenth century, mostly in Assam and West Bengal and later spread to Southern India.

Tea Industry is considered as one of the prime organized manufacturing sectors in India and because of its labour intensive character it has created huge employment opportunities in India and has retained its position as the single largest employer in this sector.⁷

1.4 Organizational Structure and Form of Ownership:-

Unlike most other tea producing and exporting countries, India has dual manufacturing base. India produces both Orthodox and C.T.C. (crust, torn, curl) teas in addition to green tea. Cultivation of tea may be described as being essentially a monocultural farming operation and the tea industry represents a particular mode of commercial organization for large scale cultivation of tea. This organizational structure was borrowed from the nineteenth century sugar and cotton plantation in the new world. With the passage of time the tea industry of India, mainly the tea industry of

Assam and West Bengal witnessed a series of organizational changes in respect of production function..

Initially, the principal form of ownership was proprietary and this type of form continued till the early 1880s. From the 1880s onwards, the proprietary form of ownership started to change and partnership firms and public limited companies began to emerge. This resulted better inflow of finance and eventually professional management activities in the tea and other plantation economy started to induct. After then another institution called “managing agency” started to take active part to provide various services to the plantation enterprises. When the British Companies extended tea cultivation at the end of the nineteenth century, this managing agencies expanded their activities, such as budgetary control, cultivation, manufacturing advice, exchange control and staff recruitment at the higher levels. The addition of agency house capital with the managerial expertise laid the foundation of corporate sector in the Indian tea industry.

In the earlier stage of twentieth the Indian tea industry had some specific character. Such as, most of the tea estate were owned and managed by the Big British Companies and necessary capital was supplied by the British Banks and agency houses. Another important act was British companies controlled international trade of tea and the roles of producer, banker, shipper, broker and distributor were chained through vertical integration of production and distribution. Through this mechanism an effective centralized controlled system developed by a small group of persons who use to manage a number of companies, each of which was a legally separate entity.

1.5 Indian Independence --- An Overall Change in the Tea Industry:

By the end 1950s and early 1960s onwards the ownership of tea estates witnessed large-scale changes. Many British owners started to sell their share of holdings and found alternative place mainly in East Africa. One o the prime reasons for this was declining trend of profitability. As a result during the period 1957-58, a large number of tea estates came under the control of Indian management.

After independence, tea workers were granted trade union rights and trade union movement started to change the atmosphere of the tea gardens and the British owners could not cope with the new situation.

After independence the Indian Government took some effective steps to restrain the outflow of capital from the tea industry. Managing agency system was abolished in 1970 and higher rate of taxation was imposed to the British controlled companies, in the form of agricultural income tax. The erstwhile British Tea Companies reacted in two ways. First, they migrated to Kenya after disinvesting in India and secondly, some of them liked to re-organize themselves by collaborating with Indian capital. The process became more visible after introduction of the Foreign Exchange Regulation Act (FERA) in 1973.

1.6 High Manager-turnover ---- Poor Management Quality:-

The change of ownership from the British planters to the Indians who had the merchant background developed poor management quality in the tea plantation sector. The tea estates experienced high turnover of managers during the decades after 1970. The managers of the tea estates could not pay proper attention to run the gardens more effectively due to fear of unstable tenure of their service. Another major demerit was found that is control of management from a distance by the Indian directors. This unwise practice made the local managers unable to take proper decisions regarding many important matters like re-investment and re-plantation measures and gradually this profitable plantation sector started to become weaker.

1.7 Emergence of Indian Corporate Houses:-

British companies had earned huge quantum of profits from the tea estates and the lion's share of such profits were remitted abroad in the form of dividend. So they were not interested to increase internal resources of the tea gardens. Naturally this attitude of the British forced the tea estates to be dependent on external finance. Over the years this continuous dependence on external finance has increased the interest burden extremely high and has made the tea gardens financially weak leading towards unhealthy industrial relations in the tea industry.

At this point of time several Indian Corporate Houses got entry in the tea sector through diversification policy. For example, Tata Tea Company consideration trend started to become popular gradually during the period 1975-1990. This trend got strengthened following the liberalization of Indian economy in the year 1991. However, as per the nature of the corporate sectors a large share of profits is drawn or

financing of corporate mergers and acquisitions and for payment of dividend. As a result the easy availability of finance for production operations in plantation sectors has been correspondingly reduced.⁸

1.8 Importance to Economy:-

The tea industry has a very prominent place in the Indian Economy. From multimillionaire to the poorest Indian people drink this beverage everyday and gain satisfaction. Almost 85 per cent of total households in India buy tea, which makes India the largest consumer of tea in the world.

It is the second largest provider of employment after Indian Railway by employing more than one million people directly and 2 million people indirectly of which more or less 50 per cent are women.

The tea industry, to a great extent, influences the economics of the regions where the tea gardens are established. For instance, the state of Assam is the largest tea producing zone of India and the part of West Bengal known as North Bengal.

Production and Export:-

India is the second largest producer of tea in the world followed by China (produce more or less 25 per cent of the world production) and occupies fourth place in terms of exporter (13 per cent of the world export, in 2007). Further, the best quality of tea of the world, known as 'Darjeeling Tea' is produced in India only and is in great demand across the world.

The prices subjective to agro climatic conditions:-

Tea price cycles have no linkage with the general economic cycle. Like other commodities but with agro-climatic conditions. According to a study made by Food and Agriculture Organization (FAO) on 27 agricultural commodities tea showed the second lowest variability in prices.⁹

1.9 Characteristics of Indian Tea Industry:-

Presently tea is grown in 13 Indian states. Out of these, four are recognized as the prime tea producing states, such as Assam, West Bengal which are situated in the

northern part of India and Tamil Nadu and Kerala are situated in southern part. Though the major part of production of tea comes from organized tea estates, the small tea growers are also performing important role increasing the share of production over the years. In recent years many small farmers of Assam, West Bengal and Bihar have increased the total production of tea switching over from general agriculture stream to tea production.

Sensitivity of Industry to Government Policies:-

The tea industry of India is highly regulated. Government issues license to the exporters and importers of tea for the benefit of the industry.

While The Tea Act, 1953 controls production and distribution functions, the Tea (Marketing) Control Order, 2003 regulates the selling of tea through the process of auction selling system.

Tea industry is also burdened by Central Cess, States Sales Tax and Agricultural Income Tax. The residual income after paying corporate tax is taxed again. This tax is levied on profits accruing to gardens located in respective states.

The Government of India has permitted 100 per cent Foreign Direct Investment (FDI) in tea industry subject to compulsory divestment of 26% equity of the company in favour of an Indian partner/Indian public within 5 years from the date of investment.

Organized Business Tycoon Dominate the Tea Sector:-

Multinationals and big business houses control and dominate the Indian tea sectors such as Hindustan Lever, Tata & Tettly etc. Export as well as the domestic market is being controlled by these big players. Tea cultivation poses a significant barrier in terms of rules and regulations, scarcity of suitable cultivable land area, requirement of large investment. while marketing activities are relatively low entry barrier areas. It is therefore not surprising at all that the tea cultivation is dominated by the organized corporate sector while tea retailing has been attracted a host of local players.

Concerned Area:-

Tea Industry of India has tremendous importance in respect of growth and development of Indian economy. In one hand it employs large number of workforce

directly and indirectly, on the other side of earns considerable amount o foreign money by exporting nearly 200 million Kg. of tea every year.

But there have been a number of constraints for its further growth and development on the basis of which the industrial relations are also influenced.

These can be presented as follows:

1. One of the major constraints facing the Indian Tea Industry is the old age of tea bushes. At least 30% of the tea plantation area being above the economic threshold age limit and this has direct effect on production, productivity, quality of tea and profitability. In addition the slower pace of re-plantation which is less than 0.5% as against the desired level of 2% and the consistent all in tea prices, mainly during the period 2000 to 2005 (Tea Auction Price, Tea statistics, 2005-06) has adversely affected the investment in the tea plantations.
2. Stiff competition from the other tea producing countries in the export market, such as from, Kenya, Sri Lanka, Vietnam and China has pushed the Indian tea exporters in the back seat. Mainly after the collapse of Russian market the Indian tea industry received a serious set-back in the export market.
3. Presently the demand for orthodox quality of tea has been increasing world wide due to change in customer taste. For example lower off take by Russia due to change in consumer preferences. Lower production of orthodox tea in India has made a barrier for expanding export market.
4. In the age of liberalized economy there has been mushroom growth of small tea sectors and Bought Leaf Factories (BLFs). But these factories produce cheap quality of tea by buying and processing green leaf from small tea growers and thus hamper the Indian credential.¹⁰

1.10. Objectives of the Present Study:

In view of the importance of the Tea Industry of Dooars and Terai region in the economy of North Bengal as well as in the national economy, its sustained development is imperative for the country. The objectives of the study are -----

- (a) To analyze the effect of globalization and liberalization on the industrial relations of tea garden of West Bengal, particularly in Dooars and Terai regions, and

- (b) To suggest remedial measures for the improvement of industrial relation in tea plantation industry.

West Bengal is the second largest tea producing state in India after Assam. There are nearly 343 tea estates situated in different parts of Dooars, Terai and Darjeeling hill area along with a large number of small tea gardens spread in Cooch Behar and West Dinajpur districts. Dooars is the prime tea producing zone of West Bengal where famous quality of CTC (Crush, Teas and Curl) tea is produced by around 163 tea estates.

The area of the study ranges over the Terai region of Darjeeling district and Dooars region of Jalpaiguri district. The study will seek to address the problem of deteriorating industrial relation in West Bengal tea industry in a broader perspective.

We will first evaluate the impact of globalization and liberalization on the market-ability and profitability of this plantation industry and then their adverse effects on industrial relation in the study area. We will also study whether there exist any direct impact of globalization and liberalization on the industrial relation in this plantation.

1.11. Research Questions:-

The present study will seek to answer the following questions:-

1. What is the effect of globalization and liberalization on price of tea produced in the study area?
2. What are the effects of globalization and liberalization on the cost of tea production?
3. What are the impacts of globalization and liberalization on the export of tea?
4. What are the impact of globalization and liberalization on import of tea in India?

What are the impacts of the trends in tea price on the wage structure and the cost of production?

1.12. Review of Existing Literature in the Field:-

In studying the problem of industrial relation in the tea industry of Dooars and Terai of West Bengal, we have come across a few studies in respect of this industry.

There have been several studies on various aspects of tea industry. These are mainly on financial management and geographical aspects of tea industry. A few studies partially dealt with labour relations. We present below a brief review of some of these studies in order to identify some of the distinguishing features of the present study.

Dr. Sharit Bhowmik made a study on "Class Formation in; the Plantation System in 1981, where he attempted to investigate into different aspects of class formation among tribal workers engaged in Dooars tea gardens of West Bengal. The study reflected how class consciousness emerged among tea garden workers. Since the study was based on sociological theories, less focus was given to the aspects of industrial relations and greater effort was made to show how social relations of tribal workers changed with the change in organization of production.¹¹

The study on "Economics of Tea Industry in India" by R.C. Awasthi in 1975 was a comprehensive study on the problems of tea industry. Along with the subject matters like finance-supplies, transport, marketing etc., the study had also gone through issues relating to labourers. The study partially dealt with the labour relations. Important indices of industrial relations, such as industrial disputes, role of governments and unions had not however, been taken up significantly in his study. Moreover the entire study was based on the tea gardens of Assam.¹²

"The History of Indian Tea Industry" conducted by Sir Percival Griffiths in 1967 was a complete study on the historical growth of Indian Tea Industry, while describing the evolution passage of the growth of tea industry in India. The study also described the origin of plantation labourers, recruitment system and the state of planters' oppression on which the workers had to undergo during the pre-independence period. The study had not separately discussed the labour relations in tea plantations.¹³

The study on "Tea Gardens of West Bengal" conducted by Tushar Kanti Ghosh in 1987 was related on the land management policies of tea gardens. The study covered the history of tea industry in West Bengal, land management policies, rules, regulations etc. This study established a co-relation between the problems of sick and closed gardens with improper land management policies.¹⁴

The study in relation of Productivity Improvement and Labour Relations in the tea industry in South Asia" in 1996 by B. Sivaram highlighted the important role of production of tea in India, Bangladesh and Sri Lanka in terms of employment and

foreign exchange earning giving more emphasis on various aspects of productivity in tea industry.¹⁵

In an article named “Low Productivity of Resources in West Bengal Tea Plantations – Causes and Curse,, Chai-Ki-bat” written by S. R., Mishra where he analyzed the extent of efficient use available resources with labour input, expenditure on materials inputs and expenditure on fixed capital in maximizing production of tea in tea plantation areas in North Bengal with reference to only eight estates (out o nearly 300 estates) relating to a single year (1981) in the Terai, Dooars and Darjeeling tea growing areas. On the basis of this analysis Dr. Mishra observed that there exists a scope to divert investment from excessive use of human labour to intermediate material input and capital. He also mentioned the old age tea bushes as one of the causes of low productivity in West Bengal without examining the nature and extent of its impact on productivity.¹⁶

Neelanjana Mitra in her book on “Indian Tea Industry” has made an attempt to explain the trend in production domestic consumption, exports and prices of India tea in both domestic and international markets covering the period of 1960 to 1980. Her observation was that the growth of Indian tea production appeared to be sluggish particularly in comparison to steady rise in the domestic consumption of India tea. According to her the behavior of production apparently suggests the insensitivity of the supply of Indian tea to changes in demand condition. She has explained the aggregate supply response of Indian tea in terms of the factors that are likely to govern producers’ decision in the short and long run. The empirical results obtained by her study suggests that so far as decisions about yield rate are concerned, short run profitability which is measured by unit price deflated by unit price cost fails to provide a satisfactory explanation of the observed variation in the yield rates.¹⁷

In an article “Industrial Relation in Tea Plantations: The Dooars Scene” written in 1984 Prasanneswari highlighted the factors of affecting the industrial relations in tea plantations of Dooars region. In that article it has explained the how the attitude of the management affects the relation between the employer and the worker. The article has also clearly discussed the various provisions in respect of labour welfare as per

Plantation Labour Act, 1951, and its implementation in the tea plantation industry. The article discussed covering the areas of daily wage rate, bonus issue, employment opportunities and the role of trade union, all the important actors for maintaining healthy industrial relations in the tea industry.¹⁸

Three articles written by Dr. Manas Das Gupta in the year 1988 on the Trade Union Movement in tea plantation of Terai Region is of course a pioneer in this field. It had however, some limitations also. It described well the back ground of Terai Tea Plantations, plantation economy and the wages of labourers, but the nature of industrial relations prevailing at that time was not adequately described.¹⁹

The thesis of Dr. Mita Bhadra on "Life and Labour of Plantation Women Workers" in 1992 had provided focus on the women workers of tea plantations. It was a sociological study on women which dealt with the life of women workers in a tea plantation of Darjeeling district in West Bengal. It reflected changes in the status and role of women employed in the tea industry.²⁰

The thesis of Dr. Sukhendu Narayan Saha on "Industrial Relation in Tea Plantation : A Case Study of Terai Tea Gardens since Independence" in 1999 highlighted the conditions of industrial relations stating the causes which has great impact on industrial relation and the role of trade union movement in respect of that in tea plantations of Terai region only. The study did present statistical information about the trends of industrial conflicts (strikes and lock-outs) till the year 1990. So, the study did not throw any light about the situation of industrial relations in tea plantations of West Bengal in the age of globalization.²¹

A study conducted by the International Labour Organization (ILO) in the year 2005 had tried to analyze the impact of globalization on the overall tea prices in India. According to this report the large tea companies have been benefited maximum from the fall in tea auction prices. These barons of tea companies enjoy tremendous power to control the price of tea in the auction market and by doing so take the advantage of depressed markets.²²

So, there had been a very little effort to study in depth the labour relations in the tea gardens of West Bengal. The existing research works on the labourers of tea industry had been made by the scholars of Sociology and Social Anthropology. Naturally they had given much emphasis on the changing social relations of workers

than industrial relations. So, it is expected that this study will be able to throw some lights on that area which remains under explored.

1.13. Methodology:-

The present study has been designed with the help of primary data collected from the sampled tea gardens accompanied with selected questionnaires and through structured interviews and secondary data collected from different sources such as – Tea Journals, Articles, Dooars Branch of Indian Tea Association (DBITA), Indian Tea Association (Birpara), Indian Tea Planters Association (ITPA), Jalpaiguri, Terai branch of Indian Tea Association (TBITA), Bengbubi, TIPPA, Matigara, State Labour Institute, Dagapur, (Siliguri) various publication of Tea board of India, various statistical publication along with various reports published by the Department of Labour, Govt. of West Bengal, Report on Tea by NABARD, Magazines, and Newspapers etc.

1.13.1. Design of Study:-

We have used Random Sampling Technique to select the tea gardens for our study. The study was conducted to two districts of West Bengal, i.e. Darjeeling and Jalpaiguri. Dooars region is situated in Jalpaiguri district whereas Terai region is established in the plains of Darjeeling district. The present study is an investigation to find out the impact of globalization in the Tea industries of Dooars and Terai. We have collected appropriate number of tea gardens from these two regions applying simple random sampling method without replacement from this two tea producing region. In respect of Dooars region sampling was done selecting the tea estates situated in western Dooars, Central Dooars, and Eastern Dooars.

Adequate care was also taken to ensure that the sample includes all kinds of tea estates, i.e. large (above 250 ha.), medium (100-250 ha), and small (below 100 ha) with ownership pattern such as Proprietorship, Partnership, Private Ltd., Public Ltd., etc. On the whole 30 tea gardens have been selected for our study. Out of which 20 gardens are situated in Dooars and 10 gardens are situated in Terai region.

For the completion of the research work successfully we have adopted the following steps:

- 1) The main objective of our study is to examine the impact of globalization on the industrial relation of tea industry of West Bengal with special reference of Terai and Dooars. For this purpose we have considered the following parameters relating to industrial relation:
 - a) Wages and Bonus paid to workers.
 - b) Social costs incurred by the management of tea gardens
 - c) Amount of Provident Fund dues
 - d) Amount of capital invested for up-gradation of technology
 - e) Promotional opportunities to higher posts
 - f) Man days lost due to strike
 - g) Man days lost due to lock-out
 - h) Man days lost due to gate meeting
 - i) Number of Strikes held in the tea gardens
 - j) Number of Lock-Outs occurred

- 2) We will perform necessary statistical tests to find out the significance of these industrial parameters in the period of globalization.

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CHAPTER - II

CHAPTER -II

2.1 Tea Industry of West Bengal:

Tea is the only major industry in the Northern part of West Bengal comprises Darjeeling Hilly area, the plains of Darjeeling district, known as Terai region and the Dooars region of Jalpaiguri district. Apart from these, during the period of recent past some area of Cooch Behar district, adjacent to Dooars region and in some parts of West Dinajpur which is considered now as Terai region have been included in the tea map of West Bengal where small cultivators have been established tea gardens (Tea statistics, 2005-06).

In North Bengal two types of Tea gardens are established, the first one which are recognized as “organized tea estates” where they have a factory and the workers are protected by the Plantation Labour Act, 1951. In these tea estates the workers are generally resided at labour colony which is situated within the garden area.

Another type of gardens are known as small tea sectors. These un-organized sectors do not follow Plantation Labour Act, 1951 and the workers are generally temporary. They plucked tea leave are sold mainly either to Bout Leaf Factories or to the organized tea estates. These sectors have been gradually occupying importance in tea industry of West Bengal.¹

2.2 About Tea Producing Zone of West Bengal:-

Darjeeling:- The district of Darjeeling lies between 26° 3’ and 27° 13’ North latitude and between 87° 59’ and 88° 53’ East longitude. It contains a total area of 1.164 square miles. The history of Darjeeling dates to the era, when, the present area of Darjeeling was buffer state between Nepal and Bhutan.

In; shape the district resembles an irregular triangle of which the apex projects into British territory, while the base rests on Sikkim. It is a frontier district, running up between Nepal and Bhutan and stretching from the plains of Bengal on the south to the state of Sikkim on the north. The most important factors in the production of tea of good quality are soil, weather, blights and management. Being



a mountainous district Darjeeling contains many varieties of soil including the most suitable loamy soil, full of nitrogen for the growth of tea. Darjeeling tea is famous for its excellent flavour and charming golden colour. But the quality produced varies greatly in different parts of the district and varies also remarkably at different seasons of the year on the same estates.

Terai Region: The tea growing belt of Terai is situated at 26° 28' N latitude and 88° 48' E longitude. It is a narrow strip of land lying below the Himalayan foothills and extends up to Bihar boarder. The north Terai is situated at the base of Himalayan range and the topography is that of foothills with steep radiant, while the south and western Terai is plain. The region receives an annual average rainfall of more than 3000 mm, which is unevenly distributed. The soil in north Terai is sandy loam with stony patches. In south and west Terai the soils are sandy loam in texture.

So the entire foothills of North Eastern part of Himalayan range is popularly known as Terai, which includes Siliguri Sub-division and the surrounding plain areas of Darjeeling district. In Terai both kinds of 'tea, Orthodox and C.T.C. are produced.²

Dooars Region:- The Dooars region of Jalpaiguri district is situated at the feet of the Himalayas in the sub-mountain region. This word owes its origin to the Hindustani word "Dwar", meaning gateway, as this area is the gateway of Bhutan. This area was formerly a part of Bhutan before being annexed by the British in 1864 – 65. (Hunter 1872:224). The area annexed consisted of the Western Dooars in Jalpaiguri district. At present Eastern Dooars has no existence because it is now a part of Goalpara district in Assam. The Dooars region now comprises that area which runs along the foot of the Bhutan hills bounded by the river Teesta on the west and the river Sankos on the east. It is a flat strip of land about 22 miles broad and nearly 200 miles long, bounded by Bhutan and Darjeeling district in the North and Cooch Behar district and Baikunthapur forest in the South.³

2.3. Growth and Development of Tea Industry in West Bengal:-

In West Bengal the cultivation of tea started to develop during the late 19th century by the European Planters. Realizing the suitable geographical conditions the British planters selected Darjeeling hill area for cultivation of tea. Dr. Campbell, the

then superintendent of Darjeeling planted tea seeds, probably China variety around his bungalow compound on experimental basis during 1840. This step of Dr. Campbell got success and opened the avenues and opportunities for interested planters for cultivation of tea. Government at that time also took proper initiatives and inspired the desired persons by distributing seeds and by allotting lands on easy conditions for the development of tea industry. As a result, other prominent figures of that time, such as, Dr. Withecombe, the Civil Surgeon and Major Crommelin. One of the Engineers also came forward with great care and interest for the success of this industry, by cultivating tea plants in Darjeeling.

2.3.1. Development of Tea Industry in Darjeeling Hill and Terai Region:-

After passing over the considerable period of time by the year 1856, the industry began to develop on an extensive scale and from experimental stage it gradually started to shift as a commercial enterprise. In that year the Aluabari Tea Estate was opened by the Kurseong and Darjeeling Tea Company and another one on the Lebong Spur by the Darjeeling Land Mortgage Bank.

In the year 1859 Dr. Brougham started the Dhutaria Garden and between 1860 and 1964 four gardens were established by the Darjeeling Tea Company at Ging, Ambutia, Takdah and Phubsering, Lebong Tea Company established two tea gardens at Takvar and Badamtam. The other estates, such as, Pandam, Steinthal and famous Makaibari were also started operation in the early period of history of tea industry in West Bengal and the tea industry in Darjeeling had flourished from one corner to another. Having realized the bright future of the industry the planters started to turn their attention to the plain area of Darjeeling district and the tea industry began to grow in Terai region in the plains of Darjeeling. In 1862, the first tea garden of Terai was established at Champta, near Khaprail, by Mr. James White, who had previously planted out the Singel Estate near Kurseong, which is still one of the important tea gardens of Darjeeling. Tea industry started in the hilly area of Darjeeling in 1856 and by the end of 1866, within the period of 10 years; there were at least 39 tea estates under the cultivation area of 10,000 acres and an output of 433000 lbs. of tea. ⁴

Table No. 2.1, present the picture of growth and development of tea industry in Darjeeling district during the period of 1861 to 1951.

Table No. 2.1

Year	No. of Tea Gardens	Total area in acres	Approx., Yield (in lbs)	Average yield (in lbs/acre).
1861	22	3251	42600	13
1869	55	10769	1278869	119
1874	113	18888	3927911	208
1885	175	38499	9090298	236
1891	177	45585	10910487	239
1895	186	48692	11714500	241
1901	170	51724	13535537	262
1905	148	50618	12447471	246
1911	156	51488	14250615	277
1921	168	59005	14080946	239
1931	169	61178	20496481	335
1941	136	63173	24815216	393
1951	138	62580	29238499	468

Source:

1. Data compiled from Hunter, W. W. "A Statistical Account of Bengal" Vol. X (Re-print in India) New Delhi, 1974, P.165.
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Table No. 2.1 reveals that in 1861 there were 22 tea gardens in Darjeeling district covering an area of 3251 acres and produced 42600 lbs. of tea, in the year 1869 the number of tea gardens increased to 55 under the production area of 10769 acres and the quantity of production increased to 1278869 lbs. Since then till the year 1895 there had been an increasing trend in the number of tea estates, area under tea and quantity of production. In 1901 the number of tea estates reduced to

170 though the area under cultivation increased to 51724 acres though the area under cultivation increased to 51724 acres. In 1905 the number of tea estates came down to 148 and the area under tea also reduced by 1106 acres. It is evident from the table that between the period of 1895 and 1965 there had been little extension of cultivation area. It may be due to the fact that all the suitable land available for tea had already taken up, while the number of garden had been reduced due to amalgamation of several estates. Out of 148 estates, 116 estates were established in Darjeeling Thana, which includes Kalimpong hill and Kurseong Thana and the remaining 32 estates were located in Terai region under the jurisdiction of Siliguri Thana.⁵

2.3.2. Beginning of the Tea Industry in Dooars:-

After the Dooars was annexed from Bhutan in 1865, the tea planters of Darjeeling turned their attention to explore possibilities of growing tea in this region of Jalpaiguri district. Though the planters knew about the disease of malaria and 'Black Water Fever' (Kalazar) in that region, they realized the great potentiality about the production of tea in the Dooars region.

According to the District Gazetteer of Jalpaiguri the first tea garden of Dooars was opened at Gazoldoma in 1874 by a Darjeeling Tea Company. By 1876 as many as 13 tea gardens sprang up with an area of 331.03 hectares and production of 13.39 thousand Kg. The year 19\877 was remarkable in the history of Indian tea industry, because for the first time an Indian had taken lease for the purpose of cultivation of tea, and it was Jaldhaka Grant. Five years after the first tea garden was started by the British Planters, a few Bengali lawyers and clerks of Jalpaiguri formed the first Indian tea company in the year 1879. Since then many more Indian owned gardens were established in the district. After the sixties the British owned Sterling Companies started to dispose of their concern to Indians.⁶

From the following table the growth and development of tea industry in Dooars in the early stage may be stated as below:

Table No. 2.2.

Year	No. of Tea Gardens	Area under Tea (Hect)	Quantity of Production (Th. Kg).	Average size of Garden (Hect)	Yield (Kg./Hect).
1874	1	-	-	-	-
1876	13	331.03	13.39	25.46	40
1881	55	2521.19	465.89	45.84	185
1892	182	15613.96	8291.05	85.79	531
1901	235	30919.14	14101.07	131.57	456
1907	180	32916.27	20500.97	182.87	623
1911	191	36769.27	21963.24	192.54	597
1921	131	45603.14	19634.74	348.12	430
1931	151	53448.36	30140.18	353.96	564
1941	189	53325.34	42911.86	282.14	805
1951	158	54609.00	63944.00	345.62	1171
1959	154	52711.41	61554.00	342.28	1187

*All information for the year 1874 has not found.

Source: J. F. Granning's Gazetteer of the District of Jalpaiguri (from the year 1876 to 1907).

For other: Publication by the Tea Board of India (Page 22), (Production of Tea in India, with special reference to Dooars) by H. N. Dwibedi.

It is evident from the table that the tea industry of Dooars experienced a rapid growth between the beginning year and the year 1901, when the number of gardens increased from a single unit to 235. After that the industry witnessed a fluctuating trend. One interesting observation is that there was a decline in the number of the gardens from 235 in 1901 to 180 in 1907 and again from 191 in 1911 to 131 in 1921 with no reduction in area under tea, the reasons behind in 1911 to 131 in 1921 with no reduction in area under tea. The reasons behind this may be due to amalgamation of different small units under a single big unit to enjoy the benefit of greater economy. Another notable point is that between 1931 and 1941, there was a considerable improvement in the number of tea gardens with no increase in area

under tea. The great depressions of 1930s perhaps discourage of the tea planters to expand the production areas and the existing tea areas were fragmented due to entry of new entrepreneurs.⁷

2.3.3. Development and Growth during the period 1951-1990:-

The tea industry in West Bengal had expanded mainly in Terai region during the period 1951 and 1990. In Dooars and Darjeeling hill area the overall development was not significant. From the following information the growth and expansion of tea industry during the said period is presented.

Table No. 2.3

Number of Tea Estates in West Bengal during 1951-1990

Year	1951	1961	1971	1981	1985	1987	1990
Darjeeling	NA	99	97	103	102	102	102
Terai (a)	NA	47	48	48	63	69	82
Dooars (b)	158	155	151	154	158	159	163
Total West Bengal	296	301	296	305	323	330	347

(a) Including West Dinajpur (b) Including Cooch Behar

Source: Tea statistics (1990-1991), Published by Tea Board of India, Calcutta.

It is evident from the Table No. 2.3 that during the period 1951 to 1990 the total number of tea estates increased in West Bengal by a feeble number of 51 with most of it being established in Terai region. In Dooars during this period only 8 new tea gardens were established whereas in Darjeeling hill area it was just 3 in number. The stagnancy in the rise in number of tea gardens may be non-availability of suitable land for cultivation of tea.

Area under Production of Tea:-

Table No. 2.4

Area under Tea gardens during the period 1951 to 1990 in West Bengal

(Area in Hectare)

	1951	1961	1971	1981	1985	1987	1990
Darjeeling	16569	18605	18245	19239	1985	20012	20065
Terai (a)	8402	9344	10769	11314	19804	13096	13345
Dooars (b)	54609	54756	49485	63418	12395	66422	67760
All West Bengal	79580	82705	88499	93971	98015	99530	101170

(a) Including West Dinajpur (b) Including Cooch Behar

Source: Tea Statistics (1990-91), Published by Tea Board of India, Calcutta.

Table No., 2.4 reveals that the area under tea in West Bengal increased by nearly 27 per cent during the period 1951 and 1990, indicating an annual growth rate of less than one percent. During this period 35 new tea gardens have been established in Terai region. Therefore, area under tea increased by nearly 54 per cent in Terai, indicating an annual average growth rate of 1.6%, Whereas in Dooars between 1951 and 1990 the area under tea increased by almost 24 per cent and in Darjeeling by 21 per cent respectively indicating an annual average growth rate of 0.54 and 0.47 percent only.

Table No. 2.5

Quantity of Production of Tea in West Bengal during the period 1951-1990

(Qt. Th. Kg)

	1951	1961	1971	1981	1985	1987	1990
Darjeeling	7839	10107	10293	12226	12921	12099	14499
Terai (a)	6376	9253	12954	15782	22494	21289	21130
Dooars (b)	63994	66898	80840	100251	121956	116229	114124
Total West Bengal	78158	86258	104087	128259	157371	149617	149735

(a) Including West Dinajpur (b) Including Cooch Behar.

Source:- Tea Statistics (1990-1991), Published by the Tea Board of India, Calcutta.

It is evident from the above table that in Terai region quantity of production decreased between the period 1985 and 1990. On the other hand in Dooars and Darjeeling hill region production increased.

Table No. 2.6
Area under Tea in West Bengal during 1991-1999
(Area in Hectare)

	1991	1994	1996	1999	Growth Rate
Darjeeling	20085	19280	17551	17604	(-)1.63
Terai (a)	13783	12908	15351	20118	4.84
Dooars (b)	68054	67779	69748	69708	0.30
All West Bengal	101922	99967	102650	107430	0.66

(a) Including West Dinajpur (b) Including Cooch Behar

Source: - Tea Statistics (2003-04 and 2005-06), Published by Tea Board of India, Calcutta.

It is evident from the above table that the area under tea had expanded maximum in Terai region indicating an growth rate of 4.84%. But the growth rate of Dooars region was simply negligible. Darjeeling hill area witnessed a negative growth rate during the period 1991-1999.

In India the liberalized economic policy was advocated in the year 1991. So various changes started to take place in economical and social sector. The above table shows huge growth took place in the area under tea in Terai region but in Dooars growth rate was simply negligible and in Darjeeling the growth rate was negative. As a whole there was no considerable expansion of area under tea during 1991 and 1999 in West Bengal.

Table No. 2.7
Number of Tea Estate during 1991 to 1999 in West Bengal

	1991	1994	1996	1999	Growth Rate (%)
Darjeeling	102	88	80	85	(-)2.25
Terai (a)	82	92	182	834	33.63
Dooars (b)	163	168	191	532	15.93
All West Bengal	347	348	453	1451	19.58
All India					

(a) Including Dinajpur (b) Including Cooch Behar

Source:- Tea Statistics (2003-04 and 2005-06), Published by Tea Board of India, Calcutta.

It reveals from the above table that in both the regions of Dooars and Terai number of tea estates increased considerably between 1996 and 1999. It is mainly due to establishment of small tea gardens in the non conventional area of West Dinajpur and Coochbehar districts (Tea Board of India Report ,2003-2004).

Table No. 2.8
Production of Tea during 1991-1999 in West Bengal

(Qt. Th. Kg.)

	1991	1994	1996	1999
Darjeeling	13932	11092	10614	8653
Terai (a)	23391	24636	28901	42521
Dooars (b)	177893	123097	125253	124801
All West Bengal	155216	158825	164768	175975

(a) Including West Dinajpur (b) Including Cooch Behar.

Source:- Tea Statistics (2003-2004 and 2005-2006), Published by Tea Board of India, Calcutta.

During the period between 1991 and 1999 production of tea had increased by a huge percentage of 81.78 in Terai region. But in Dooars the opposite thing happened. It may be due to closure and abandonment of a number of tea estates in the Dooars region the production decreased in that said period.(Reported by DBITA) .

Tea industry plays very important role in the economy of North Bengal. Huge number of labour force are employed in this industry. A large number of people are also indirectly related to this industry to earn their livelihood. The socio- economic conditions of the people of North Bengal are greatly influenced by this industry. After introduction of liberalization and open market economy the tea industry of India as well as the tea industry of West Bengal have been experiencing many changes. In the next chapter we have tried to throw some lights on the problems and prospects on the tea industry of North Bengal as well as on the large number of tea labours.

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CHAPTER - III

CHAPTER – III

3.1. Labour of Tea Industry

3.1.1 Structure of Organization of a Tea Estate:

Tea is a labour intensive industry. Thousands of people are directly and indirectly employed in this industry and earn their livelihood. Apart from its own workforce of more than 12.5 lakh workers (Tea – statistics, 2005-06) throughout India it also looks after more than 3 million dependents. Apart from this a large section of people are engaged in various kinds of activities indirectly, Such as selling and distribution, packaging, transporting etc related with the tea industry.

This structure of organization of is more or less same in most of the tea gardens. The gardens which are under the management of big tea companies employ both labour welfare officers and qualified doctors, which comparatively smaller gardens do not have. Each of the areas as stated in the hierarchy has well defined system of functioning with specifically designed role.

On the basis of the structure the employees can be classified mainly in four categories. They are (1) Management (2) Staff (3) Sub-Staff and (4) Workers. There is hardly any chance to get promotion from one category to the next.

The manager of a tea garden occupies the highest rank in the garden hierarchy and has immense power and liability to perform the garden works with the co-operation of the sub ordinate staff.

The assistant managers occupy the second rank in the hierarchy and assist the manager as when needed performing the assigned duties and responsibilities.

In the tea gardens the manager and assistant managers are popularly known as “Bara saheb“ and “Chhoto Saheb”.

The category staffs are placed between the assistant managers and the workers. A number of ‘babus’ are there to help the assistant managers and

responsible to discharge the various official works of the garden. The 'bagan babu' and the 'factory babu' who do not work in the office.

After independence various laws were passed in favour of the workers. Naturally the office organization had to change for instance, the provident fund and family pension scheme requires the employment of a clerk who has required knowledge regarding those matters.

The next category is sub staff and this category consist mainly the supervisory staff. The people of this category are promoted from the workers. The highest rank in this category is field staff and factory staff. They are known as 'munshi' and 'sardar'. Next to munshi there comes 'chaprasi'. The person who takes attendance of the workers is known as 'baider' and his position is next to chaprasi. Then comes 'dafadar' and he acts a very important role. He is in charge of a group of workers and makes a bridge between the management and the workers. The next two ranks are 'chowkidar' and the 'paniwalla'.

Besides these ranks, there are other sub staffs also. Such as 'davawalla'(health assistant), drivers, cleaners etc. and sometimes the manager's cook is also regarded as a sub staff.

The final and the last category in the hierarchy are the workers, and the most important human resource of this plantation sector. Because in this labour intensive industry their performance and motivation the success of the industry is highly dependent. It is already mentioned, these hard working but poverty striker people who used to come to the tea gardens supporting their place of origin are employed in large numbers. These labours are paid daily rated wages and other benefits as par Plantation Labour Act, 1951. Protective measures are also provided to them with the help of other various acts and legislations developed from time to time by the central and the state governments for the benefits of the workers¹.

3.1.2. Origin and growth of Labour in the Tea Industry:-

The unique feature of tea industry is employment of large numbers of labour force in all sphere of work in tea estate. The tea workers constitute a very special kind of labour force with a colonial past, Used to live in 'basti' called labour line, lack of education and very low literacy level and in true sense who had no alternative employment opportunity.

Development of plantations necessitated to basic requirement, one is large areas of land and another is large number of labour force and both were rarely available at the same time. [When the British selected the places suitable for tea plantation in Assam and in West Bengal, these areas was thinly scattered populated. As a result the planters had no alternative but to depend on migrated labour force whose migration had to be induced through foul and fair means.]

Shortage of labour was a tremendous problem not only in tea plantation but in other plantation sectors also in different parts of the world. History says, labour force were migrated from the different parts of the world to work in the early cotton plantation in the southern of USA, Tobacco plantation in Indonesia, Sugar plantation in Guyana, the Caribbean and the Mauritius, rubber plantation in Malaysia and tea plantation in India and Sri Lanka.

The British and French slave traders used to supply this labour force in plantation works of USA, Caribbean Islands and Guyana. This ugly system of labour supply was abolished by Britain in 1848 and by France 1856. This humanitarian move forced the planters to start indentured labour².

Assam is the pioneer tea producing state of India. In the nineteenth century the laborers were migrated in Assam from various parts of Bihar, Madhya Pradesh, Tamil Nadu, Andhra Pradesh etc. These workers had diverse traits and attributes of language and culture. Gradually these people became influenced by the local culture and by the process of assimilation they developed a unique different kind of culture in the tea gardens area of the state.

With the growth and development of tea industry the demand for labours also started to increase at a higher pace. As the local people were not interested to do job in the tea gardens, the tea estates were forced to import labourers from other states. To collect labours the Assam Tea Company introduced various systems. The two main systems were “Sardari” and “Thikadari”.

In the “Sardari” system the “Sardar” known as head man of a group of workers was entrusted with the job of collecting labours from the respective places. The tea companies used to bear the collecting expenses. The sardars collected people on false promise violating the legal provisions of recruitment and it was simply impossible to return to thus place of origin once they were sent to the tea gardens which were situated in isolated places.

In “Thikadari” system labours were collected from impoverished areas with false promise of prosperity of Assam by the commission agents. These agents employed contractors to work on behalf of them to bring labours from Chota Nagpur, Singbhum, Ranchi, Telengana etc. Where famine took place and used the poor people to work in the tea gardens with false hopes and promise³.

3.1.3 Employment of tea workers in the Tea Industry of West Bengal:-

In West Bengal almost the entire labour force in the tea gardens of Dooars and Terai were immigrants and their descendants originated mainly from Choto Nagpur and santhal parganas in Bihar. In Darjeeling hills area the labours were recruited mainly from Nepal.

Later on in Dooars and also in Terai tribal from Orissa, Tamil Nadu and Madhya Pradesh were also employed as tea garden labourers.

In the beginning of the tea industry recruitment of labours was done with the help of private agencies and garden “Sardar”, The Tea District Labours Association (TDLA) an organization formed by the Assam planters extended their co-operation for recruiting labour in the tea gardens of Dooars through their agents. This system of recruiting labour force was adopted by the British owned tea estates. The Indian

owned garden used to follow a slightly different system, where recruitment was done through private agencies with the help of some people known as “arkatis”.

The tea workers came in the tea plantations uprooting their place of origin with a view to enjoy better life and earn more money. Some of them also came not because of poverty but out of spirit of adventure. In the days of inception tea gardens were isolated one far away from locality. It was a dense forest area with wild animals, besides disease like malaria and kalazar which was common in those days.

In the early phase of tea industry, when the tea plantations were about to start, the Christian people used to live in those areas. The church too played effective role to migrate people to be recruited in the tea gardens. It was known nearly ten percent of the tea workers of Dooars were Christians, either catholic (Roman Catholic) or Protestants (German mission) ⁴.

3.1.4 - Recruitment and employment conditions of legal provisions for recruiting labour force in the beginning of tea plantation :

The employers caused many abuses and false promises in the course of recruitment of workers in the tea estate as the colonial Government expressed its support by enacting legislation which legalized the system indenture. In 1859 the workers breach of contract Act was passed which stipulated that a worker had to work for a minimum period of five years once recruited.

In 1861 the British Government appointed a committee to enquire about the policy of recruitment under which the emigration of labour was conducted.

In 1863, the first Indian Emigration Act came into force replacing the workers Breach of contract Act. The Act provided that all recruiters were to be licensed and every emigrant was to be registered before the District Magistrate and the period of contract for work reduced to four years instead of five as framed in the previous Act. But the Act favoured the planters including the right to arrest erring

workers. The employers treated with the workers in a cruel manner if they tried to leave or if their work was found unsatisfactory⁵.

In the early period of tea plantations the tea garden owners encouraged families rather than individuals to migrate to tea estate to minimize the recruitment costs.

The planters preferred to employ a family of four members – Husband, Wife and two children instead of working four workers of different families. The planters in the later casa would not only have to bear the recruiting costs but would also provide housing for each of them. Another important point was the family based migration ensured that labour could be reproduced and in this way solving to some extent the supply of labour force in future. In the primary stage of tea plantation the planters imitation was to enjoy maximum economical benefits at the cost of the labour. It is found from the plantation history that coercion, low wages and immigrant labour were initially the three inseparable components of the plantation system, and this system ensured the planters to earn high rate of profits. As the plantation industry is purely labour intensive, so a reduction in wage rate would increase the profit label. The three properties – sacrifice, toil and hard work of this labour force since the beginning of the plantation in India as well as in West Bengal with lot of heart rending sufferings gave a proper shape of tea industry of Dooars, Terai and Darjeeling hill area.

In course of time these people of different parts of India forgot their roots and through a process of influence and counter influence with the local Bengali community, a unique culture have being engaged and these people have become an integral part of the greater Bengali community⁶.

3.1.5- Specific feature of tea plantation workers:-

Two specific features of tea industry are, firstly the high proportion of Women in the labour force and secondly, the employment of child labours. Women constitute more than fifty percent labour force in this industry which is quite

contrary to the trend in other industries in the organized sector of the economy. The agro based, less mechanization of tea industry suits the physical strength of workers. The other reasons may be , employment of family based labours. Migration traditionally accepted low wage rates and subsequent nature of tribal Women are also important factors. Another reason which is very popular in tea plantations that is believed, Women are more efficient than the Men in plucking tea leaves that is 'two buds and a leaf'.

Child labour is another important feature of tea industry of India which is a result of the practice in the colonial period of employing the family based workers to save recruitment costs and to motivate the workers on their job. The child workers are treated as permanent workers and they have the rights to get all the statutory benefits legislated by the rules and laws from time to time.

Women workers are never found in the managerial, supervisory or clerical posts or any allied positions in the tea estates. In true sense the female workers have no promotions facilities. Men workers are employed in better positions which are often better paid⁷.

3.1.6 – Permanent and casual workers:-

In tea industry workers are employed on both permanent and temporary basis. Temporary workers are known as casual labour or "bigha workers". In the tea gardens of West Bengal mainly in Terai, Dooars and Darjeeling hills regions, casual workers are small in number and vary from season to season. The peak season in tea plantation are denoted the time spun May to November when tea leaves are plucked for production of made tea. During this time maximum number of work force is needed according to plantation area of the respective gardens. These casual or 'bigha workers' usually belong to the family members of the existing tea workers. Sometimes outsiders also are employed as casual workers as per requirements. The trend of employment of labour force and average annual growth rate of labour between the period 1980 to 1990 is presented by the following table.

Table No- 3.1

Trend of employment in tea plantations in India, mainly in West Bengal .

State/Region	Average daily number of workers		% increase over 1980	Annual growth rate
	1980	1990		
Darjeeling	45987	48116	4.63	0.41
Terai	23290	37875	62.62	4.52
Dooars	149571	162680	8.76	0.77
West Bengal	218848	248671	13.63	1.17
Assam	448949	541661	20.65	1.72
Tamil Nadu	86359	102786	19.02	1.60
Kerala	71086	74388	4.65	0.41
Karnataka	4000	4217	5.43	0.48
All India	846659	986781	16.55	1.40

Source: Tea statistics, published by Tea Board of India

Year: 1980 – 81 and 1990 – 91.

$$\text{Growth rate} = \left(\sqrt[n]{A/P} - 1 \right) \times 100$$

A= value of variable in final year

P=value of variable in initial year

n= No. of years

It is evident from the Table no. 3.1 that, employment of labour in the tea gardens of West Bengal showed a moderate growth of 1.17 percent during the '10 year' time span between 1980 and 1990. Maximum numbers of workers were employed in the tea gardens of Terai region where annual growth rate was more than 4.5 % in the same period. Not only that this growth rate was for ahead than the all India level of 1.4 percent.

The other two tea producing zone of West Bengal that is Darjeeling hill and Dooars, the growth rate of employment is negligible which is less than one percent. The two prime tea producing states of North India and South India, Assam and Tamil Nadu registered a consistent growth rate of 1.72 and 1.60 respectively.

Table No – 3.2

Labour Force employed in the tea estates of West Bengal since 1991-1998

States/Region	1991	1992	1993	1994	1995	1996	1997	1998
Darjeeling	47637	45638	46586	58814	58887	53740	52218	50289
Terai	40539	36646	35997	39.113	39207	38472	37016	36119
Dooars	164944	160598	160693	160521	160085	159891	160493	161176
All West Bengal	253120	243882	243276	258448	258159	252103	249727	247584
North India	821031	818467	816265	834770	841769	840788		853341
South India	175704	173237	174754	193924	187018	188863		192060
All India	996735	991704	991019	1028694	1028787	1029651	1032267	1045401

Source: Tea Statistic, published by Tea Board of India of Different years.

[1981 – 82, 1990 – 91, 2003 – 04, 2004 – 05, 2005 – 06]

It is evident from the table that the strength of permanent workforce in the tea estates of West Bengal has more or less remained unaltered since the year 1991. In Terai region and Darjeeling Hill area, the number of labour force had decreased by a small number but the Dooars region reflected the opposite result.

A large number of workforces are required in the tea plantation industry. So, tea workers play a very important role for the all round development of this important industry of India, mainly in the economy of North Bengal, because tea is the only organized industry of North Bengal.

Table No- 3.3

Growth rate of employment of tea garden labour in West Bengal and all India level.

States/Region	Estimated number of labours 1991	Estimated number of labours 1998	Yearly growth rate (G)
Darjeeling	47637	50289	0.77
Terai	40539	36119	(-) 1.63
Dooars	164944	161176	(-) 0.32
West Bengal	253120	247584	(-) 0.31
North India	821031	853341	0.55
South India	175704	192060	1.27
All India	996735	1045401	0.68

Source: Tea Statistics, Published By Tea Board of India. (1992 – 93 and 2003 – 04).

$$\text{Growth Rate (G)} = \sqrt[n]{A/P} - 1 \times 100.$$

A = Value of variable in final year

P = Value of variable in initial year

n = no of years

G = Compound Annual growth rate.

Growth rate of employment in the tea estates of West Bengal and all India level as shown by the Table no. 3.3 reveals that during the period 1991 to 1998 the industry of West Bengal witnessed a negative growth rate. Dooars region of Jalpaiguri and Terai region of plain area of Darjeeling both the region experienced negative growth rate. Only Darjeeling hills region enjoyed a positive growth of less than one percent.

During that period South Indian tea producing states showed a positive growth rate of more than one percent, where as its center part North India witnessed a growth rate of almost half percent.

So, the employment of labour in the tea gardens of West Bengal decreased during the period of 1991 and 1998, In that period the area under tea in West Bengal was as follows:-

Area under Tea in West Bengal and in India (in Hectares)

Table No – 3.4

States/Region	Area 1991	Area 1998	Growth rate (G) (yearly)
Darjeeling	20085	17604	(-) 2.02
Terai	13783	20118	5.55
Dooars	68054	69708	0.34
West Bengal	101922	107430	0.75
North India	345182	382130	1.46
South India	75288	108070	5.29
All India	420470	490200	2.21

Source: Tea Statistics, Published by Tea Board of India (1991 – 92 and 2002 – 2003)

Table No – 3.4 Shows, there had been a positive growth rate of area under tea in Terai and which was significant. In Terai yearly growth rate of area under tea was 5.5 %, but the growth rate of area under tea in Dooars was a negligible one. On the other side Darjeeling hills region witnessed a negative growth rate of more than 2 percent. Interestingly, in spite of recording positive growth rate in area under tea, both Terai and Dooars registered a negative growth rate of employment and in case of Darjeeling hill area the situation was just opposite during the period 1991 and 1998.

3.2 Wages in Tea Plantation

Wages of tea plantation labours are the lowest in comparison to other organized sectors. According to industry wise bipartite or tripartite agreement and not the basis of productivity of the workers, it is determined on the bargaining capacity of the workers and the wishes of the management wages are fixed in the tea industry of West Bengal. The wage rates of two prime tea producing states of India, Assam and West Bengal which collectively produce more or less 75 percent of total production of tea in India are lower than their counterparts of two southern states Tamil Nadu and Kerala. One of the important features of two northern tea producing states, Assam and West Bengal, is supply of rations of food grains at a highly subsidized rate is formed a part wage of the tea workers. Each worker and

his/her dependents get 2.25 kg of rice and wheat per week at Re 0.40 per kg. if the worker is absent during the week the quantity of ration is reduced proportionately. Workers in South Indian tea plantation purchase their requirements from ration shops in the plantations at a slightly lower than the market rates.

Besides the daily wages, the workers who are employed for plucking tea leaves enjoy an incentive wage for plucking above the fixed daily quota. This definitely enhances the total wage of the workers. The rate of incentive wage is fixed by the agreement between the management and the workers like the settlement of daily wage rate. The fixed daily quota of plucking tea leaves is varied from season to season and from plantation to plantation.⁸

3.2.1 Wage pattern in the pre-independence period of the tea workers

“The question of wage policy is of great concern to labour, management and government. Of all the problems that face the worker, that of wages is the most pressing and persistent”- thus was the observation of ex-president of India, V.V. Giri.

There are differences between the wage structure of plantation industry, specially in tea industry and other industrial sectors. Besides basic wage, plantation labours enjoy certain amenities and opportunities which considerably improve their standard of living.

The pre-independence period was considered as a pathetic time for the plantation workers. The helpless and unorganized workers had no legal protection and they had to live as a bonded labour under the mercy of the cruel planters. They were paid a very poor wage rate and had to work from sunrise to sunset under such deplorable conditions. The wage rate of other industries such as jute, cotton, textiles etc. was fairly higher than this plantation sector.

The remuneration of the plantation workers is a combination of cash wage and wage in kinds. So, the tea workers are paid cash wage and are entitled to get food grains at subsidized rate as a part of their remuneration.⁹

3.2.2 Post independence period-a changing scenario

After attaining independence in the year 1947, the Indian government took some considerable measures in favour of the depressed plantation workers. Some protective measures were granted to the workers by passing a number of acts, and took steps for increasing the wage rate.

In 1952, for the first time in West Bengal, the statutory minimum wages were fixed for the tea workers. After long twenty one years the second minimum wage fixation committee was formed in 1973 to settle the new wage rate of the tea workers.

Form the Table it is observed that low wages has always been the distinctive feature of the plantation industry. In the post-independence period also the employers of tea estates of Bengal had not maintained a uniform consistent wage and ignored the provisions of payment of wage act, 1936. During that time the central as well the state government adopted several steps to fix a rational wage policy for the tea workers, but they were not successful.

3.2.3. Formation of wage committee, wage board and the trend of wage rate.

In March 1950 the West Bengal Government setup the minimum wages advisory committee, known as Modok committee. The committee recommended the minimum wage should not only be restricted to cash wage but should also cover certain welfare measures, such as health, education and other essential amenities for living.

After such recommendations the management resorted to a wage cut on the ground that the tea industry had been passing through a crisis. To enquire about the justification of the decision taken by the employers, the second minimum wage

committee, known as Banerjee committee was formed. The committee recommended that the decision of the Modak Committee “be resorted”.

3.2.4 Formation of Central Wage Board:-

The 15th session of the Indian Labour conference held in July 1957 decided that the workers of all major industries should get a need based minimum wage besides a guaranteed minimum wage. The Central Government formed wage boards of 22 industries and the wage board for tea plantation was set up in December 1960.

The recommendations of the wage board came into force on 1 April 1966 and two interim wage increments were sanctioned.

Daily wage rate of tea workers since 1952

Table No-3.5

Workers	1952	1953	1955	1959	1966	1969	1970	1972	1973	1976	1977	1978
Male	1.19	1.53	1.71	1.84	2.13	2.48	2.48	2.71	3.00	4.30	5.30	6.50
Female	1.06	1.39	1.57	1.70	1.96	2.31	2.31	2.54	2.83	4.13	5.13	6.50
Children	0.62	0.83	0.92	1.00	1.15	1.33	1.33	1.45	1.50	2.15	3.15	4.15

Source:-[Bhowmik, Class Formation, pp-86-93, Mitra Bhadra, pp-62-63]

From The Table No 3.5 it is evident the daily wage rate of the tea workers had been kept increasing since 1952, but the rate of increase was very poor. Formation of Wage Committee, in the year 1950, and Central Wage Board in 1957 acted in favour of the workers. The Committee took some positive steps to increase the wage rate. After independence the workers started to become organize and trade union movements in the tea estates had been began to spread their activities to motivate the workers about their rights. Various acts, particularly the Plantation Labour Act, 1951 supported the movements of the workers to increase the wage rate by the employers.

The general strike held in 1969 had a great impact on labour movement in tea plantation that forced the employers of the tea estates to think in a positive way to favour the workers.

In 1973, the second Minimum Wage Fixation Committee for tea plantations was set up by the Government of West Bengal and the wage rate of the daily rated workers increased after their recommendation.

The difference in wage rate between male and female workers was abolished in the year 1976. In spite of introduction necessary rules in respect of that many tea employers of West Bengal did not implement it before 1978 which is reflected from the above table ¹⁰.

Table No.3.5 presents the increasing trend of daily wage rate in the tea plantation sector of West Bengal since 1952. It is evident from the table that though the tea plantation sectors witnessed a rising trend of wage still the workers were paid at poor rate..

The labour movement of 1969 followed by establishment of Second Minimum Wage Committee forced the tea garden employers to increase the daily wages rate. The wage rate between the periods 1970 to 1978 was increased by nearly 162% in case of male workers, whereas in respect of female and children it was 181.38% and 212% respectively.

The communists had a contribution in developing and spreading trade union movements among the illiterate and unorganized tea workers. The Left form government came into power in West Bengal in the year 1977. So the bargaining power of the workers increased and may be there is a reflection of strong labour movement in the wage agreement held in 1977.

3.2.5. Agreements in Tea Plantation and Fixation of wage rate of Daily Rated Workers

It is already stated the planters of tea sector were organized since its beginning, but the workers started to become organize mainly after Indian independence from British Rule in 1947 due to influence and counter influence of Indian National Movement and development of trade union activities in the tea garden areas. Now the labour force and tea estate owners both are organized, hence industry-wide problems are solved either through bipartite and tripartite agreements, which are mostly signed every three years.

On the basis of this agreement the wage rate of the tea workers is settled tri-annually.

The two major joint organizations of trade unions, such as the Co-ordination Committee of Tea Plantation Workers, (CCTPW) West Bengal and Defense Committee of Plantations Workers Rights (DCPWR) take part in the agreements on behalf of the workers and employers association represent through Consultative Committee of Plantation Association (CCPA).

Agreements on wage rate in tea plantation sectors in West Bengal from 1969-1982.

Date of agreement	Rat of increase		w.e.f	Rate of extra leaf plucked
	Adult Rs/P.	Child Rs/P.		
2 nd September, 1969	23 paisa	11.5paisa	From 1.4.71 to 31.5.72	
			From 1.6.72 to 30.6.73	
	23paisa	11.5paisa		
21 st May, 1975	45paisa	22.50paisa	From 1.7.75 to 31.3.76	
			From 1.4.76	

	45paise	22.50paise	to 30.6.76	
3 rd August, 1977	Re1	050	From 1.7.77 to 30.6.78	
			From 1.7.78 to 30.6.79	
	Re1	0.50		
6 th May, 1980	0.90	0.45	From 1.7.70 to 30.6.80	Extra leaf price was increased from 10 paise to 13 paise per kg.
	0.90	0.45	From 1.7.80 to 30.6.81	
	0.90	0.45	From 1.7.81 to 30.6.82	
27 th June, 1983	0.75	0.38	From 1.7.83	Extra leaf price was hiked from 13 paise to 16 paise per kg.
	0.75	0.38	From 1.7.84	
	0.75	0.38	From 1.7.85	
10 th June, 1989	0.85	0.43	From 1.6.87	Extra leaf price was increased from 16 paise to 19 paise per kg. w.e.f 1.6.87.
	0.85	0.43	From 1.6.88	
	0.85	0.43	From 1.6.89	

[Source : Tea – Industry Wise Agreement Book in West Bengal From 1956-2007]

3.2.6. Wage agreement in the era of New Economic Policy

The Indian economy had been passing through a critical phase since the beginning of 90s. Collapse of Soviet Union and East Europe Socialist economy and the gulf war were highly responsible for global economic power imbalance. India was fallen in deep trouble in respect of balance of payment crisis fall in exports, declining trend in domestic production of crude oil, agriculture and industrial outputs. To get rid out of this gloomy situation India adopted the policies of globalization, liberalization and privatization and market economy in the year 1991. As a result various structural changes have been taken place in the field of trade,

commerce and industry. Naturally tea industry is not an exception to this change, the new economic policy has though some adverse effect in the tea industry¹¹.

In the era of new economic policy government contest on trade and business has been liberalized and encouragement of private sectors and foreign capital in the Indian market provide sector employers multinationals have become more powerful. As a result the bargaining power of the workers has reduced to a considerable extent. In spite of that for increasing the wage rate and fulfilling the other welfare measures the tea workers had been organized agitation, observed strikes and gate meetings garden wise or collectively from time to time and new agreements have been signed between the management and the workers.

Agreements in the tea estates in respect of daily wage rate of the tea workers in the age of liberalized economy.

Agreement Date	Amount of increment (Rs.)		With effect from (w.e.f)	Extra leaf price
	Adult Labour	Child Labour		
10 th May, 1993	2.70	1.35	1.6.90	Extra leaf price was increased from 19 paisa to 25 paisa per kg.
	1.40	0.70	1.6.91	
	1.40	0.70	1.6.92	
20 th July, 1994	2.50	1.25	1.4.94	Extra leaf price was enhanced from 25 paisa per kg. To 32 paisa per kg.
	2.50	1.25	1.4.95	
	2.00	1.00	1.4.96	
7 th November, 1997	3.00		1.4.97	
	3.00		1.4.98	
	2.50		1.4.99	

[Source: Tea – Industry Wise Agreement Book in West Bengal from 1956 to 2007]

Edited by Murari Mitra

The wage rate of the daily rated workers in the period 1991-1998 is given by the following table.

Table No-3.6.

Year	Daily Wage (Rs.)
1991	17.89
1992	19.29
1993	19.29
1994	21.79
1995	24.30
1996	26.30
1997	29.30
1998	32.30

[Source: Supplied by Dooars Branch of Indian Tea Association (DBITA).]

From the table no 3.6, it is evident that the daily wage rate of the workers of the tea garden of West Bengal has been increased as per agreement which is settled between the management and the workers. The wage rate is increased by 80.54% in the year 1998 over the period 1991.

3.3. Labour Welfare in the Tea Industry of West Bengal:-

3.3.1 Welfare Measures-In the days of beginning:-

“While we are planning to increase our production and exports, we cannot lose sight of another important aspect of the industry and that is labour welfare. No industry today can justify itself if it does not address itself to the social and economic betterment of this important partner in the process of production.” Ex-President of India , M. V.V. Giri observed this when he used to deliver speech in a National Seminar on Tea, In New Delhi on 15th December, 1973.

It is already stated in the beginning of tea plantation history of Indian labourers were migrated from different states of India, such as Bihar ,Madhya Pradesh, Andhra Pradesh and afterwards from Nepal mainly for the cultivation of tea in the Darjeeling hilly area.

In those days of inception the location of the tea industry was an isolated place, surrounded by deep forest. These workers had to fight with the wild animals as well as with various kinds of diseases, such as malaria. Due to climatic and environmental change, the workers and their families who came from distant places had ill effects on their health, especially among children and young people.

In this situation for their own interest planters realized the need to provide certain amenities to safeguard the health of these migrated people in the stabilization of labour force, because in those days availability of labour was an acute problem and to ensure the success of this new venture and of course to protect their capital.

So though the planters were unsympathetic towards the tea workers and had a tendency to exploit them, but they provided some medical assistance to keep the workers stable for the benefit of their own .That can be regarded as the welfare measures provided to the workers by the employers in the early days of tea plantations in India.

3.3.2 Legislative Measures:-Implementation of Act and Formation of Commission

The Medical facility Act, VI of 1861 was enacted and the act provided for the appointment of a Medical Officer for every tea garden. The provision and health facilities of the tea estates and careful attention to hygiene and sanitation, and some sorts of maternity benefits and some other measures had considerably reduced the death rate in the tea gardens and sent a positive message to the workers.

The Commission 1868:- With a view to extend better medical service among the inhabitants of the tea gardens, the commission recommended the appointments European Medical Officers to supervise the medical facilities rendered by the planters.

The Royal Commission on Labour:- During the period 1928-29 ,The Royal Commission I India observed the death of and infantile mortality rates had been reduced considerably and recommended the establishment of Central hospitals to bring a number of Gardens under the umbrella of providing better medical facilities. But this was not implemented due to lack of coordination between the garden authorities government .In the year 1930 ,the Ross Institute tropical Hygiene was opened in Assam, under the directorship of Dr. Ramsay and this institute had done commendable job I controlling the epidemic disease infesting the tea gardens of Assam and some parts of Dooars region.

3.3.3 The Second World War and after:-

The impact of Second World War slowed down the development process of extending medical facilities in the tea gardens of India. In New Delhi, in January 1947 the Government of India proposed collection of money by implementing cess for funding in the tea gardens but the proposal was turned down by the employers. Ultimately it became the government's responsibility to lay down standard and insist on their observance.

During the time period around 1948 the Indian constitution was upon the anvil with its provisions for a welfare state and Directive Principles of State Policy. This view had a great impact on the provisions of the Plantation labour Bill. The Bill was placed before the Third Session of the Industrial Committee in 1950.¹²

3.3.4 Achievement of Indian Independence and direction of welfare measures for plantation workers.

The tea garden workers who were migrated from tribal areas to remote places of Assam and West Bengal in the beginning of tea plantations and setting up tea industries had to face innumerable difficulties to cope with the new

environments .During the early days of tea plantation history the poverty stricken workers had been under the darkness and ignorance about their rights as a worker. They were totally unorganised and helpless. The Indian Independence movement enlightened them gradually about the collective movement against the exploitive attitude of the employers. After achieving independence in the year 1947 the Indian government took some effective measures to improve the social and economic conditions of the plantation workers. Several legislations have been passed since independence to protect the interests of the workers and among them Plantation Labour Act 1951 has been provided a number of welfare measures for the upliftment of the life of the plantation workers. The main provisions of the Act dealt with the health and welfare, housing facilities to the workers, working hours ,schooling facilities to the children of the workers, supply of drinking water etc. along with sickness and maternity benefits and other form of social security measures .The other important legislative steps adopted by the government were Payment of Bonus Act(1964), Payment of Gratuity Act(1972) and Industrial Dispute Act(1948).

3.3.5 Plantation Labour Act, 1951-An effective step towards plantation labour welfare:-

The conditions of plantation workers in India were simply miserable during the British regime. After independence, the situation began to improve when the Indian government wished to implement well defined protective measures for the plantation workers in the form of Plantation Labour Act. The Act was passed in the year 1951 and its provisions were enforced in the tea producing states of India gradually. The act is administered by the state governments. The state governments are however free to declare any plantation land less than 5 hectares or less than 15 employed persons to be covered by the act

The PLA, 1951 has a number of provisions for the welfare of the plantation workers. They are as follows:-

- 1) Medical facilities (u/s 10)-the act provides adequate medical facilities for the labourers. Under this provision each plantation is required to provide medical facilities to a worker and his/her family. The act states that every garden where at least 1000 workers are employed must have a hospital with full time doctor and adequate pre-medical staff. Where the number of employees is less than 1000, there must be a dispensary with proper qualified personnel. The act also recommended there should be group medical hospitals, covering a group of plantations where specialised treatment facilities are available to the workers. It is ironic that such group hospitals had existed till 1970's but thereafter the facilities was dismantled by the Planters' Association.
- 2) Housing facilities (as per section 15)- According to PLA,1951 each plantation has to provide accommodation to the plantation workers/employers/staff resident within the estate premises. During the period of inception of tea industry workers were allotted lands within the plantation area with basic materials for constructing the house with the help of family labour. These "kuchaa" houses were made of bamboo and mud and the roof were of thatch. But the act clearly stated that the plantation workers should be housed in permanent construction with walls made of bricks and mortar and the roofs be made of either tiles or corrugated iron sheets or asbestos. The Act also provides at least 8% of the houses of each plantation should be converted to "pucca" houses each year. Besides this, in every plantation there should be proper sanitation system with sufficient latrines and bathrooms for the workers.
- 3) Primary Education to the children of the workers- Section 14 of the act clearly stated that every estate should provide free education to the workers' children, between the age group 6 to 12. School Buildings and necessary infrastructure facilities related to such education have to be maintained by the respective estates. As per rule the teachers' be appointed in the ratio of one per every 40 students. In West Bengal in tea estates the teachers are appointed by the State Government.

- 4) Supply of pure drinking water- The PLA, 1951 under section 8 stipulates that in every plantation proper and effective arrangements for supply of drinking water should be provided by the employer. The act provides that this facility be maintained at convenient places in the plantation so that sufficient supply of potable drinking water for all workers can be possible.
- 5) Canteen Facility- According to Sec-II the state government may frame rule mentioning that in every plantation wherein 150 workers are ordinarily employed, canteen facility should be provided and maintained by the employer for the benefit of the workers.
- 6) Maintain of Crèches- Section 12 of the PLA, 1951 provides that every plantation with 50 or more women workers or the number of children of women workers is twenty or more is required to maintain crèches for these children at suitable places near the work place.
- 7) Recreational Facilities- Every tea estate is required to provide recreational facilities for the workers and their family members in the garden area to make them mentally healthier, under section 13 of the plantation act.
- 8) Non-Statutory Benefits- Besides these statutory benefits certain other welfare measures are also provided by the management of the tea gardens according to the charter of demands submitted by the trade unions and which are settled through the Tripartite Level Meetings. The following non-statutory benefits are generally provided in the tea gardens.
 - a) Supply of food grains at a subsidised rate:- The management of tea estates of North India is liable to supply weekly ration at a subsidised rate to the workers which is regarded as a part of their daily wage. The workers get rice, wheat and kerosene oil at a concessional rate.
 - b) Fuels (Firewood):- The tea industry in North India is required to provide free fuel to all employees resident in the estate. Fuel is supplied in the form of firewood/coal briquettes for workers and gas cylinders for staff employees.
 - c) Supply of umbrella, slippers:-every year generally in the rainy season the management is liable to supply umbrella and slippers to the employees.

- d) Supply of tarpaulin and blankets:- The management of the tea estate also bears the responsibility to supply tarpaulin and blankets to the workers as per the necessity¹³

3.3.6 View of a study team about Welfare Measures:-

In the year 1996, a study was conducted by Sharit Bhowmick(West Bengal), V. Xaxa(Assam) and M. A. Kalam(Tamil Nadu) to take a view what welfare measures were taken by the managements of the tea estates of West Bengal, Assam and Tamil Nadu to implement the provisions as laid down in the Plantation Labour Act(1951) The study revealed that 30% of labour quarters in Assam and 25% in West Bengal were found to be temporary(kuchha). In comparison the condition of Tamil Nadu was approximately better. In that tea producing state of South India most of the houses of tea plantation workers were permanent and maintenance work had been done from time to time.

The study team had a bitter experience regarding sanitary facilities of the labour lines in Assam and West Bengal. Required number of latrines and bathrooms, mainly for the female workers were not provided as per the PLA, 1951 in many gardens. Naturally the workers had to live in unhygienic conditions .The situation of the South Indian state was found to be better in comparison to its counter parts two North Indian states, as the sanitary system was adequate as each house or two houses share a toilet .The Plantation Labour Rules framed by the government of Kerala makes it mandatory for each house to have a toilet.

It was revealed by the study group that the medical facilities in the three states, Assam, West Bengal and Tamil Nadu were inadequate and provisions of the act were not followed properly. In most of the gardens having more than 1000 workers there was no full time doctors. Interestingly the managements of these tea estates preferred to employ part time doctors who used to visit the garden for a few hours twice or thrice a week. Shortage of nursing staff and non availability of prescribed medicines made the workers' condition more pathetic. Most of the tea

estates had either reduced the budgeted expenditure on health of the workers or kept them constant.

The study also found out that in Dooars, Terai and Darjeeling hilly area of West Bengal used to maintain crèches for the children of the workers but they were not maintained in a proper way. The condition of Assam in this respect was found improper as they were small in size and the children were not properly care of. In fact it is a common sight in the tea gardens of West Bengal and Assam that the mothers used to pluck the tea leaves carrying their babies on their back by making a sling out of cloth and strap the baby to it. The team found the condition of Tamil Nadu was just opposite. The crèches were well maintained and in many cases the employers provide two sets of clothes to the children every year.

The study team realized the employers paid least attention to provide better education facilities in these three tea producing states. Less number of schools, lack of teaching staff and inadequate place had put barriers to expand the opportunity of education among the children of workers. Here the situation of Tamil Nadu too was as similar as West Bengal. As the teachers were appointed in the tea gardens of Assam, West Bengal and Tamil Nadu, there might be a possibility of lack of co ordination between management and the government and the workers suffer.

Interestingly the condition is better in Darjeeling hill and that is due to activities of the then Gorkha Hill Council. The organization had full control over the hilly area. The Gorkha Hill Council ensured that it would provide all the infrastructural facilities for running the primary schools in the tea plantations situated in the hilly areas if necessary.

It was also revealed by the study that the children of the tea gardens used to face problems in post primary situations. As most of the tea gardens are situated in isolated places the students had to travel a long distance to reach the secondary or higher secondary schools. Though some estates of the Dooars and Terai provided transport but the facilities were not provided in Assam.

So though there are laws, rules, and various acts for the welfare of plantation workers, but in reality they are not implemented properly and the workers are still deprived of having their rights. These things definitely lead towards unhealthy industrial relations in the tea gardens of North Bengal and other states.¹⁴

Before independence the condition of the tea plantation workers were simply miserable. They were migrated from the different places, mainly from Bihar, Madhya Pradesh etc. and were employed in the remotest places of West Bengal in the district of Jalpaiguri and Darjeeling where tea gardens were established. In the days of inception, these workers were treated like a bonded labourer. After independence, the situation started to improve and a number of legislative measures mainly The Plantation Labour Act, 1951 was introduced to improve the social and economical conditions of the workers. From the above discussions, it is found, though there are number of acts for the welfare of the workers. But still the conditions of the workers have not improved considerably as the tea garden owners do not pay necessary attention for implementing the provisions laid in the PLA 1951.

We visited sampled tea gardens to observe the condition of the workers and the degree of implementation of the welfare measures by the respective tea gardens. The observations of our study are presented in the next Chapter.

TRADE UNION MOVEMENT IN TEA PLANTATION

INDUSTRY

3.4 Brief History of Trade Union Movement:

In a very simple sense, the meaning of trade union can be described as a combined force to achieve common goals, such as remuneration of works in the form of salary or wages, fixation of scheduled working hours, better working conditions etc.

The industrial revolution of 18th century in Great Britain not only opened the avenues of industrial development but it had also developed the sense of organized labour movement in the various sector of industry and commerce. The new production system forced the industrialist and employers to change their mind set and they started to realize the importance of maintain a rather cordial relationship with the workers.

Before that the workers had no alternative lent to work in highly unfavorable working conditions. They were paid a very poor rate of wage. Industrial revolution made a change in the socio-economic conditions of the workers. No doubt the birth of trade union movement had a direct impact for changing the condition of the workers towards better directions.

History says it was an controversial issue whether the first trade union activities was started in England, that was in Manchester in 1829 or it was begin in Philadelphia in America, it was recognized that the first trade union in the world was organized in Philadelphia in the year 1827 named as “Mechanics union of Trade Association”. But both the unions of England and America were short lived mainly due to political reason and in the year 1833 again the trade union movement was emerged in News York when “General Trade Unions” was formed to establish the workers right”¹⁵

3.4.1. History and Development of Trade Union Movement in India. Growth of Movement during (1850-1900):

Industrialization in India started long back in 1850. The establishment of textiles in Bombay (new Mumbai) and jute mills in Bengal and lying of the railways opened the avenues of industrial movements in India. The setting up of first cotton mill in Bombay in 1851 and first jute mill in Bengal in the year 1885 paved the way of industrial activities in India and in town labour movement. In the year 1875 the country witnessed the first labour movement under the leadership of Mr. S. S. Bangalee known as a social activist of philanthropist in Bombay to protect the labourers from the miserable working conditions who were poorly paid. As a result the first factor commission was appointed in 1875 and the Indian Factories Act was enacted in the year 1881 for the first time to regulate the working conditions including the working hours of the workers. Thereafter in the period of initial stage labour movement started to accelerate stage lay stage and in 1890. The Bombay mill hands association was set up under the leadership of Mr. Lokhande may be recognized to be the founder of organized labours movement in India¹⁶.

3.4.2. Developmental Phase (1900-1946) :

During this era trade union movement got momentum as the workers under the leadership of quality leaders and realizing the demand of the situation started to unite to organize collective movement. As a result the printers union of Calcutta (1905), the Madras and Calcutta Postal Union (1907) and the Kamger Hiwasdhak Sabha (1910) were established with a new to promoting welfare measures and spreading literacy among other workers¹⁷.

The outbreak of First World War in the year 1918, particularly the post war economic and political situation forced the workers to be awakening about class consciousness and to organize collective movement to face the challengers. As a result a number of trade unions were formed; they were Ahmedabad Textile Labour Association (1917) Under the leadership of Shrimati Ansuyaben Sarbhai, other

Madras Labour Union (1918), led by B. P. Wadia, Indians Seamen's Union, Calcutta Clerk's Union and All India Postal and RMS Association were formed. The establishment of International Labour Organization (ILO) in 1919 also gave a boost up towards labour movement world wide as well as in India¹⁸.

During this time span under the great leadership of Mahatma Gandhi, Spinners' Union and Weavers' Union were formed which later on transformed into industrial union known as Textile Labour Association in 1920. The passing of the Trade Union Act 1926 gave a formal recognition to the workers' right and to organize the movement under the umbrella of a legal status and encouraged a lot to advance the trade union movement in India.¹⁹

With the growing consciousness of the workers, nature and character of trade union movement started to change towards aggressive form. Militancy and revolutionary approach took the drivers seat and the country witness a series of strikes and labour agitation since 1924. The communists had acquired a commendable position in influencing the trade union movements from 1928 onwards. Due to differences in opinion among the leaders splits and mergers became a common feature of the trade union movement in the thirties. The leftist unionists broke out the AITUC and formed a separate organization named as National Trade Unions Federation (NTUF). In the year 1931 again another split in AITUC happened in its Calcutta session and the extreme left minded personnel formed another new organization named as All India Red Trade Union Congress under the leadership of B. T. Randive and S. V. Despande. Besides the enactment of Trade Union Act, 1926 and Act was passed namely Trade Disputes Act, 1929 and these two provided a fillip to the growth and development of trade union movement in India.

During this period a number of political events took place. The Indian National Congress came in power in seven provinces in 1937 and this fact provided valuable sense and motivation to organize trade union activities more effectively and united. As a fact, the All India Red Trade Union Congress merged with the

AITUC in the year 1935. In 1938, the National Trade Union Congress also affiliated with the AITUC with a view to organize Trade Union Movement in a stronger form.

One of the milestones of Indian Trade Union Movement was the enactment of the Bombay Industrial Disputes Act, 1938, which included a provision of compulsory recognition of unions by the employers and that gave a huge support for the advancement of workers' movement²⁰.

3.4.3. The Phase after Independence (1947 and onwards):

With the achievement of independence in the year 1947 the features of Trade Union Movement have been changed a lot. Proliferation of trade union has been a considerable feature of the trade union movement in India after independence. The four central trade union organizations namely: the AITUC, the INTUC (Indian National Trade Union Congress), The Hind Mazdoor Sabha and the United Trade Union Congress (UTUC) emerged as the leaders of trade union movements. In this stage splits and merger also became a feature of trade unionism. INTUC was formed by those who favoured the views of Indian National Congress. Socialists established the Praja Socialist Party which later emerged in a new name known as Hindustan Mazdoor Sabha in 1948. In the year 1970 a major change took place in the field of trade union movement. Friction developed among the communists and one group separated themselves from the AITUC and formed CITU (Centre of Indian Trade Union) led by CPM (Communist Party of India), while CPI (Communist Party of India) used to control the AITUC. In the year 1972 INTUC again divided and National Labour Organization was formed. Subsequently the Hind Mazdoor Sabha (HMS) was split and Bhartiya Mazdoor Sabha (BMS) was formed under the banner of Bharatiya Janata Party (BJP).

So politicization of trade union movement became the distinguishing feature in the trade union history of India during the post independence period²¹.

Presently, twelve Central Trade Union Organizations in India have been functioning. They are:-

1. All India Trade Union Congress (AITUC).
2. Bharatiya Mazdoor Sangha (BMS).
3. Centre of Indian Trade Union (CITU).
4. Hind Mazdoor Kisan Panchayat (HMKP).
5. Hind Mazdoor Sabha (HMS).
6. Indian Federation of Free Trade Unions (IFFTU).
7. Indian National Trade Union Congress (INTUC).
8. National Front of Indian Trade Unions (NFITU).
9. National Labour Organization (NLO).
10. Trade Unions Co-ordination Centre (TUCC).
11. United Trade Union Congress (UTUC), and
12. United Trade Union Congress – Lelin Sarani (UTUC-LS)²².

3.4.4 Trade Union Movement in the Tea Industry of India – a brief history:

Before independence there has been no sign of organized labour movement in the tea industry of India in true sense. Owing to the fact that laborers in plantations were an incoherent and unorganized mass of workers. They were completely ignorant about their place of work as they used to travel a long way in the remote places of tea garden areas. In the days of inception of tea plantation the places were full of jungles accompanied by wild animals and diseases like malaria and 'Kalazar'. Moreover they had no knowledge about the relationship with their employers. They had been quite unable to organize any kind of protest against the behaviour of the employers or for promoting their common interest.

3.4.5 Causes for not conducting organized movement by the workers in the beginning of tea plantation:

There were several causes in the earlier days of tea plantation to organize movement on the part of the tea workers. They can be stated as follows:-

Firstly, the illiteracy and ignorance of the workers kept them away from the meaning of the organized movement.

Secondly, the workers were mostly recruited from the poorest and most ignorant classes of the people who used to live in helpless conditions and that led them to emigrate in this remote place where the tea estates had been set up. Moreover most of the labourers were recruited at the time of famine or scarcity. So, the very composition of plantation workers made it difficult to be untied for any kind of agitation.

Thirdly, the very nature of plantation industry was detrimental to labour organization. The tea estates had been established in a scattered way covering a large area and there were scarcely any opportunity to the workers in one garden to make contact with those of others.

Fourth, the living condition of the workers had been another detrimental factor. Most of the workers used to live in the plantations and any strike on their part resulted in eviction with their families.

Fifth, the remoteness of the tea garden areas had forced the workers to keep themselves away from the essence of cultural and social performances including the places of political activities.

Due to infrastructural difficulties it was a great problem for the labour leaders and political activists to visit the tea estates with a view to organize the workers. Sixth, constant vigil and necessary precautions on the part of the planters against any concerted action by the workers was another important factor to put barrier against any kind of labour agitation on the part of the laborers.

Finally, the laborers were widely separated from one another by barriers of caste, language and religion. Lack of sympathy and understanding between them made the situation more critical. On the other hand most of the planters were European and the wealth generated from the tea estates were being drained out for other purposes throwing the workers in extreme poverty, so the master

servant relationship, which was born with the starting of establishment of tea industry, the effect of which has still been prevailing in this age also.

The waves of Sepoy Mutiny of 1857 awakened national consciousness making its impact in far away tea gardens also. After then with the passage of time several unions and organizations have been formed and the trade union movements in the tea industry started to develop in all parts of the tea producing zones of India. The independence movement of India had created a national awareness in the minds of the plantation workers and gradually the sense of organized movement started to grow among them²³.

3.4.6 History of Trade Union Movement in the Tea Industry of Assam:

Assam became the pioneer state to start trade union movement in the tea plantation sector. The exploited tea workers who had no option but to live and work at the mercy of the selfish and cruel planters, started to become unite slowly but steadily being encouraged by the activities of the national leaders who had made constant effort to spread the essence of national movement among the tea plantation workers.

In between the years 1937 and 1940 the labour agitation has been spread in a greater pace throughout India. In Assam, the prime tea producing state of India, the labour unrest also got a momentum. A large number of strikes were observed in the Swedish owned Assam Match Company at Dhubri, Assam Oil Company in Degboi, the British owned Assam Railway and Trading Company and in Government establishments.

Being enlighten by these movements the tea workers of Assam started to become agitated and took part in the strikes. The government of Assam paid serious attention and communicated its concern about the higher frequency of strikes and labour unrest in the tea gardens of the state. The Indian Tea Association made an anxious appeal to the government to take necessary steps to control the deteriorating situation in the tea gardens.

As a consequent effect, Government of Assam appointed a Tea Garden Labour Committee to investigate the causes of strikes. Initially, the Indian Tea Association (ITA) had opposed strongly the formation of trade union in the tea gardens. They became frightened thinking that the right of trade union would help to increase labour militancy and labour unrest in the tea estates. They argued the production functions of the tea industry were fundamentally different in comparison to other industrial concerns and hence the introduction of trade union was not in the interest of the workers as well as the management.

But the changed political situation forced the ITA to think in a different way and they accepted a policy of conditional recognition of trade union in the tea plantation of Assam. The conditions included such as, only the permanent labourers living in the garden area would be enrolled as members and its executives should be chosen among them. A strike could be called only with a prior notice of fourteen days with a minimum of two-third of votes cast at least by fifty per cent voter members, and no union would be allowed to represent more than one garden.

This policy, in practical had remained a paper policy as the Government of India imposed the Defense of India Rules in September 1939 which repressed for the time being the embryonic trade union movement in Assam.

However, by 1943 labour struggle outside the plantation industry was heading towards the organization of workers at the provincial level and the Assam Provincial Trade Union Congress (APTUC) was formed in the year 1943 as a branch of the AITUC. Between the time span of 1943 and 1945 the APTUC became able to increase its strength and popularity as the number of members increased from 4345 to 16000 with 41 affiliated and associated units²⁴.

With the achievement of independence in the year 1947, the INTUC took the initiative of organizing plantation workers and took up their cause. Almost all the workers of Assam have been under the strong control of INTUC since then. And the emergence of this organization in 1947 paved the way for strong labour organization in Assam.

In 1958, a central organization named as Assam Chah Mazdoor Sangha (A.C.M.S.) was set up in Assam with its Head Office at Dibrugarh. The organization designed to help its members through mutual help, understanding and assistance followed by Cachar Chah Sramik Union (C.C.S.U)²⁵.

3.4.7 Growth and Development of Trade Union Movement in the tea industry of West Bengal:-

Tea industry in West Bengal was set up by the British Planters long ago in 1856. But the trade union movement got its place only around the time of independence. The reason behind this the situation was simply unfavorable to form any organized movement as the workers were treated like a “bonded labour”, who had no access to the outside world and no choice but to work from dawn to dusk accepting a very poor amount of remuneration in the form of wage. So they had no power to bargain against the tyrannies of the tea planters. On the other side, the tea planters were well organized and used to take full advantage to exploit the poor and illiterate workers to earn profits as maximum as they can from this new area of plantation economy. Since the period of independence was the political situation started to travel in a new dimension. The great leaders of national movements used their full effort and co-operation to awake the all sections of people including this working class.

The tea planters of West Bengal were well aware of this situation and made every possible effort to prevent the penetration of such agitation in the tea estates of West Bengal. They arranged constant vigil on the movement and attitude of the workers and to prevent any trade union activist from outside. In addition to these strict measures, the tea planters had employed a private armed force known as ‘North Bengal Mounted Rifles’ to suppress any form of protest by the workers.²⁶

But the situation began to change since 1946 and the fortune turned towards the workers’ side when the trade union movement slowly but steadily paved they way in the tea gardens of West Bengal. Communists performed a great role in introducing trade union movement in the tea estates of West Bengal for the first

time and the person who owes the credit to do so was Ratanlal Brahman who was the nominee of the Communist Party of India (CPI) from the tea garden constituency of Darjeeling of Bengal Provincial Assembly Election held in April 1946. As a result of hard effort of the communists the first trade union in the tea industry of West Bengal was established in Darjeeling district at the end 1945 named as Darjeeling District Tea Workers' Union. After then the workers' movement started to gain pace and started to raise their voice to seek justice in a more organized way in spite of threats from the employers.

18th June 1946 is recognized as a 'Red Letter Day' in the history of trade union movement in the tea industry of West Bengal. Because on that very day the Chia Camman Mazdoor Union declared strike in thirteen tea gardens to fulfill seven point demands which included recognition of trade union, hike in wage rate, dearness allowance @ 25% of total wage, better medical facilities, ration at a cheaper rate and abolition of 'Hattabahar' system. This industry wise strike in the thirteen tea gardens for the first time in West Bengal encouraged the workers to be firm on their stand to raise voice against the management by organizing agitation and spreading labour unrest for establishing their rights²⁷.

3.4.8 History and Development of Trade Union Movement in Terai and Dooars region of West Bengal.

The tea industry of West has immense importance for the development of the state's economy. Dooars of Jalpaiguri district and Terai of Darjeeling district are the two prime and traditional tea producing zones of West Bengal, where tea plantation was started more than 150 years ago. But the trade union movement was found its place in the tea gardens of Dooars and Terai in true sense after independence.

3.4.9 The beginning of Trade Union Movement in Terai Region:-

The first organized in the tea industry of Darjeeling hill area was inaugurated in the year 1945 and its effect was flown down to the plain area known as Terai. The

communists were the pathfinder to start the trade union movement in the tea gardens of Terai. It was the Merry View Tea Garden where the two eminent communists of North Bengal, Biren Bose and Bhupen Bhowmik tried their best to form trade union. The task was not a easy one, because the planters used to take all possible measures to prevent any communication between the outsiders and the workers. But their mission was unsuccessful because Bhupen Bhowmik, the fire wood supplier of that tea garden was identified and the manager retrenched a number of workers for taking such anti-management step. Though the mission was unsuccessful but the fact awakened the minds of the workers and they started to become organize to fight against the exploitative nature of the managements. Ultimately the management had no option but to allow the workers to form their organization and in the year 1954. The communists established trade union in Kharibari, Kamala, Fullbari and Merry View tea gardens without having any proper support from the organized trade unions²⁸.

3.4.10 Origins of the Trade Union Movement in Dooars:-

During the inception days of tea plantation in the Dooars region it was an isolated place from the rest of the country and the whole area was under the rule of the planters. It was simply difficult to get entry in the tea gardens area. In this situation tea workers of the Dooars region could not draw the attention of the nationalist movement. So the large number o working class of this tea garden region was more or less unaffected by the current of independence movement. The nationalist leaders were not active at all in that area and the workers had not received any kind of support or guidance to organize any movement against the planters.

It is important to remember that the anti-colonialism feeling amongst the Indian working class was a result of the organized movement of the workers under the leadership of Congress and trade unionists against their foreign employers. But ironically, the Jalpaiguri district Congress could not provide any such leadership for the tea garden workers of Dooars to organize any movement against the planters.

One of the reasons for this attitude could be that the then district Congress Committee was dominated by the Indian tea planters.

So, though the trade union movements were well entrenched among the tea garden workers of Assam in the nineteen thirties and large scale labour unrest started to grow from 1921 onwards under the leadership of national leaders. The tea garden workers of Dooars region could not get any favour either from the nationalists or trade unionists till the end of 1945. The workers of Dooars showed signs of collective action for the first time when the trade union activists of the Bengal-Assam Rail Road Workers' Union (BARRWU) made an effort to organize them in early 1946.

The effort paved the way to organize trade unions activities in the tea gardens later on. The first few tea gardens which were situated near the railway stations started to become organize with the help and constant support of the BARRWU. During this period the communists performed a responsible role and motivated the workers of Haihaipathas (renamed Rupali), Denguajhar, Bagrakote and Lakhipara. Gradually the labour unrest and agitation began to spread from garden to garden under the leadership of communist, the tea gardens to protest against the exploitative attitude of the employers. On the other side the planters attributed it as political gain to "outside agitators" exploiting the poor workers of the tea estates.

The 'Tebhaga' movement [in which the share-cropper demanded two parts of the harvest should be in favour of them and one-part be given to renter] had also great contribution to advance the trade union movement in the tea gardens of Dooars, due to participation of the adivasi share-croppers of the Dooars in this 'Tebhaga' movement.

By this time the All India Kisan Sabha decided to spread the movement against the 'Jotedars' for exploiting the farmers and share-croppers and by the end of January 1947 tea garden workers joined with the peasants to take part in the agitation. This incident no doubt fermented the labour unrest in the tea gardens of

this prime tea producing zone of West Bengal. Considering the burning situation, gradually the planters began to realize that the tea garden workers had been empowered with the support of neighboring tribal cultivators, share-croppers and railway workers and the formation of trade unions in the tea gardens became inevitable.

In independence India the development and growth of trade union movement in the tea gardens of West Bengal become evident. The government of independent India relaxed the 'iron rule' imposed on the workers by the former rulers and granted various rights in favour of the workers. All these facts created favorable atmosphere for the establishment of trade unions in the tea estates. Communists who had a great contribution and sacrifice to spread trade union movement among the industrial workers were allowed to enter into the tea gardens in 1952 as the general election was scheduled in that year. The communists utilized this opportunity to hold meetings with the tea workers and thus trade union activities increased. In 1955 the workers struck work for long eighteen days demanding for bonus. This agitation was considered a land-mark in trade union movement in Dooars as the government also forced the employers to abide by the principle of compulsory minimum bonus.

One of the most important features of the trade union movement of West Bengal Tea Plantation Industry, as in most cases throughout the country is the multiplicity of trade union and most of them are affiliated to a Central Trade Union Organization. Generally these Central Organizations are under the umbrella of national or provincial political parties. The inter-reveler of the trade unions and inherent differences among the leaders and activists and that crumbled the unions slowly. As an example due to differences of opinion among the socialists HMS (Hind Mazdoor Sabha) had split into two groups. One of them was aligned to Congress in the name Rashtriya Cha Mazdoor Congress and the other was West Bengal Cha Shramik Union which was aligned to the Socialist Party. The split in the communist party in 1964 gave birth another communist party in the name of Communist Party of India (Marxist) i.e. CPM and that hampered the growth of trade

union movement. The CPM formed its trade union wing in the year 1961 named as CITU and later on CITU affiliated Cha Bagan Mazdoor Union was formed²⁹.

3.4.12 Development of Joint Movement:-

Realizing the darkness of the trade union movement the leaders of the various trade unions came on a common platform and formed the Co-ordination Committee of Tea Plantation Workers in 1962 to fight against the employers on common issues. Unions of all political colors such as INTUC, HMS, AITUC and later CITU, UTUC and Gorkha League were formed this Co-ordination Committee.

Considering the growth, development and nature of movement of the trade unions an attempt can be made to segregate the whole journey into different phases.

The first phase was the period 1946-1947, where two major labour movements took place. One is food movement led by the communists against the acute shortage of food, and another was 'tebhaga' movement also launched by the communist party to ensure two-third share of agriculture produce to the share cropper. The tea workers of Dooars participated in the movement but the Terai region did not respond to this.

The second phase which bounded 1948 to 1951 was considered as set back period because the trade union movement received a blow when the Government of India imposed a ban on the CPI in 1948. As a consequent effect, many leaders were either arrested or had to go underground. The ban was lifted in the year 1952 as per the verdict of the High Court in the year of General Election. The period of 1952-1970 is considered as the third phase, which was identified as inter union rivalry in tea gardens. Different political parties liked to form their own trade union wings to gain political power through spreading influence among the large number of working people. In spite of multi unionism the concept of forming co-ordination committee was accepted by the several trade unions for the interest of the workers. During this period militancy in trade union movement was emerged. Violence, 'gheraos' and assault of the managerial staff became the very past of trade union

movement resulting deterioration in industrial relation. From the middle of the sixties, the labour unrest became more violent, particularly in the tea gardens situated in Terai region. As a result production was hampered and the workers lost their wages due to frequent strikes and other form of agitation. During that period the Coalition Government of communist parties had been in power in West Bengal.

The period 1971 and onwards has been described as the fourth phase. Interestingly the nature and character of labour movement were started to turn towards healthy understanding between the workers' representatives and management. Trade Unions agreed to give up the militant attitude and liked to pay bonus on bilateral interest. The labourer management relation started to become cordial since the Congress came in power in 1972. The emergency was imposed by the Central Government in 1975 and the Trade Union Movements were directed in a new dimension and labour unrest became much more explosive in the post emergency period. In 1982 the Left Front Government was returned in power and had been stayed in power for long thirty-four years at a stretch. It helped the government to persuade new labour policy which discouraged strikes and desperate trade union movement with a view to healthy atmosphere for investment that can be described as friendly climate for the employers³⁰.

3.4.13 Impact of Globalization on Trade Unions:-

In the era of globalization the structure of trade union movement has undergone several changes. Due to liberalization policy private sectors have been flourished and a number of multinationals have entered into the Indian markets. Unions with internal leadership have emerged in these sectors through forceful collective bargaining. The movements carried on by these unions have ensured monetary benefits of the employees. This is really a challenge to the traditional and politically affiliated trade unions in the age of globalized economy. To cope with the changed situation most of the central trade union organizations have been opposed united Government's efforts for privatization of the public sector. Interestingly in this challenging situation multiplicity of trade unions has been

continued to exist. In the tea gardens of Dooars and Darjeeling hilly area new trade unions have been set up by the influence of regional political movement and affiliated by Adivasi Bikash Parisad. Another noticeable fact is that the strength and power of the trade unions have been decreasing ever since the reform process has begun in India. It could be due to contractualization and casualisation of workers, as a result of this the entry of private sector organizations and several multinationals. So, in this age of globalization the trade union movement in all sectors of economy has been passing through a critical stage³¹.

After the introduction of liberalization and globalization policy industrial economy of the country has undergone sea change since 1991, so the nature and character of trade union movement. The important changes which have visualized in the character of trade union movement in the tea industry are:-

(a) Attitudinal change:- The attitude of the trade unions has changed considerably towards management. This is maybe due to the declining trend in the number of membership of different trade unions. For example, the membership of INTUC has declined from 54.35 lakh in 1989 to 54.05 lakh in 1993. CITU also has lost its members by considerable numbers. This declining trend is also witnessed in other countries of the world, such as Australia, France and Japan.

With the changing situation the attitude and thinking of the workers have also changed. Spreading of education among the working class people have made them rational, matured and realistic in their approach. As a result strikes, bandhs and other form of aggressive movements have decreased considerably.

In this changed circumstances the employers have offered VRS (Voluntary Retirement Scheme), Golden Handshake and alike and the workers have prepared their minds to accept those. Before liberalization period, this was simply unthinkable.

(b) Move towards depoliticization of Unions:-

Having realized the evils of political influence in the trade union movement the new generation of working class people have started to insulate themselves from political affiliation³².

The Trade Union movement has a very vital role to play to for the revival and sustainability of the tea industry. In this situation the trade unions have to play dual role properly and effectively. Firstly, to fulfill the legitimate demands of the workers and to consider their grievances effective movement be organized on the other hand it has take part in the process of revival of the industry³³.

3.5. Industrial Relations: - Concept of Meaning:

Industrial Relations is a multidisciplinary area that studies the employment relationship, because of the importance of non-industrial employment relationships. The term industrial relations have been increasingly called as employment relations and in many fields, such as in plantation areas many outsiders also equate industrial relations to labour relations. Industrial Relations covers a vast area and consists of a number of subjects such as labour economics, industrial sociology, human resource management, political science, law and other areas. As a problem solving tool it seeks to design policies and institutions to maintain better employment relation in the work place. Industrial Relation has also an ethical sense as it contains strong normative principles, such as labours are human being and not a commodity in democratic communities entitled to human rights.

Industrial Relations researchers assume that labour market are not perfectly competitive and when there are conflicts of interest between employers and workers, for example higher wages versus higher profits, then one can not rely on markets or managers to always serve workers' exploitation. Due to this they like to support institutional intervention to improve the relationship between management and workers and to protect workers' right.

Industrial Relations are used to denote the collective relationship between management and the workers. Traditionally, the term industrial relations is used to cover such aspects of industrial life as trade unionism, collective bargaining, workers participation in management, discipline and grievance handling, industrial disputes and interpretation of labour laws and rules and code of conduct.

According to Lester, "Industrial Relations involve attempts at solutions between the conflicting objectives and values; between the profit motive and social gain, between conflicting interests of the individual, the group and the community".

The National Commission on Labour (NCL) also emphasis on the same concept, in the words of NCL, industrial relations affect not merely the interests of the two participants – labour and management, but also the economic and social goals to which the State addresses itself. To regulate these relations in socially desirable channels is a unctio, which the State is in the best position to perform.

According to O:P. "Industrial Relations" deal with either the relationship between the state, employers and workers organization or the relation between the occupational organizations themselves.

3.5.1. History of Industrial Relations:

Industrial revolution is the main root for developing the sense of industrial relations, which created the modern employment relationship by sponsoring free labour markets and large-scale industrial organizations with thousands of wage workers. Industrial revolution changed the economic and social atmosphere of the society and these changes developed labour problems. Because as human being workers started to demand better economical package and improved social life.

Low wages, long working hours, monotonous and life-risk work and abusive supervisory practices led to violent labour agitation, high employee turnover and the threat of social instability.

Industrial relations were formed at the end of the 19th century and that was intellectually between classical economics and Marxism, with Sidney Webb and

Beatrice Webb's 'Industrial Democracy (1897). Institutionally, Industrial relations were founded by John R. Commons when he organized the first academic industrial relations Programme at the University of Wisconsin in 1920. John D. Rockefeller, Jr. who extended early financial support and welcomed progressive labour-management relations in the aftermath of the bloody strike at a Rockefeller owned coal mine in Colorado. In Britain, another progressive industrialist, Mantague Burton took active part to promote industrial relations at Leeds, Cardiff and Cambridge in 1930 and the discipline was formalized in the 1950s, with the formation of the Oxford School by Allan Flanders and Hugh Clegg.³⁴

3.5.2. Theoretical Perspective of Industrial Relations:-

There are three major theoretical perspectives regarding industrial relations which have differences from the view point of understanding and analysis of workplace relations. These are as follows:-

(a) Pluralist Perspective:- The supporters of this perspective think the organization is perceived as being made up of powerful and divergent sub-groups. Each group has its own legitimate loyalties having own set of objectives and leaders.

Here management is more interested towards persuasion and co-ordination rather than being enforcing and controlling mechanism. Trade Unions are deemed as legitimate representatives of employees and conflicts are dealt by collective bargaining.

(b) Uninterested Perspective:- In unitarism, the organization is perceived as an integrated and harmonious institution where management and staff all share a common purpose relying on mutual co-operation. Besides this, unitarism has a paternalistic approach where it demands loyalties of all employees. Here the role of trade unions are considered as less important since the loyalty between the employers and employees are regarded as mutually exclusive, where there can't be two sides of industry and conflict is perceived as disruptive which is developed due to interpersonal friction and communication break down.

(c) Marxist/ Radical Perspective:- The views of such industrial relations believe that there is a fundamental division of interest between capital and labour. In Marxism it is believed inequalities in power and economic wealth are the root cause for generating conflicts in the organizations. Here the roles of trade unions are a natural reaction to protect the interest of the workers.

(d) Gandhian Perspective:- The thinkers of this perspective believe the industrial relations is based on the fundamental principles of truth, non-violence and non-possession. Conflicts can be avoided if the employers obey the principles of trusteeship; and interests of employer and employee will remain intact. Gandhi supported workers' movement by observing strike and exercising non-cooperation for their rights and to have their grievances redressed, but that should be in a non-violent and peaceful manner.

3.5.3 Actors of Industrial Relations:-

For growth and progress of any industry a healthy and harmonious atmosphere is needed and which is possible only if the attitude and activities of the employers and employees are directed towards well being of the organization. It is possible only if sound industrial relations are prevailed in the industry. Three important parties which are directly involved in industrial relations are the Employers, Employees and the Government.

Industrial relations in India are governed by the Acts and Laws formed by the government. The Central and the State Government influence and regulate industrial relations through legislations to ensure industrial peace and harmony. The government itself plays an important role in industrial relations becoming an employer in one sense and discharge responsibility by regulating working conditions in the non-government sectors.

Besides those, the Government has established wage board, labour courts, tribunals and bipartite and tripartite machineries to maintain harmonious relations between the employers and the employees. Being the welfare state as envisaged in

the Constitution of India. Government's intervention is utmost important to maintain healthy industrial relations.³⁵

3.5.4 Trends of Industrial Relations in Tea Industry of West Bengal:

The tea industry of India has a long chequered history. This industry was started in the early 18th century in West Bengal. History reveals the first tea garden in West Bengal was established in the year 1956 named as Alubari Tea Company. In Terai the first tea garden was came into operation in the year 1862 and in Dooars region the land mark year was 1874. But in spite of the long history of Tea Plantation in West Bengal, it is an irony that the trade union movement was stepped in this plantation industry of this state only around the time of independence. As the trade union is one of the key factors of industrial relations, so in the absence of this organized workers' union. The industrial relations in the tea industry practically had no appearance during the pre-independence period. The working conditions of the workers were simply miserable. They had no alternative but to tolerate the tyrannies and naked exploitation of the planters. The employers used to exploit nakedly the workers engaging them from dawn to dusk at a very poor rate of wage. The relation between the workers and the employers were more master and servant than employers and employee.

However, after independence, when the new Indian Government framed a number of legislations in favour of the plantation workers, such as an implementation of Plantation Labour Act, 1951 and the inception of trade union movement in the plantation economy in West Bengal, a huge change had been observed in the industrial scenario of tea industry of Dooars, Terai and Darjeeling Hill regions. Being organized the workers got the strength and motivation to fight against the exploitative attitude of the employers and the labour movement started to gain momentum gradually. This important industry of North Bengal started to witness large scale labour agitation in the form of strikes, lock-outs, gheraos, etc. The planters, on the other side resorted to every possible measure to curb the labour movement. But with the passage of time the conflict between the management and

the labour rates turned more intense and militant nature of labour movement used to prevail in tea industry. As a result strikes, lock-outs, retrenchment from work, confinements etc. became the regular phenomenon in the tea gardens of Dooars and Terai.

3.5.5, Scenario of Industrial Relations in the Tea Gardens of Terai and Dooars during fifties:

The implementation of Plantation Labour Act, 1951, changed the scenario of industrial relations in the tea plantation sectors in India as well as West Bengal a lot. The Act, made it compulsory to provide housing, medical facilities, supply of drinking water, free primary education to the children of the workers, sanitation etc. for the employers. By this act the working conditions, were improved, some protection measures were ensured and above all the relations between the workers and the employees became formalized.

Being empowered by the several legislations such as Industrial Dispute Act, 1947, Factories Act, 1948 etc. besides PLA, 1951 the demand of the workers began to rise. By this time after the end of World War II which continued till 1953, a depression covered the economy throughout the world. As an effect, the tea industry had also fallen in trouble. It suffered several set backs as a result of which it had to retrench a number of workers. The economical benefits of the workers were also curtailed.

A number of tea plantations were closed down. The workers of the tea estate of Dooars expressed their grievances by observing strikes against the anti-labour attitude of the employers. In this process the labour management relations started to deteriorate gradually. Interestingly the workforce of the Terai region remained as mere spectators to these events and did not raise their voice in any way against these unjust steps of the employers.

In the post world war period, mainly during the span 1951 and 1953 the industrial relations in Terai tea gardens were comparatively peaceful and cordial

than Dooars region where degree of aggressive labour movement was higher. But in the year 1954 when the trade union activities paved the way in Terai region the labour movement got inspired and the workers started to organize fruitful movement to get their rights.

In the same year Dooars and Terai both the regions organized joint movement claiming bonus for the workers as the tea industry earned huge amount of profit in 1954 due to sudden increase of tea price.

Ultimately with the intervention of the Government a formula was worked out for payment of bonus and this monetary benefit was declared by the employers at a much higher rate than expectation and India became the first country in the world to accept the principle of payment of bonus to plantation workers out of profit.

But the employers were not happy with this decision and expressed their financial inability to discharge the obligation for payment of bonus. They argued they were already over burdened by the provisions of the PLA, 1951 for welfare measures, and this extra financial burden would lead to jeopardize the fortune of the tea industry. Being helpless by the verdict of the legislation framing body of India, the employers tried to put pressure on the workers. To reduce the financial pressure the retrenched many workers and even threatened to close the gardens. As a result the conflicts between the employers and the workers flared up strongly and the industrial relations in the tea gardens of West Bengal deteriorated considerably.³⁶

3.5.6. Industrial Relations during the period 1961-1970 in gardens of Terai and Dooars regions.

During this period West Bengal witnessed disturbances, mainly in the year 1969 and 1970. The Left United Front Government came into power for the first time and labour agitation became aggressive and explosive throughout the states during this period. In the tea gardens of Dooars and Terai more number of strikes, gheraos, lock-outs etc were held. Confrontation between workers and management

become the regular feature. However, amidst inter and intra trade union rivalry. The various trade unions of the different with a view to direct the trade union movement through mutual trust and understanding by forming the Co-ordination Committee of Tea Plantation Workers (CCTPW) in 1962. These steps, to some extent, succeeded in checking inter union rivalry in the tea gardens and helped in ensuring harmonies industrial relations in the tea estates.

Trade union movement in West Bengal had spread in the different industrial sectors including tea plantations by the sacrifice and fruitful leadership of the communists. So, when the United Front Government led by communist minded people came into power in 1969 in West Bengal. The trade union movement got more inspiration and the started to organize violent movements against the employers, when the West Bengal Government legalized 'gheraos', that quite often led to confinement and assault of the managerial staff. The Government also put a restriction on lay off and retrenchment of garden workers without its sanction. In the year 1969 CCTPW placed a charter of demands before the management of the tea gardens, mainly proper implementation of the provisions of the PLA, 1951 and wage hike and land-labour-ratio. To get that demands fulfilled the trade unions observed 16 long days strike at a stretch and jeopardized the tea industry completely. So, industrial relations in the tea gardens in the sixties were emerged at its worst form in West Bengal.

3.5.7. Industrial Relations in the tea gardens of Dooars and Terai during the Seventies:-

We find in the sixties industrial relations in the tea industry of West Bengal became worst as the workers choose the way of aggressive movement and preferred violence to establish their rights. But from the beginning of seventies the scenario of industrial relations in the tea industry of West Bengal turned towards improvement. Disputes and conflicts were started to solve through bipartite and tripartite machineries through agreements. The trade union movement got recognition as democratic right of the workers and the labour unrest began to slow down. The

trade unions too became more responsible and preferred amicable settlement of the disputes through bilateral discussion giving up militant attitude.

In the year 1972 the political situation changed. The Congress Government tried to improve the industrial relations and discouraged gheraos, demonstration, confinement etc. These steps by the government addressed a positive outlook in maintaining peace and harmony in the industry. This also created an environment conducive for the revival of the labour management relationship. As a result labour agitation declined considerably as the number of strikes was reduced during that period.³⁷

The peaceful condition of labour relation which was re-instituted by the Congress Government after turmoil political situation in the sixties soon received a major set back when the Central Government imposed emergency in the year 1975 in India. Labour unrest developed in almost all parts of the country. Man days lost due to work stoppage went up to a new record of about 40 million in that year. The impact of emergency on the industrial relations in West Bengal is reflected in Table No. 3.14 in terms of man-days lost due to strike.

Table No. 3.7

Man-days Lost Due to Strikes in Tea Industries in West Bengal.

The nature of the industrial disputes and the trend of the workers' movement can be highlighted by the following table.

Year	Man-days lost due to strikes in Industries in general (in millions)		Man-days lost due to strike in Tea Industry (in millions)	Number of strikes in Tea Industry.
	India	West Bengal		
1973	13.862	2.572	0.020	17
1974	33.643	7.334	0.039	11
1975	16.706	10.785	0.010	7
1976	2.799	0.951	0.025	4

Source: 'Labour in West Bengal' 1976, p.10, and 1978, p. 72 Published by Government of West Bengal.

It is evident (Table 3.7) that the percentage of Man days lost due to strike in the tea industry during the period 1973-1976 had been reflected a downward trend. It indicates management and workers both had the intention to maintain a healthy atmosphere in the tea industry.

It is revealed from the Table 3.8 that the tea industry in West Bengal was not much affected due to emergency declared by the then Central Government. The number of strikes in 1973 was 17 but it reduced to 11 in the following year. It further declined to 7 in 1975 and to 4 only in 1976. The overall man-days lost in the tea industry of West Bengal increased by nearly 95 per cent in the year 1974, however in the following year it came down by about 75 per cent. On the other hand, in other industries except tea in West Bengal, there was a massive increase in the number of man-days lost due to strikes. There had been a clear picture of uprising trend of man-days lost during the period of 1973 to 1975. From 2.572 million in 1973, man-days lost increased to 7.334 million in 1974 and it touched 10.785 million marks in 1975.

Table No. 3.8

Year	1972	1973	1974	1975	1976	1977	1978	1979	1980
No. of strike	15	17	11	7	4	10	17	5	10

Source:- 'Labour in West Bengal' 1976 and 1981, Published by Govt. of West Bengal.

The Trade Union Movements in Dooars and Terai again became aggressive. The militant attitude of the workers increased considerably and the industrial relations soon began to turn hostile particularly on the issue of bonus. Number of strikes jumped to 10 in the year 1977 from number 4 which were observed in 1976, it further gone up to 17 in the year 1978. But in the following year it reduced to 5 but again increased to 10 in 1980 (Table No. 3.8).

3.5.8. Tea Industry of West Bengal and Industrial Relations during the period Eighties.

During the seventies the industrial relations in the tea industry of West Bengal were more or less unhealthy. Aggressive labour movements developed a climate of distress in the tea gardens of Dooars and Terai. But in the eighties the labour management relations made a remarkable progress. The industry which witnessed 11 strikes on an average during 50s and 60s, surprisingly did not register any single strike in the year 1981, 1982, 1986, 1988, 1989 and 1990. Definitely the trade unions affiliated to different political parties had played a constructive role to maintain co-operative attitude with the management. The Left Front Government which again was voted for power adopted a different view this time and discouraged strikes, gheraos, confinement etc. or any kind of aggressive workers' movement. They definitely gathered experience from the past and realized the importance of cordial industrial relations for the betterment of the state.³⁸

The frequency of strikes in the tea industry of West Bengal during the eighties is presented in the following table.

Table No. 3.9

Year	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
No. of strikes	Nil	Nil	1	5	8	Nil	Nil	Nil	Nil	Nil

Source: 'Labour in West Bengal', 1981, 1986 and 1990, Published by Government of West Bengal.

3.5.9 Industrial Relations in West Bengal in the age of liberalization and globalization:

West Bengal has been one of the five states in India which has accounted for 50 per cent of the total Indian workforce in the industrial and service sectors in 2006. The other four states are Maharashtra, Andhra Pradesh, Tamil Nadu and Uttar Pradesh. The major industries in West Bengal are leather, jute, engineering, paper

and tea. The other important industries are iron and steel, food processing pharmaceuticals and information technology.

With the advent of liberalization and privatization as a concept of open market economy nasalization of labour and employment of contractual labour has become one of the important features of Indian economy. The Supreme Court has accepted the fixed period employment terms. Earlier it was treated as a retrenchment under the Industrial Dispute Act, 1947, and due compensation had to be paid.

In West Bengal, according to government's report that contract labour has increased considerably. Mainly in the new industrial and service sectors the contract labours are larger in numbers than permanent workforce. The trend of employing contractual labours has also been observed in old establishments also. As a result dispute problems have been shifted to this temporary workforce rather than that of the permanent workers since the latter are much better looked after. Surprisingly both employees and Trade Unions have accepted these new forms of employment. This indicates the character of trade union movements has also changed and has become weaker. Prior to 2000, the trade unions used to react quickly against any measure in relation to working conditions of the workers. But at present management has become more powerful and unquestionable.³⁹

3.5.10. Changing attitude of the workers and unions:-

In the era of new economic policy which is driven by liberalization and privatization has reduced the government interference and control over the employers and employee. The characters of relations labour movement have lost its aggressiveness in one hand and the employers have placed themselves in a dominant position. In this period the following observations have been found in West Bengal.

(a) The industrial disputes have been on declining trend in general because employers and employees find it mutually beneficial to presence harmony and avoid conflict.

(b) The organizations are now considerably able to find bipartite solutions for those disputes which are cropping up. The demand of the situation has probably forced the workers and the management to think it is better to resolve disputes amicably and jointly to avoid loss of wage and production. The trade union movement has also become weaker as the workers themselves prefer to protect their jobs rather than fresh industrial closure. The declining trends in the numbers of strikes support this view of the workers.⁴⁰

The trend of management labour relations can be stated by the Table No. 3.10.

Table 3.10

Number of strikes, lockouts, persons involved and man days lost in West Bengal (1996-2006).

Year	Strike			Lockouts			All work stoppage		
	No. of cases	Men involved ('000)	Man-days lost(million)	No. of cases	Men involved ('000)	Man days lost (million)	No. of cases	Men involved ('000)	Man-days lost (million)
1995	33	234.4	.13	136	74.4	5.3	169	308.5	6.5
1996	17	23.6	1.7	144	104.6	10.5	161	128.2	12.1
1997	29	8.3	0.6	161	89.2	7.6	190	97.6	8.3
1998	25	2.8	0.2	213	105.0	11.4	238	107.7	11.6
1999	34	230.3	3.9	264	42.7	17.8	298	473.0	21.7
2000	27	204.5	3.1	286	167.4	16.1	313	371.9	19.2
2001	20	20.5	1.4	305	129.4	19.8	325	149.9	21.3
2001	30	82.1	1.2	346	148.7	20.7	376	230.7	21.9

2003	32	458.9	1.6	399	176.1	25.6	432	635.0	07.1
2004	20	205.5	1.7	354	177.8	24.4	374	383.3	26.0
2005	26	210.5	3.1	357	133.7	22.3	383	344.2	25.4
2006	24	201.9	0.6	352	115.1	20.7	376	316.9	21.4

Source: Presented by Ratna Sen – Evolution of Industrial Relations in West Bengal (P. 56).

Table No. 3.11 gives a comparison between the number of strikes and lockouts between five major industries of West Bengal between the period 1995 and 2006. It is found number of lockouts is well ahead of number of strikes held during that span. For example, in tea industry 200 lockouts were held against 8 strikes only during that period, and in cotton textile industry only one strike was observed when the total number of lockouts was 176. This trend indicates workers' movement has become weaker and the employers have become more powerful. This information also state that labour relations are directed according to the policies framed by the management in the age of liberalized economy.

Table No. 3.11

Number of strikes and lockouts in the five traditional industries in West Bengal during 1995-2006.

Industry	Strike	Lockouts
Tea	8	202
Jute	51	233
Engineering (major)	9	259
Engineering (minor)	66	830
Cotton Textiles	1	176
Total (for five industries)	135	1700
Total for all industries	317	3317
Percentage of five traditional industries to all industries	43	51

Source: Labour of West Bengal (Published by West Bengal Government, 2006,P.60).

3.5.11. Observations of the National Labour Commission.

The relations scenario has undergone a sea change after the advent of globalization. It is observed there has been a shift away from the adversarial to co-operative relationship between the trade unions and employers. As a result the number of strikes, lockouts, dharna, gherao, and pen-down, go-slow tactics, etc. the weapons which are generally used by the Workers' Organization or Trade Unions have been reduced considerably in numbers.

The Second National Labour Commission, 2002 observed the followings in respect of industrial relations.

- i. It is found that during the age of globalization Trade Unions do not like to normally to call for a strike, because there is a fear that a strike may lead to the closure of the unit.
- ii. There is an increasing trend that major industrial disputes are going to be solved through negotiations at bi-partite level. Interestingly the character and nature of demands have been changing. Presently, instead of demanding higher wages or better facilities, Trade Unions are now interested to ensure job security and some are even willing to accept wage cuts or wage freezes against job protection.
- iii. In the present age government grants permission for closure or retrenchment more easily, so, the attitude of government, particularly the Central Government towards workers and employees seems to undergone a change.
- iv. Conciliation machinery at present favour the employers to consider the problems like increase in productivity, reduction of production cost problems of competition in domestic and international sector, market fluctuations etc.
- v. Industrial Relations Machinery is not serious enough and active to pursue the recovery proceedings of huge amount of dues of workers from the employers.

- .vi. Service sector workers or employees feel they are outsiders and become less interested about Trade Union Movement.⁴¹.

It can be concluded that the industrial relation scenario has been witnessed a sea change in the days of globalization and liberalization in comparison to the days of 60's, 70's and 80's. Due to less control of the government in the field of economy the trade union movements have become weaker and the employers have become more powerful. As a result number of strikes has been showing a declining trend and closures and lock-outs have been showing an upward trend. This situation has also affected in the industrial relations of tea industry of India as well as in the tea Industry of Dooars and Terai which has been discussed in the next chapter.

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CHAPTER - IV

CHAPTER – IV

4.1. Globalization: Meaning and Concept.

The Second National Commission on Labour, while quoting the Human Development Report of South Asia, 2001 has defined globalization as:

“The free movement of goods, services, people and information across national boundaries, it creates and in turn is driven by an integrated global economy, which influences both economic as well as social relations within and across countries. The opening up of the economy increases competition internationally as well as externally, leads to structural changes in the economy, alters consumers’ preferences, life styles and demand of citizens.” (NCL, 2002).

So, globalization can be stated, as the process of integrating various economics of the world without creating any hindrances in the free flow of goods and services, technology, capital and even labour or human capital¹.

Globalization is a perfect blend of economic and non-economic factors. The European Commission expressed globalization from the economic context as the process by which the production and markets of different countries have an increasing trend of inter-dependence because of free flow of goods, services, capital and technology. The non-economic domain of globalization is more complex than its economic counterpart because in this sense, globalization has been defined as the intensification of worldwide social relations which make a link of distant locality in such a way that local happenings are shaped by the events many miles away and vice versa

The main purpose of globalization is to achieve maximum competitive efficiency to get optimum utilization of natural and human resources. To fulfill this objective trade barriers are withdrawn, tariffs are usually lowered down and loosening of restrictions on flow of resources across national levels are necessary. The process of globalization can not be considered as the panacea for the developing countries to achieve growth and development at a quicker pace to

improve the economical and social status of the poor, because the concept of globalization has not ensured the even distribution of benefits amongst nations and within nations².

In one aspect, globalization has brought some positive potential, such as development in the field of science and technology, mainly in the field of information technology. These developments have opened various avenues for the people to improve their skills and knowledge, better scope for high levels of education and entrepreneurial traits. On the other hand it has grown a fear of unemployment, job insecurity, and increased instability of output due to inability of the smaller units of business houses to compete with the well organized multinationals and big corporate sectors. As globalization refers erasing all the barriers and restrictions and uniting the world into a single, lucrative but brutally competitive market and rampant labours privatization, there is little scope of guaranteed employment all over the world³.

4.1.1. The year 1991: Adaptation of New Economic Policy:-

India adapted the policies of globalization, liberalization and privatization to overcome the economic crisis in the year 1991 under the leadership of then finance minister and present Prime Minister Dr. Manmohan Singh of Congress led Central Government. The main reason for that crisis was due to collapse of Soviet Union and East European Socialist economy and the gulf war which resulted in tremendous imbalance in global economic power.

The then Indian Government framed a policy that was directed towards stabilization and structural reforms to dilute the philosophy of the planned economy. A modified socialistic pattern so far followed since 1950 based on Mahalanobis model for bringing all round economic development in India. The main objective of this newly introduced economic policy was to integrate the Indian economy with the rest of the world. The important instruments of this policy were to remove all kinds of government restrictions and trade barriers. The prime focus of this policy was to dismantle public sector units through disinvestment and

denationalization and to provide encouragement so that our private sector units can flourish. The target of the new economic policy was to make the Indian products globally competitive through quality production and cost efficiency through optimum and effective utilization of factors of production. For this, India not only had to make serious efforts to explore the export markets, but she will have to open up her own market so that foreign goods can be transacted effectively and efficiently. India has already traveled the way of new economic policy for 20 years (1991-2010) crossing many hurdles and facing a number of obstacles. But India has not been able to achieve a viable economy where the benefits, if any, of economic globalization percolates down to the financially weaker person in the village and of the town. The agricultural growth rate is simply poor, being 1.7 per cent during 1999-2005 and non-agricultural growth rate hovered around 8 per cent. The employment growth rate is more or less stagnant and most unfortunate fact is the growth in industrial sector has been at the cost of social sector like education, health, shelter, food and medical care.

In the name of globalization India has opened the door to enter foreign capital in labour intensive industrial sectors and also in consumer goods and retail sectors raising a question of existence of a large section of working class of Indian population⁴.

4.1.2. New Economic Policy and Crisis in the Plantation Sector:

The protracted crisis had entangled the plantation sector in India since the late 1990s. The crisis was observed in the shape of growing market uncertainties or depressed farm gate prices of four major plantation crops such as, natural rubber, coffee, cardamom and tea. It is observed that the fall in the annual average farm gate price of tea and rubber varied from 25 per cent and in case of coffee it was 57 per cent except for cardamom for which the price depression was marginal during the year 2003 compared to the peak trends attained in the 1990s. To get rid of the crisis the survival strategies adopted by the plantation owners mainly confined to cost savings and labour displacing measures such as dilution and even abandonment

of prescribed agro-management practices, labour retrenchment, lock-outs and violation of wage agreement settled through tripartite agreement between planters, trade unions and government⁵.

4.1.3. New Economic Policy and Its Influence in Indian Tea Sector:

The open market economy with the essence of globalization which is considered a buzzword for any economy has been spreading its influence directly or indirectly on all kinds of trade and business. The extent of international trade relations is getting enlarged and globalization's ideology has been trying to bring the whole world as one nation by removing a number of trade barriers and imposing a lot of stringent international norms and practices.

Thereafter, the Indian Tea Industry has also been affected by these practices and some problems have been developed in industrial relations in this industry. Indian economy has been experiencing a paradigm shift in its policy since 1991. Its growing integration with the world economy has been bringing with it a sharp intensity of market competition, cheaper inputs and capital as well as better technology. The waves of liberalization and privatization accompanying with globalization has been releasing competitive forces also from within the economy. There is no doubt liberalization; privatization and globalization (the so-called LPG policy) have put Indian Industries under severe competitive pressure. The tea industry is no exception to this, the effect of globalization which has released sharp competition in the different sectors of Indian economy, including plantation economy mainly in the tea sector. In the context of India's on going policies on globalization and liberalization, however the tea industry of India has been encountering several problems from various corners. On the whole there are mounting pressures of competition on it both from the global and domestic markets. The tea growing countries, mainly Sri Lanka, Kenya, China and Indonesia etc. have been waging severe competition to Indian tea both in the global and India's domestic market. As a result export of tea has been declined due to emergence of new competitors, fall in quality and higher cost of production. Mainly the cheap tea from Sri Lanka, Kenya and China in the international market is a potential danger

for the tea industry of Assam and West Bengal. Since both the markets, domestic and international demand quality control at all production level so Indian Tea started to face a declining trend. The tea price has been declining since 1999, though the market experienced a marginal improvement in the year 2004. But the level was still below in comparison. The entry of duty free cheaper but inferior quality Sri Lankan tea is partly responsible for the general fall in tea prices and exports⁶. The marketing prospect of Indian tea has been seriously affected specially in the collapse of USSR and other East European countries in the global market. This incident had caused serious impact not only in the export market of Indian tea but in the domestic market also⁷.

As the globalization can be expressed in a simple sense as expansion of economic activities across political boundaries of a nation, so it is a process of increasing interdependence between countries in the world economy. The free movement of goods, services, ideas and people around the globe have made the trade and business more competitive by withdrawing major obstacles between the countries, on the other side it has opened the scope and opportunities to expand the economic activities within the countries and abroad, increasing economic openness, growing economic interdependence and deepening economic integration between the countries in the modern world economic scenario. In the light of this context let us see the scenario of Indian tea industry as well as the tea industry of West Bengal in the era of globalization⁸.

4.2 Growth and Development of Tea Industry in the Era of Globalization

4.2.1. Area of Production of Tea:

In the year 1991 the area under tea in India was recorded as 420470 hectare and in West Bengal the area under tea was 101922 hectare. In the year 1999 in West Bengal the plantation area had been expanded to 107430 hectare and in all India level the total area covered under tea had been registered as 490200 hectare. In respect of West Bengal the area under was expanded by 5508 hectare between

the periods 1991 to 1999, as percentage increase of 5.4 per cent (Table No. 4.1). Thereafter area under production of tea has been showing an increasing trend in all India level as well as in West Bengal. However, in respect of yearly average growth rate of area under tea, it is found the growth rate between the period 1991-1999 and 2000-2007. The growth rate in West Bengal is simply negligible which is below one per cent, whereas the all India growth rate has been accounted for nearly 2 per cent in both the phases. During the 20 years span the all India growth rate has been recorded as 1.60 and in respect of West Bengal it is as feeble as 0.609 per cent only (Table No. 4.2).

So area under tea has not been expanded considerably in West Bengal as well as in India. In West Bengal, the area under tea has been expanded in maximum in Terai region in the age of globalization.

Fig No 1 shows a comparison of expansion of area under tea between West Bengal and all India level.

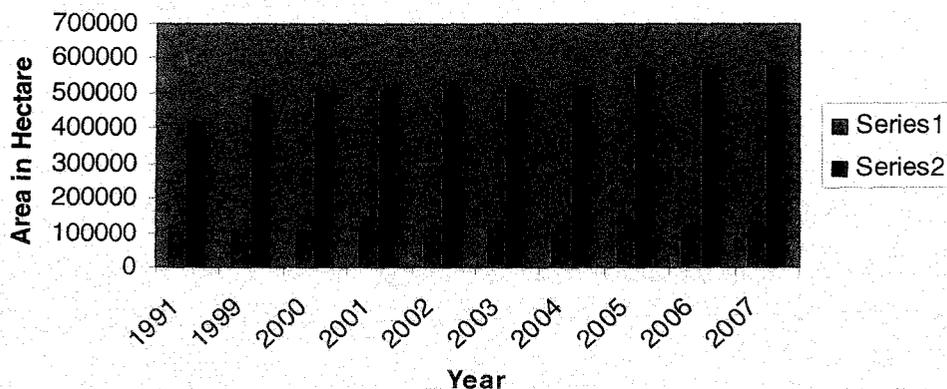
Table No. 4.1

Area under production of Tea during the period 1991-2007.

	1991	1999	2000	2001	2002	2003	2004	2005	2006	2007
West Bengal	20055	17604	17228	17453	17463	17580	17522	17539	17542	17818
India	13783	20118	205548	21258	22858	22971	235598	24313	24340	24359
West Bengal	68054	69708	69703	72109	72792	72800	72883	722673	72906	72918
India	101922	107430	107479	110820	113113	113351	114003	114525	114788	115095
West Bengal	345182	382130	390906	395113	401118	404884	406190	435788	447371	458718
India	175288	108070	113460	114693	114714	114714	115213	119823	119649	119740
West Bengal	420470	490200	504366	509806	515832	519598	521403	555611	567020	578458

Source: Tea Statistics, 2005-06, and 2003-04, Pub. by Tea Board of India and 2006-07.

Fig No4.1 Area Under Tea in west Bengal And All IndiaLevel



Source: Tea Statistics, 2005-06, and 2003-04, Pub. by Tea Board of India and 2006-07.

Table No. 4.2

Average Annual Growth rate of area under Tea.

States/Region	1991-1999	200-2007	1991-2007
Darjeeling	(-) 1.45	0.42	(-) 0.58
Terai	4.29	2.14	2.88
Dooars	0.26	0.56	0.345
West Bengal	0.58	0.85	0.609
North India	1.13	2.01	1.43
South India	4.09	0.67	2.34
All India	1.71	1.67	1.60

$$\text{Annual Average Growth rate} = (\sqrt[n]{A/P} - 1) \times 100$$

A= value of variable in final year

P=value of variable in initial year

n= No. of years

4.2.2. Quantity of Production:

At present India is the second largest producer of tea in the world. Till the year 2005, India had been regarded as the chief tea producing country before losing its position to China in the year 2006 (Tea Board of India Tea Statistics, 2005-06).

It is evident from the Table No. 4.3, that there had been a continuous upward trend in the production of tea in India till the year 2006. After then, Indian tea sector had been registered a slight downfall since the year 2007. In case of West Bengal similar trend of production scenario has been registered. During the 3-year period 2008 to 2010, Terai region experienced a little set back but its counterpart Dooars region used to maintain a consistency in respect of production of made tea. But ironically the production of famous Darjeeling brand which earns a premium value in the world market had dropped considerably from 11.58 million Kg. in 2008 to 8.86 million Kg. in 2010.

Table No. 4.3

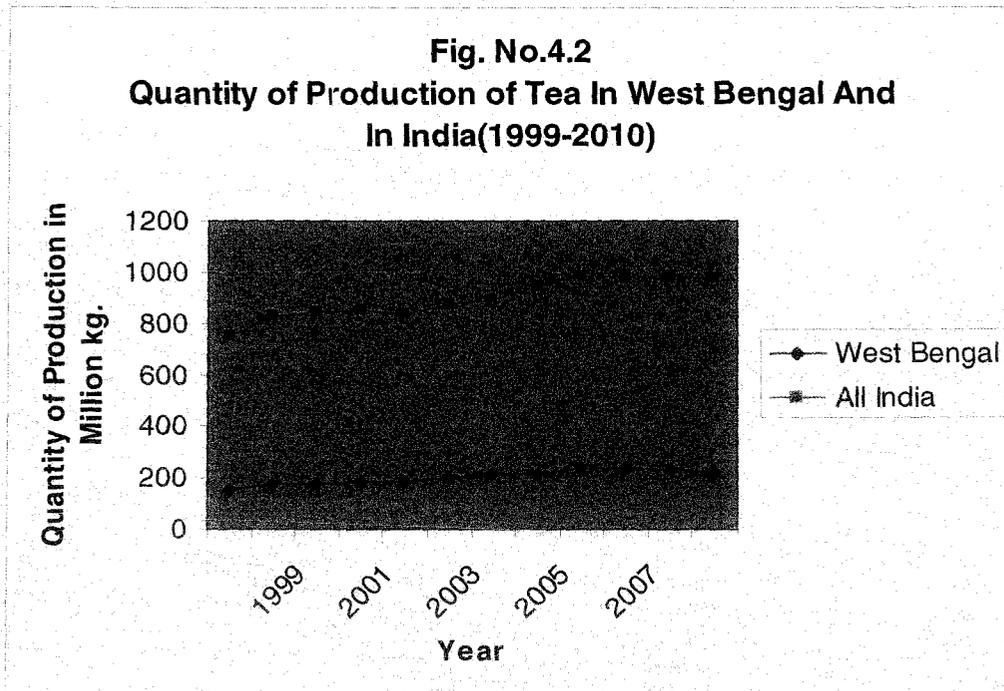
Quantity of Production of Tea in West Bengal and in All India (Production in million Kg)

States/Region	1991	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Darjeeling	13.93	8.05	9.28	9.84	9.18	9.58	10.06	11.31	10.85	10.00	11.58	10.74	8.86
Terai	23.39	42.52	43.29	49.39	53.60	59.78	69.24	77.07	87.06	87.50	79.51	74.04	76.35
Dooars	117.89	124.80	128.96	127.61	125.23	131.26	135.23	129.15	139.18	138.83	142.03	136.79	144.57
West Bengal	155.21	175.97	181.53	186.84	188.02	200.63	214.54	217.54	237.10	236.34	233.13	221.57	229.78
North India	562.92	623.26	640.75	650.80	631.74	648.27	662.18	718.42	753.24	751.62	733.92	734.87	723.02
South India	191.26	202.67	206.16	203.11	206.72	229.85	230.78	227.55	228.56	229.80	246.90	244.13	243.37
India	754.19	825.93	846.92	853.92	838.47	878.12	892.96	945.97	981.80	986.42	980.82	978.99	966.40

Source: Tea Statistics, 2005-06, 2003-04 and Report of Indian Tea Association 2010.

Fig no. 4.2 presents the trend of production of tea in West Bengal as well as in India.

Line Chart showing trend of production of tea in West Bengal and in India.



[Source: Tea Statistics, 2005-06, 2008-09 and report from Tea Board of India, (Siliguri Branch)]

4.3 Scenario of Production of Tea in India and in the world

At present tea is produced in more or less 34 countries in the world.

From the Table No. 4.4, we come to know the trend of world production of tea and share of Indian production in the world context. The table shows between the periods 1991 to 1995 there has been a clear view of stagnancy in production of tea in India as well as in the world. Thereafter, since 1996 there has been a clear picture of upward trend in production except the year 1999. This trend indicates all the major tea producing countries have increased their level of production as well as the new countries. (Tea Statistics 2005-2006).

Table No. 4.4

World Tea Production and Share of Indian Tea in World Production since 1991-2006.

(Quantity Million Kg)

Year	World Production (Million Kg.)	Production in India (Million Kg.)	Percentage of production of Indian tea in World.
1991	2631	754	28.66
1992	2438	732	30.02
1993	2553	761	29.80
1994	2523	753	29.84
1995	2525	756	29.94
1996	2654	780	29.38
1997	2743	810	29.53
1998	2991	874	29.22
1999	2908	826	28.40
2000	2914	847	29.06
2001	3060	854	27.90
2002	3085	838	27.16
2003	3517	878	27.29
2004	3334	893	26.78
2005	3457	946	27.36
2006	3573	982	27.48

Source: Tea Statistics 2003-04 & 2005-06

World scenario currently indicates that Asia and Africa are the prime growers and suppliers of tea world wide. More than 20 Asian and 15 African countries and others in South America, Oceania and Central America export the quantity excess over their internal consumption. The main importers of tea are European, North American. Australia and New Zealand import 90% of their requirements. Tea cultivation has become popular mainly due to its economical value in South America. Presently Argentina has emerged as an important producer producing tea in nearly 39,000 hectare. The country produced 88 million Kg. of tea in the year 2006 (Tea Statistics, 2005-2006). Brazil and Peru also have registered their names as tea producing countries. In Central America, Mexico has also small

area under tea. The people of temperate countries use tea and coffee as common beverage. Tea has been gaining its popularity because tea drinking allows lesser Caffeine intake than coffee and has greater medicinal value as a health drink⁹.

Table No. 4.5 gives an idea about the quantity of tea produced by the major Tea producing countries of the world.

Table No. 4.5
Scenario of World Tea Production
(Contribution by major tea producing countries).

Countries	2001	2002	2003	2004	2005	2006
India	854	838	878	893	946	982
China	701	745	768	835	935	1028
SriLanka	296	310	303	308	317	311
Kenya	294	287	294	324	323	310
Indonesia	167	162	170	165	156	140
Vietnam	80	88	107	119	133	142
Turkey	143	142	155	165	135	142
World Production	3035	3085	3217	3334	3457	3573

Source: Tea Statistics (2003-04 and 2005-06), Published by Tea Board of India.

It is evident from the above table, that there has been an increasing trend in the world tea production. Besides, India, China, Sri Lanka, Kenya, countries like Indonesia and Vietnam have emerged as important tea producing countries in the world as their quantity of production has been contributing considerable quantity in the global level.

4.4 Trend of Domestic Consumption in India.

Being one of the major tea producers of the world India is considered as the highest consumer of tea. Being the cheapest beverage amongst the beverages available in India it has become the most popular drink in India. India it has become the most popular drink in India. In India the domestic market has been expanded rapidly. Indian tea industry enjoys a preference due to steady internal market which

other producing countries except China do not. These countries like, Sri Lanka, Kenya, Indonesia, Malawi have no option but to sell their produce into the world market. On the other hand the habit of drinking tea is not only prevalent in Indian society, but it has also been spreading overtime. At the time of independence Indian domestic consumption was only 79 million Kg or nearly 13% of the total production of 255 million Kg. And this consumption jumped up to 597 million Kg or 74% of the total production of 780 million Kg in 1996¹⁰.

From the Table No. 4.6 the trend of domestic consumption in India can be known.

Table No. 4.6.

Trend of Domestic Consumption of Tea in India

Year	Domestic consumption	Quantity of production	% of share of domestic consumption
1971	221	435	51.00
1981	360	560	64.28
1991	511	754	67.77
1992	524	732	71.58
1993	537	761	70.56
1994	550	753	73.04
1995	562	756	74.33
1996	580	780	74.35
1997	597	810	73.70
1998	615	874	70.36
1999	633	826	76.63
2000	653	847	77.09
2001	673	854	78.80
2002	693	838	82.69
2003	714	878	81.32
2004	735	893	82.30
2005	757	946	80.02
2006	771	982	78.51
2007	786	986	79.71
2008	802	981	81.75
2009	819	979	83.65
2010	837	966	86.64

Source: Compiled from various issues of Tea Statistics, Pub. By Tea Board of India 2004-05, 2005-06 and 2009-2010

From the Table No. 4.6 it is evident that domestic consumption in India has been recorded an upwards trend since long before 1971. During the 90s the share of domestic consumption of India's total production hovers around between 70-80%. From the year 2002 and onwards this share of consumption crossed the 80% level and in the year 2010 the percentage of domestic consumption of India's total production of tea was nearly 87%. This result indicates India has a strong domestic market that helps the Indian tea industry to sustain and develop.

4.5 Globalization and its impact on the tea industry of India

Although India adopted the New Economic Policy with the process of liberalization in the year 1991, the participation of India in the process of globalization was however reaffirmed with the establishment of World Trade Organization in the year 1995. Since then, being the founder member of WTO. India has opened its economy for the private and foreign participants to operate into the Indian market¹¹.

4.5.1 Export Scenario of Indian Tea in the era of Globalization.

Tea as a beverage has been able to gain popularity among the consumers of more than 140 countries of the world. Out of this vast global market Indian tea reaches to the tea lovers of around 80 countries. For a long time India had been secured the first place as an exporter in the world tea market. But due to emergence of other exporting countries, such as Kenya and Sri Lanka, whose domestic consumption is simply negligible and China the highest tea producing country of the world has pushed India down from the first position to the fourth. China exports mainly green tea to the world tea market¹².

Till the end of the sixties United Kingdom was the largest importer of Indian tea. However, since eighties, a sea change has been witnessed in the direction of Indian tea export. The former USSR became the prime importer of Indian tea replacing the UK, due to existence of the bilateral trade agreement on Rupee payment basis. Due to this agreement Indian tea exporters enjoyed the advantage of exporting tea to USSR and other East European countries viz. Czechoslovakia, East

Germany, Poland, Hungary, Romania and Bulgaria. Over the years these countries switched over to the free trade and on convertible currency.

Moreover implementation of FERA (Foreign Exchange Regulation Act) Act, most of the Sterling Tea Companies turned their attention to start tea cultivation in Kenya. Kenya registered as the largest supplier of tea to UK since eighties. UK has substantial interests in tea cultivation in Kenya¹³. The export market in UK was so strong that in 1947 United Kingdom's share of Indian exports accounted for 66 per cent and in the year 2004 it declined to a meager 12 per cent only Till 70s U.K. was the major buyer of Indian tea. Since 80's USSR became the prime importer due to existence of trade agreement and till the year 1999 it accounted for more than 50 per cent of the total export of Indian tea. Till today, the former USSR has a preference for Indian orthodox varieties and accounted for nearly 45 per cent of Indian exports in 2004¹⁴.

4.5.2. Export Destination of Indian Tea

Countries like Poland, Yugoslavia, Afghanistan, Japan, Tunisia and Germany used to buy no teas from India in 1947, but today they have become important purchasers of Indian produce. Iraq, Iran, Gulf, Arab Republican Emirates (ARE) also have been purchasing sizeable quantity at present. But the USA, Canada, Australia, New Zealand and the U.K. have reduced their demand of Indian tea substantially. Since 1947, African countries, mainly Kenya have been putting stiff competition to Indian C.T.C. teas on the other hand Sri Lanka who produce mainly the Orthodox tea has been emerged as the main competitor in the field of orthodox variety. These two countries have been releasing serious threat in the global tea market against India¹⁵.

4.5.3. Trend of export volume of Tea since 1951 to recent period

In spite of becoming the second highest tea producer and the highest consumer in the world, India's international competitiveness in the global market has been on a declining trend. From being a pre-eminent supplier of the world tea market India has lost its strong export ground in virtually every export area. In the

year 2006 India accounted for nearly 14 per cent of world's tea export when its production share was around 27 per cent of world's production¹⁶. A scenario of Indian Tea export in comparison to world trade of tea can be stated by the following Table.

Table No. 4.7

Scenario of Tea export, trends in relative share of consumption and export in production and share of India tea in the world.

Year	World Tea Export (M.Kgs)	Export of tea from India (M. Kgs)	% share of Indian tea in the world.	% share of consumption in production.	% share of export in production.
1951	458	206	44.97	27.71	72.29
1961	546	206	37.72	41.80	58.20
1971	682	202	29.61	53.56	46.44
1981	853	242	28.37	56.78	43.21
1991	1078	203	18.83	55.17	20.92
1992	1017	175	17.20	76.09	23.90
1993	1156	175	15.13	77.00	22.99
1994	1036	151	14.57	79.94	20.05
1995	1095	168	15.34	77.78	22.22
1996	1129	162	13.34	79.23	20.77
1997	1206	203	16.83	74.93	25.07
1998	1307	210	16.06	75.97	24.03
1999	1264	192	15.18	76.76	23.25
2000	1331	207	15.55	75.56	24.44
2001	1392	182	13.07	78.68	21.32
2002	1443	201	13.92	76.01	23.99
2003	1401	174	12.41	80.18	19.82
2004	1541	198	12.84	77.82	22.17
2005	1570	199	12.67	78.96	21.04
2006	1581	219	13.85	77.69	22.31

Source: Compiled from various issues of Tea Statistics Pub. By Tea Board of India, 2003-04, 2004-05 and 2005-06

$$\text{Growth rate} = \left(\sqrt[n]{A/P} - 1 \right) \times 100$$

A= value of variable in final year

P=value of variable in initial year

n= No. of years

$$\text{CAGR (1991 - 1998)} = 0.42\%$$

$$1999-2006 = 1.65\%$$

In 1951 India exported nearly 45% of the world's export of tea which came down nearly 19% in the year 1991 and in the year 2006 it touched nearly 14%. The share of export in production which recorded more than 72% in 1951 came down to 58% after 10 years and since 2001 it varied between 20-24%. If we segregate the whole period of 1991-2006 in two phases we find during the period 1991-1998, the yearly average growth rate of export almost stagnant (0.42) and in the next phase that is 1999-2006 the average growth rate improved to 1.65 per cent. During the whole period of 20 years (1991-2010) the Indian tea industry has been recorded a negative growth rate in the field of export (-0.25).

Table No. 4.8

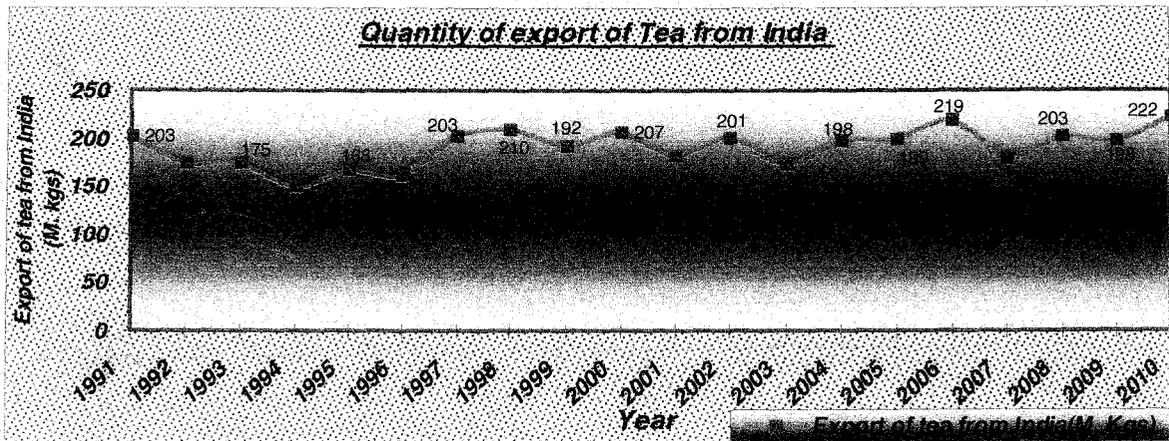
Recent Trend of export by the major tea exporting countries of the world.

Countries	2002	2004	2006	2008	2010
India	201	148	219	203	193
SriLanka	286	291	315	275(Jan.-Nov)	246 (Jan.-Nov)
Kenya	272	334	312	354 (Jan.-Nov)	406
China	252	280	287	273	274
Indonesia	100	99	95	75	65

[Source: Tea Board of India and Report of DBITA (Binnaguri). (Report Published)]

It is evident from the table No. 4.7 and 4.8 that after independence when India was the leader of the export market, its quantity of export was 206 million Kg in 1951 and after 60 years the export quantity accounted for 219 million Kg in the year 2006. The Table (4.8) shows there was a further reduction in the quantity of export in the year 2008 and in 2010. In the year 1991 India adopted the view of liberalized economic policy and in the year 1992, Indian export sector of tea witnessed a sharp decline accounting for 175 million kg in comparison to previous year total of 203 million Kg. The quantity declined to all time lowest in the year 1994 when India became able to export only 151 million Kg of tea.

Fig no. – 4.3



(Source: Tea Board of India and Report of DBITA(Binnaguri).

4.5.4. Disintegration of USSR and its effect on export of Indian Tea:

Till the end 1991, the erstwhile USSR (former Soviet Union) was the major importer of Indian tea accounting for more than 50 per cent of India's total quantity of export of tea. With the disintegration of USSR during the end of 1991 not only changed the world political situation, but it changed also the socio-economic conditions remarkably. The Rupee Trade Agreement between India and USSR abolished and, the Central Tea Buying Organization which was responsible for buying tea from India was replaced by a number of new Russian Importers. In India a large number of new entrants in export to Russia suddenly emerged. On the other hand Free Trade Economy paved the way for other tea producing countries and exporter to enter into the Russian market. As a result India lost ground in the export market of Russia and ultimately Indian tea industry suffered a loss.

Again, opening up of free economy in Poland and Foreign Exchange crisis in many of the major tea importing countries of the third world like Iran and ARE were regarded as other important factors for annual fluctuation of Indian tea exports¹⁷.

4.5.5. Reasons for declining export competitiveness of Indian tea:-

- i. After disintegration of former USSR in 1991, India lost a huge export market. In 1991 India exported 48.07 per cent of its total tea export to USSR. In the year 2001 it reduced to 24.36 per cent and in 2004 it further reduced to only 13.32 per cent¹⁸.
- ii. Indian tea lacks in quality compared to its competitors and one of the major reasons is mushrooming of small tea growers and Bought Leaf Factories in the era of liberalized economy. The growing share of poor quality of tea produced by these small producers not only affects the domestic price level but also damages the credential of export market of Indian tea. Another reason is change in consumer preference. Due to preference of other beverages like coffee, cold drinks etc, the consumption of tea in developed countries declined, especially in U. K.
- iii. Shift in production from Orthodox teas to CTC teas in India is another reason for losing export market. Orthodox teas have a larger demand worldwide, due to shifting of consumer taste from CTC to Orthodox variety. This resulted in Sri Lanka and Indonesia as major exporter because of their ability to supply good quality Orthodox tea. In respect of CTC variety India faces stiff competition from Kenya.
- iv. Emergence of new producers who are exporters also like East African and Latin American countries increased the world supply of tea. Naturally India has been gradually losing its supremacy in the export market.
- v. Depression of currencies in competing countries like Sri Lanka, Kenya and Indonesia increased their competitiveness of tea in the field of export.
- vi. Above all increasing trend of domestic demand in India improved the relative profitability of domestic sales against export¹⁹.

4.5.6 Globalization and Ethical Trade Partnership

Some of the developed countries have decided to import tea only from those countries who are the members of Ethical Trade Partnership (ETP). Some of the well established tea companies like Goodricke, Duncan's, etc have become the

members of ETP and they have the advantage to export tea to those advanced countries. On the other side, tea produced by the larger sectors is not able to export their produce easily and this incident has ultimately developed a declining trend on Indian total export on tea to a considerable extent.

Globalization has thus imposed a negative impact on the tea industry of India. Declining trend of export has inclined tremendous pressure on the tea price of India resulting to loss in profitability and loss in foreign exchange earnings.

As a consequence of this, the Indian tea industry experienced sickness, closure and abandonment and Dooars and Terai tea regions are not exception to this. In fact, the tea industry of Dooars has been the worst sufferers. At least 14 tea gardens have been either closed or abandoned according to the report of DBITA (Binnaguri).

Naturally, the tea workers have been in deep trouble and growing unrest among them has led towards unharmonious industrial relations in the tea gardens of West Bengal²⁰.

4.6. Globalization and Import of Tea in India.

When India adopted the new economic policy in the year 1991 it has to accept a lot of stringent international norms and practices in the sphere of international trade. The opening up of markets due to liberalized economic policy and as per the norms of World Trade Organization (WTO) which directs the free flow of goods and services between the member countries. It has resulted huge arrival of foreign tea in the domestic market of India²¹.

Being one of the signatories of WTO Government of India took the decision to reduce the import duty on a number of commodities and services that paved the way of easy entrance of foreign products in the Indian market, as the force of globalization has removed a number of trade barriers, the huge influx of cheaper quantity of tea in India internal market has imposed threat to the tea industry in India. This cheaper quality of tea is mixed with the better quality of Indian tea to develop a new blend to re-export. This act jeopardizes the image of Indian tea in the global market which has an adverse effect to expand the new export market, besides

this cheaper rate of tea affects the domestic tea price and as a result the profitability of the Indian tea industry suffers a set back.

The viability and success of the tea industry of Sri Lanka, Kenya, Indonesia, Vietnam etc. are highly dependent on export market as their domestic consumption is low. These countries have penetrated into the Indian domestic market utilizing the opportunity of globalization as the Government of India has removed quantitative restrictions on import²².

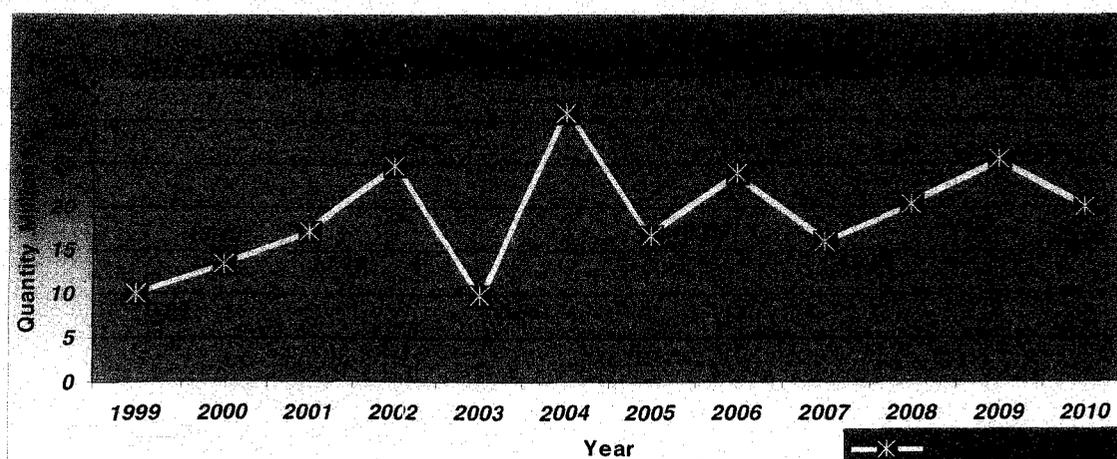
According to a proposal of the Ministry of Commerce, Government of India modified the export-import policy (1992-97) with a view to import teas for bulk re-export. But the Barons of Indian Tea Industry opposed this government policy. They asserted, if low grade imported teas are re-exported after blending with better quality of Indian teas in the form of tea bags, packets and instant tea, India would suffer in the export market in the long run by losing its credential. Another strong point the leaders of the tea industry raised, under the EXIM policy (1992-97) for tea, exporters were not allowed to sell any portion of the manufactured items in the domestic market. But once, huge quantity of tea was allowed to be imported, there would be a possibility of selling a part of such imported teas in the domestic market of India by a section of business houses particularly those face a stiff competition in the domestic market. So this type of liberalization, such as EXIM policy, agreement with ASEAN countries for lowering import tariff etc. may open the floodgates for import teas and would act against the growth and development of Indian tea industry²³.

The trend shows since 1999 the quantity of import has been increased till the year 2012 (Table 4.9). In the year 2003 the quantity had declined by a huge of more than 60%. But in the following year again the import had hiked by a massive rate of more than 212%. In the following year again the quantity of import had reduced by nearly 46%. Since then there had been ups and down in the field of import of tea in India.

Table No. 4.9
Quantity of Import of Tea into India.

Year	Quantity (Million Kg.)
1999	9.99
2000	13.43
2001	17.18
2002	24.80
2003	9.86
2004	30.80
2005	16.76
2006	23.95
2007	15.99
2008	20.28
2009	25.46
2010	20.04

Source: Tea Scenario, Indian Tea Association, 2010 and 2012.



Source: Tea Scenario, Indian Tea Association, 2010 and 2012.

4.6.1 Free Trade Agreement between the ASEAN countries.

One important point is due to the effect of the Free Trade Agreement (FTA) between India and the 10 members of the Association of Southeast Asian Nations (ASEAN) would eventually eliminate duty on 80% of the goods traded at present. The Most Favoured Nations (MFN) tariff rates currently applied on products such as coffee, palm oil, pepper and tea will be brought down in step by step and in respect of tea the commitment is to reduce tariffs from 100% to 50% by 2019. It is apprehended if import tariff is reduced in this way on tea, it will adversely affect the health of the Indian Tea Industry, and through the Lenient Rules of Origin, Chinese cheaper tea may enter into the Indian market which may create trouble for the Indian tea producers. Indonesia and Vietnam are considered major tea exporters among the ASEAN countries and they both export nearly 12% of the world's tea. Tea production in major ASEAN countries has increased by 3.6% annually, which is higher than the annual growth rate of world tea production (3.06%) during 1991-2008. Among these four ASEAN countries Vietnam registered the highest annual growth rate of 10.97% which is much higher than its growth rate of domestic consumption from production of 3.70% per annum leading to an increase in exportable surplus. In case of Thailand and Malaysia, with the decline in domestic consumption for tea from production, they have registered higher export growth rate during the period (1991-2007) ²⁴.

Table No.4.10

ASEAN Countries Tea Exports to India and World.

(Quantity in '000 tones)

Year	Malaysia		Thailand		Vietnam		Indonesia		India's total import	Total ASEAN export	
	India	World	India	World	India	World	India	World		India	World
2000	NA	0.65	0.01	0.59	2.46	55.66	6.01	105.58	NA	NA	NA
2005	0.17	1.16	-	-	0.80	32.79	2.17	102.29	18.65	3.14	137.7
2006	-	-	0.01	1.47	-	-	-	-	-	-	-
2008	0.02	1.61	0.01	2.36	-	-	3.80	96.21	23.20	5.09	215.9

Source: Estimation based on UN cemtrade, database, viewed on 28th January'10 (<http://cemtrade.un.org/db/>), presented by B. H. Nagoor & C. Natin Kumar, article:- Assuming the impact of the ASEAN-India FTA on the Tea Industry.

From the Table No.4.10 that since the year 2000 the two ASEAN countries Indonesia and Vietnam have emerged as important exporters of tea in the world as well as in India. Malaysia and Thailand, the other two countries are also trying to penetrate into the Indian market, though till the year 2008 they exported very little quantity of tea in India.

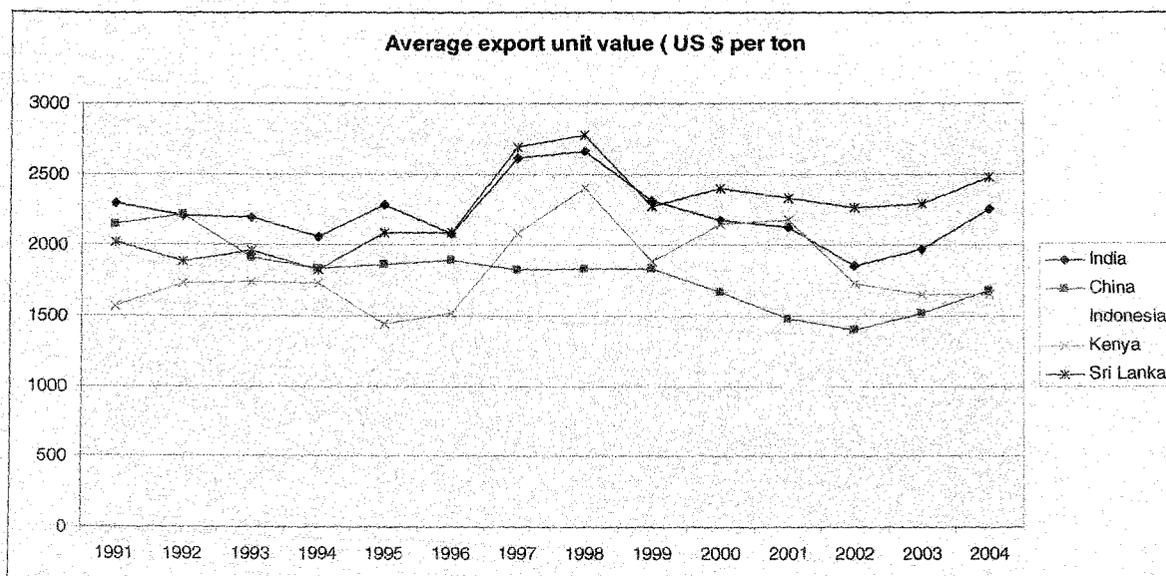
4.7 Argument in respect of selecting pre and post globalization period for the present study

We have already noticed that the process of globalization in India was initiated in the year 1991 in the wake of the unprecedented balance of payments problems and leading to a host of structural reforms. Our participation in the globalization process was however reaffirmed with the establishment of the World Trade Organization in 1995. Since then, India, being the founder member of WTO has come a long way in opening up the economy to private and foreign participation. Under the guidelines of WTO, India offered to reduce tariffs on capital goods, components, intermediate goods and industrial raw materials. However, India continued to maintain quantitative restrictions in the form of quotas, import and export licenses on 2700 agricultural commodities, textile and industrial products. United States along with Australia, New Zealand, Switzerland, European Economic Community and Canada had an objection to such quantitative restrictions as it went against the very norms of WTO. They made a complaint to the Dispute Settlement Machinery of WTO which gave its verdict against India. India decided to go for appeal, but the WTO panel on 23 August 1999 rejected India's appeal against quantitative restrictions. India was thus compelled to comply with the verdict of WTO Dispute Settlement Panel and thereby fully open its economy to rest of the world. This opened the floodgates for foreign consumer goods to enter the Indian market, thereby seriously damaging the Indian industry²⁵.

The price situation of agricultural commodities in the international market changed dramatically mostly from 1998 onwards. It started to fall down gradually, because of which Indian domestic price turned higher than international price, which motivated the exporters of other countries to export their agricultural

commodities in the Indian market. This situation resulted in a wide spread decline in agricultural export and had also created pressure on domestic prices are considered to be the root cause for the crisis most particularly felt in plantation industry in general and tea industry in particular.

Fig.4.5 Average Export unit value of major exporting countries

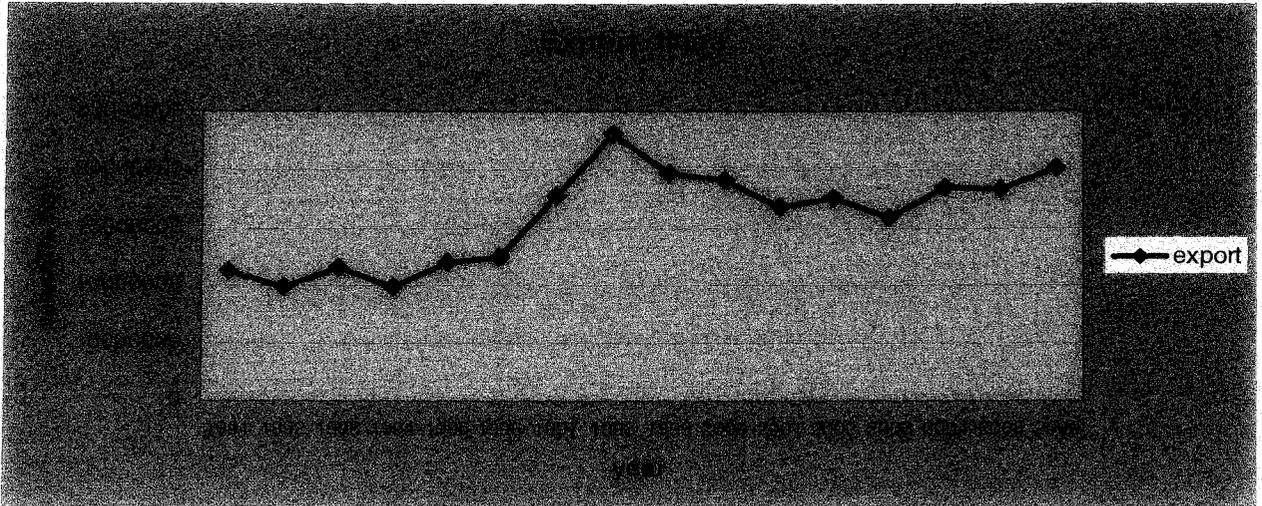


Source: Calculated from www.fao.org.

When we compare the Average Export unit value of major exporting countries (Fig.4.5) we find that from 1999 onwards there has been a declining tendency in the average value of tea exported. Because of global competition sparked by WTO, China, Sri Lanka, Indonesia and Kenya are seen to have cut down their prices to become more competitive. Indian tea price however remained far higher than those countries. As a result its export plunged down significantly²⁶. The export earnings from tea suffered mainly due to a sharp fall in international prices, as the quantum of exports in most cases did not drop. The cost of production of tea in India was comparatively higher than the other tea producing countries because of the huge social cost obligations. The Indian tea industry therefore could not stand in the highly competitive international market and lagged behind in global export potentiality From Fig.4.6 and Fig 4.7 we find that more specifically from 1998

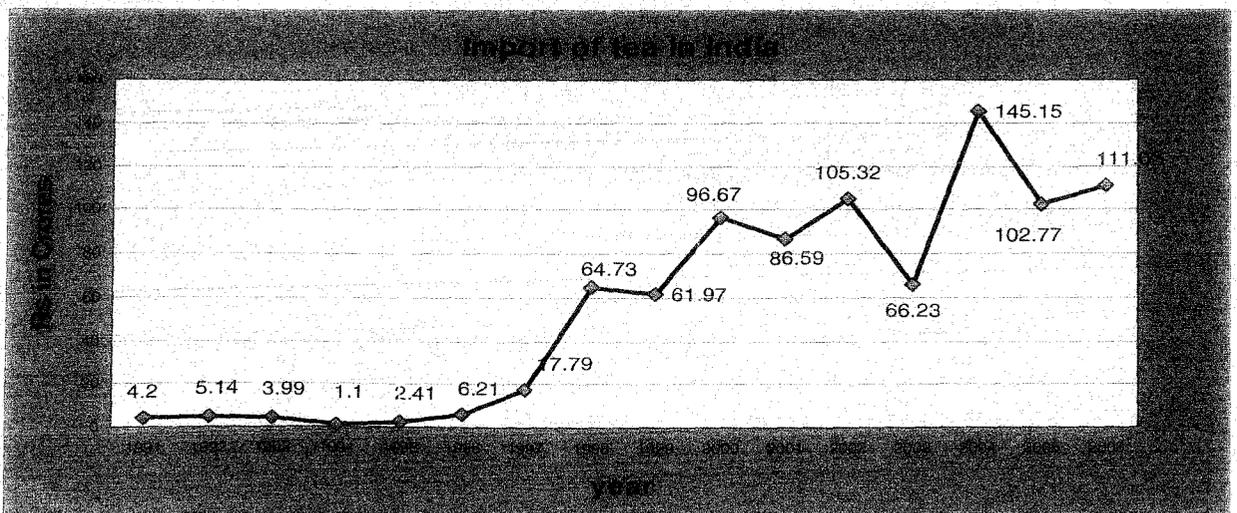
onwards, the import of tea into India increased phenomenally along with a sharp decline in the export growth.

Fig.4.6 Trends of Export of tea from India during the period 1991-2006



Source: Tea Digest 2006 and 2007 Tea Board of India

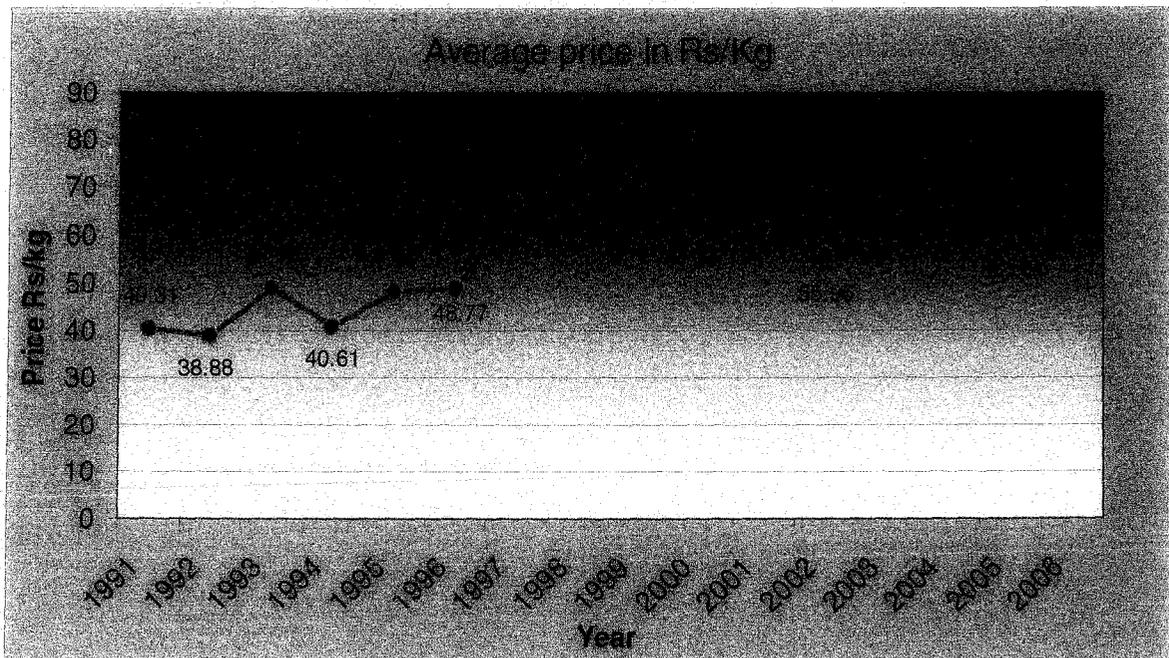
Fig.4.7 Import of tea in India during the period 1991-2006



Source: Tea Digest 2006 and 2007 Tea Board of India

So far as all India average auction prices are concerned, it too started declining from the year 1999. With the opening up of the Indian economy, foreign tea had an easy access to Indian tea market. It led to a situation of oversupply in the domestic market and as such prices started to decline gradually. (Fig 4.8)

Fig.4.8 All India Average Auction Price in Rs/Kg



Source: Tea Digest 2006 and 2007 Tea Board of India

If we consider the trends of the above mentioned factors, viz, import, export and market prices of tea, it can be concluded that major fluctuations/changes have taken place from the year 1998 onwards. It is quite obvious that usually it takes a couple of years to get the full effect of any new policy/regulation so we have taken the years 1991 to 1998 as pre globalization period and 1999 onwards as post globalization period considering the changes in the above mentioned factors as discussed earlier.

4.8 Globalization and Its Impact on Tea Price.

Globalization is an inevitable and irreversible process of economic, technological, social and political integration of the world. In this process a single but large free market economy known as global market have been emerged. This phenomenon has dismantled social and economical barriers and as a result it has released huge competitive forces in the market which have tremendously affected the plantation economy and particularly the tea plantation industry of India. The

policies of World Trade Organization (WTO) have played a key role to develop the sense of globalization and the WTO agreement has great impact on the tea industry of the world. Presently the tea industry of India has been experiencing a crisis arising out of high degree of competition. On the whole, there is mounting pressure of competition on it both in the global and domestic markets. As a result India witnessed a sharp fall in tea price mainly between the period 2000 and 2005 and decline in profitability.

In this chapter an attempt is made to analyze the impact of globalization in the tea industry of India at macro level and at micro level, with special reference to the tea industry of Dooars and Terai region and its effects on the industrial relation on this industry. Firstly we would put our attention on the macro level the impacts of Globalization on the tea industry of India and then on the tea industry in Dooars and Terai.

4.8.1. Depressed Price: The Root Cause

The trend of price behavior of agricultural commodities in the international market started to exhibit a dramatic turn around mainly from 1998 onwards. Comparatively, Indian domestic price was higher than international price, which motivated the exporters of other countries to export their agricultural produce in the Indian market accepting the opportunities of free market economy. This situation developed a wide spread depression in agricultural export and had also created huge pressure in the domestic market resulting decline in prices which is considered to be the root cause for the crisis and which affected the plantation industry in general and tea industry in particular²⁷.

4.8.2. Causes for Declining Tea Price

The forces of globalization had also affected the tea industry of India by allowing several multinational companies, such as, Coca Cola, Pepsi, Thums Up etc. to expand their business in the Indian market. These multinationals with their tremendous economical strength and effective management functions have penetrated even to the remote places of India²⁸. This has resulted that younger generation is gradually shifting their preference from tea to soft drinks. This

definitely has an adverse effect to the growth of internal consumption of tea in India²⁹.

One of the important aspects for declining in tea price in global market is the export of poor quality of tea. In India some quantities of teas are imported from countries like Vietnam, Indonesia etc. for the purpose of re-export. This poor quality of tea is mixed with the better Indian quality and the new brand thus produced is re-exported. This inferior quality of tea affects the image of the Indian tea in the global market which is full of competitive. Consequently, the price of Indian tea in the international market has been accounted a declining trend.

Table no. 4.11

Estimated World Demand and Supply of Tea

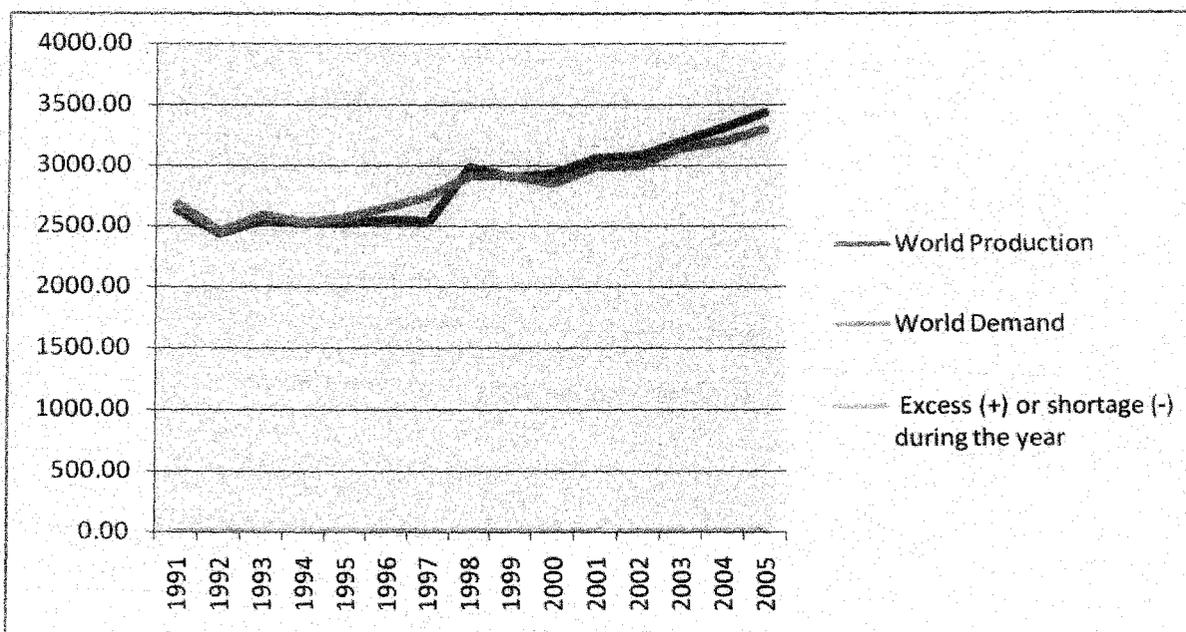
Year	World Production (Million Kgs)	World Demand (Million Kgs.)	Excess (+) or shortage (-) during the year.
1991	2631.05	2681.20	(+) 49.85
1992	2438.20	2450.05	(-) 11.85
1993	2553.24	2588.26	(-) 35.02
1994	2523.21	2522.46	(+) 00.75
1995	2525.02	2561.80	(-) 36.78
1996	2554.07	2645.35	(+) 8.72
1997	2543.31	2745.80	(-) 2.49
1998	299.00	2912.65	(+) 78.35
1999	2931.74	2913.67	(-) 5.22
2000	3960.53	2851.03	(+) 64.71
2001	3085.15	2982.92	(+) 77.61
2002	3201.81	2998.95	(+) 86.20
2003	3314.95	3147.95	(+) 54.86
2004	3435.65	3191.85	(+) 123.10
2005	3435.65	3301.91	(+) 133.74

Source: Tea Digest (2005-2006), Tea Board of India.

Another important factor for declining in tea price is a persistent situation of over supply of tea in the international market. The tea economies of some tea producing countries are dependent on export of tea, such as Kenya and Sri Lanka. Fierce competition is experienced between a numbers of such tea producing countries for market share by increasing production level. On the other side, a few numbers of multinationals controls the supply process from buying to retailing and enjoy the maximum profit. Interestingly when the auction price shows decreasing trend the retail maintains stability³⁰.

Fig. No. 4.9

Trend of Estimated World Demand and Supply of Tea.



Source: Tea Statics 2005-06 ,Tea Board of India

Table No. 4.11 presents the situation of world demand and supply of tea during the period 1991-2006. It is evident from the Table that there has been a trend of oversupply to tea since the year 1998 in the global market and this situation was responsible to reduce the tea price world wide.

Hindustan Lever announced in the year 2004 that, *“we have considerably improved the share of our food business with gross margin improvement.*

Our continuous focus on operational efficiencies and cost reduction has resulted in very good improvement in our operating margin.

International Labour Organization (ILO) released a report in 2005 stating that the big tea companies have been benefited from the fall of auction prices of tea and rise in retail prices of the same.”

A report published by the Government of Assam in 2004, stating, “*This widening gap between consumer and auction prices ... is cutting into the margins realized by the tea producers but is not being passed on to the consumer in the form of lowered tea price*”. “*Unfathomable that the retail price of tea has not come down with the fall of auction prices. Certainly, the margins of intermediaries are far too high.*”³¹

Table No. 4.12

The trend of retail price of tea in comparison to auction price (Kolkata Auction Centre).

Year	Kolkata	Delhi	Retail Tea Price		Kolkata Auction Price (per/Kg)
			Mumbai	Chennai	
1999	110	110	118	105	88.60
2000	114	115	120	105	81.09
2001	120	120	128	110	76.36
2002	120	120	130	115	69.06
2003	120	120	130	115	68.13
2004	120	120	130	115	80.40
2005	120	120	130	115	70.14
2006	120	120	130	115	79.76

Source: Tea Digest 2005-06, Tea Board of India.

One of the important factors for decreasing tea price is the market imperfection which is a typical evil of capitalism. One such imperfection that Indian Tea Industry experiences recently are the formation of **tacit cartel** among big buyers in the auction market which depresses the tea price, a report published by the

Indian Government in the year 2002 which reflected a merging of self-interest between brokers and buyers as well as co-operation among the buyers at auction centers deprived tea growers for earning a fair price by selling the output through auction sale³².

4.8.3 Factors Affecting Tea Price.

In India Tea Auction System plays a vital role for fixing tea selling price where fifty-five per cent of total production is sold through this system, the remaining quantity of tea is sold through private sales³³. Besides national and international influences, like other commodities tea prices are dependent on quality products, demand-supply situation and production level in other countries. On the other side, unlike other agriculture commodities tea price cycle has no linkage with the general economic cycles, but it is influenced by agro-climatic conditions. Tea price has less volatility than its major competitors Cocoa and Coffee because of the fact that tea production is less prone than Coffee and Cocoa due to the effect of weather and diseases³⁴.

The Indian tea industry has been passing through a period of depressed prices for a long time. This adverse economic condition of tea industry started from the year 1999 onwards. From the Table No. 4.13 the trends of fluctuation of auction prices of tea at all India level can be known. It is evident from the Table that the all India average auction prices for tea came down from Rs.76.43 per Kg. in 1998 to about Rs.56.03 per Kg. during 2003, indicating a price decline of nearly 26.69 per cent. In the following year there was an improvement by about 15 per cent but again in the year 2005, the tea price had declined to Rs.58.05 per Kg. However, from the year 2006 and onwards the tea prices at the all India level has been recording an upward trend, and this trend has been indicating a favourable time for the tea industry of India.

Table No. 4.13

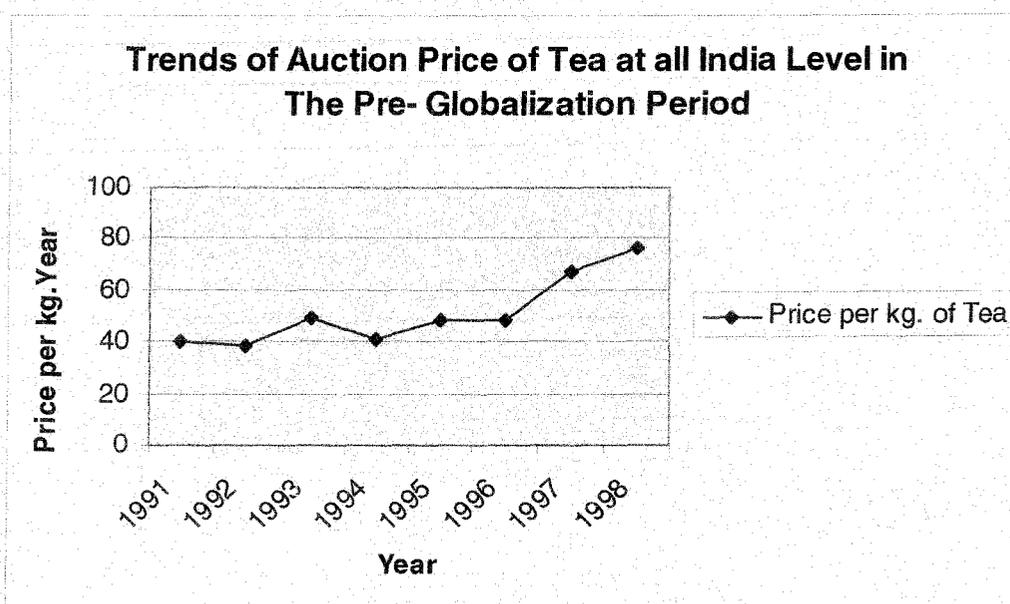
All India Average Auction Price in Rs/Kg.

Pre-Globalization Period.

Year	1991	1992	1993	1994	1995	1996	1997	1998
Price (P/Kg.)	40.31	38.88	48.93	40.61	47.99	48.77	66.89	76.43

Source: Tea Digest 2006 & 2007, Tea Board of India, and Tea Association of India, Report 2010 and 2011

Fig no. -4.10

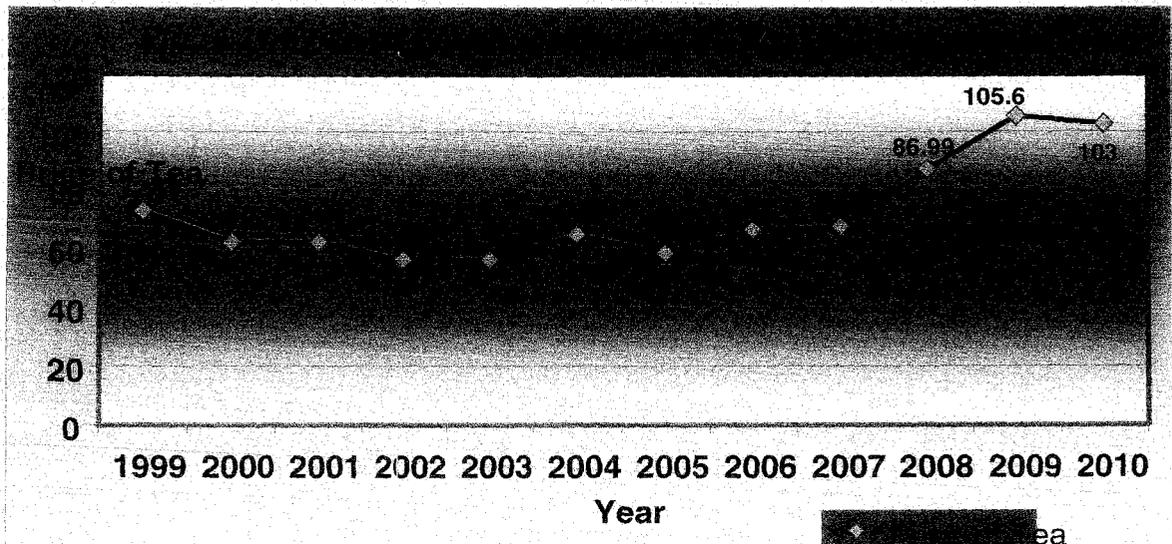


[Source: Tea Statistics 2005-2006, Tea Board of India]

Post Globalization Period.

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Price (P/Kg.)	72.79	61.71	61.66	55.96	56.03	64.54	58.05	66.01	67.27	86.99	105.60	103.79

Source: Tea Digest 2006 & 2007, Tea Board of India, and Tea Association of India, Report 2010 and 2011.



[Source: Tea Digest 2006-2007 published by Tea Board of India and report of Indian Tea Association 2010-2012]

The Table also reveals in the pre-globalization period also the tea industry witnessed price fluctuations during the period 1991 to 1995. During the post globalization era, after a huge set back during the period 1999 to 2005, the situation started to improve since the year 2006, and from the year 2008 onwards the improvement in price has been remarkable as the price of per Kg. of tea increased from Rs.58.05 in 2005 to Rs.105.60 in 2009 indicating an increase of almost 82 per cent, though in the year 2010 a slight decrease in per Kg. of selling price has been recorded.

Kolkata Auction Price.

The auction selling price of per/Kg. of tea at the Kolkata Auction Centre and at the Siliguri Auction Centre witnessed the same trend as was recorded at the all India level in respect of selling of per Kg. of made tea. At Kolkata Auction Centre the price of per Kg. of tea in the year 1998 was Rs.87.83 and it reduced to Rs.68.13 in the year 2003, representing the downfall by around 22.42 per cent. The price level of Siliguri Auction Centre showed no difference. In the year 1998, the selling price of per Kg. of tea was Rs.74.66 and it came down to Rs.54.58 in the year 2003 recording a decline of 26.27 per cent. However from the year 2006, the tea price has been recorded an upward trend and particularly from the year 2008 tea auction price

has been experienced a huge increase in terms of percentage which has been reflected from both the tea auction centres of Kolkata and Siliguri. At Kolkata Auction Centre in the year 2010, the tea price has recorded an increase of 89.57 per cent over the year 2005. In case of Siliguri Auction Centre the percentage increase tea price as recorded for the same tenure is 78.89 per cent.

Table No. 4.14

The Trend of Selling Price of per Kg. of Tea at the Kolkata Auction Centre.
Pre-Globalization Period.

Year	1999	1992	1993	1994	1995	1996	1997	1998
Price(Rs, P/Kg,)	48.22	43.86	54.96	49.56	55.63	58.76	79.88	87.83

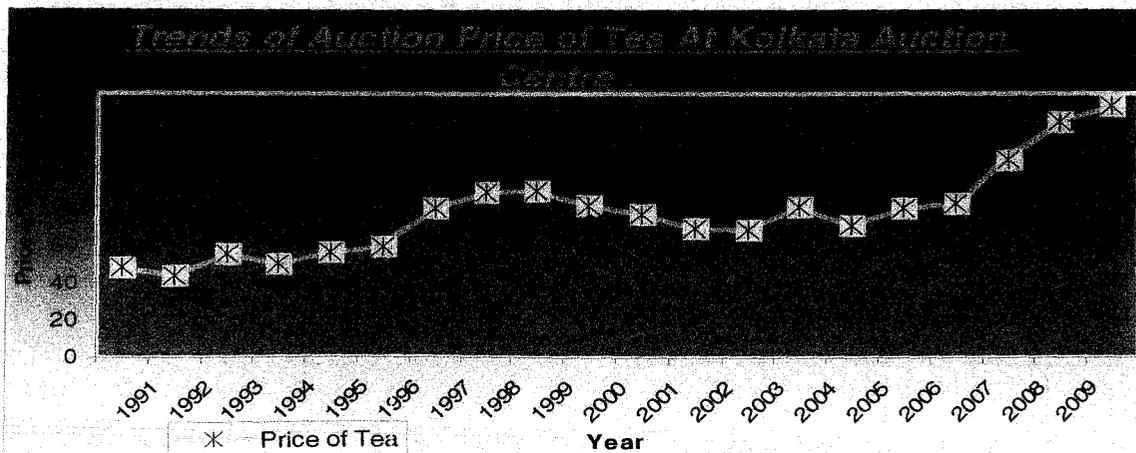
Post-Globalization Period

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Price Rs. P/Kg,	88.60	81.09	76.36	69.06	68.13	80.34	70.14	79.76	81.90	105.12	124.63	132.97

Source: Tea Digest, 2006 & 2007, Tea Board of India and India Tea Association, Report 2010 & 2011

Fig.No.4.12

Trend of Kolkata Auction Price of Tea.



Source: Tea Digest, 2006 & 2007, Tea Board of India, and Report of Indian Tea Association, 2010 and 2011.

Table No. 4.15

The Trend of Selling Price of Tea at Siliguri Auction Centre.

Pre-Globalization Period.

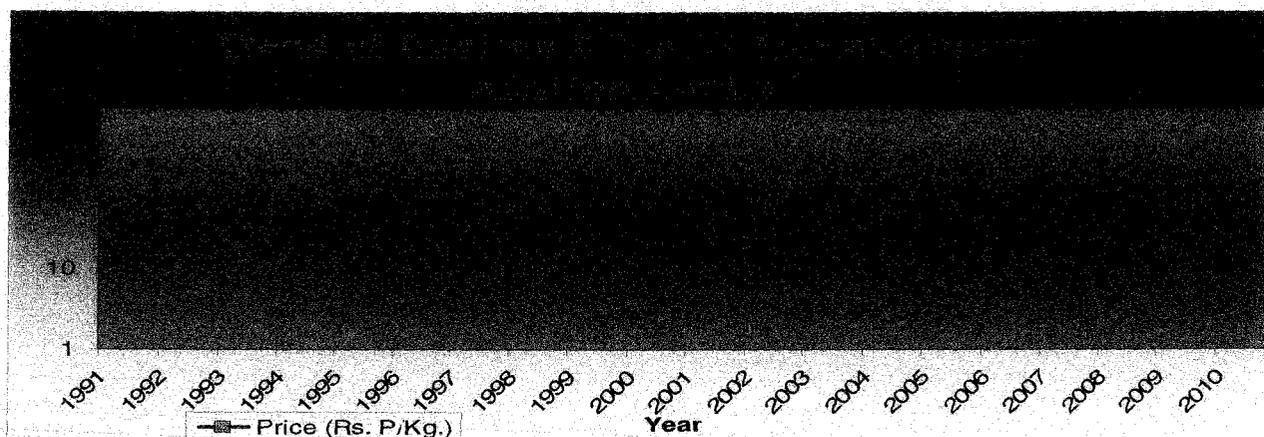
Year	1991	1992	1993	1994	1995	1996	1997	1998
Price (Rs, P/Kg).	37.79	37.25	47.82	38.18	47.72	47.73	65.47	74.66

Post-Globalization Period

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Price (Rs. P/Kg).	72.56	60.16	63.41	56.09	54.58	64.52	58.38	64.90	65.92	85.27	104.65	104.44

Source: Tea Digest, 2006 & 2007, Tea Board of India, and Report of Tea Association of India, 2010 & 2011.

Fig. No. - 4.13



Source: Tea Digest, 2006 & 2007, Tea Board of India and Report of Tea Association of India, 2010 & 2011.

From the Fig. 4.12 and 4.13, it has been revealed that in the pre-globalization period, there had been steady rise in tea price between the period 1996 and 1998. At Kolkata Auction Centre tea price jumped from Rs.58.76 in 1996 to Rs.87.83 in the year 1998, a massive increase of 49.47 per cent and at Siliguri Auction Centre this

increase was 56.42 per cent during the same period. It was the time when the tea industry of India experienced a boom period. During this time tea industry earned huge profits and the tea workers also enjoyed some sorts of benefits in the form of welfare measures, regular payment of wages, subsidized rations were given at a regular basis, timely payment of bonus, gratuity, provident funds etc. As a result a cordial industrial relation had been prevailed in the tea industry of West Bengal as a whole. However, these rosy days of tea industry did not last long. The process of globalization opened the avenues for the global operators to enter into the tea market of India. Ironically, Indian tea industry was not prepared enough to compete with these global competitors and to face the global challenges. With the old form of production process applying the older technology the Indian tea industry lagged behind in the race. The management did not think about the up gradation of technology, re-plantation scheme could not be followed properly and gradually the Indian tea industry has become weaker and less competitive. However, since the 2006 onwards situation has been turned in a favorable way by raising the tea price which was the root cause for the crisis in tea industry.

From the above discussion we found that the tea industry of India as well as the tea industry of West Bengal with special reference of Dooars and Terai regions have been affected badly mainly due to fall in tea price . The reasons behind this decrease in tea price are over supply of tea in the world market, stagnation or downward trend of export of tea from India increasing trend of import etc. This situation has declined the profitability of the tea industry.

4.9. Cost of Production of tea in the pre and post globalization period .

Cost of production has been regarded as the most determining factor of profitability of the tea industry with the mounting pressure of increasing stiff competition in the global tea market. The cost of production has become all the more important. There are different components of cost in tea industry like labour cost, input (raw material) costs, such as fertilizers, medicines etc. transportation cost, energy cost, various taxes to the government and so on.

Labour cost accounts for more than fifty per cent of the unit cost of production. High fuel cost, dilapidated infrastructure including transportation uprisings trend of fertilizers and manure costs etc. result in high cost of production. This situation has made the Indian tea industry uncompetitive in the global market³⁵.

During the time span 1991 to 2010 the direct wages have increased by nearly 275 per cent, which definitely has inflated the total cost of production. On the other side huge burden of social costs in India has further swelled the cost of production. It is hardly necessary to mention that the tea industry of India bears the highest quantum of social costs as compared to its competitors. In India, overall labour costs accounts for as much as 60 per cent of total cost of production, while in Kenya and Sri Lanka it is recorded as 43 per cent and 54 percent respectively³⁶.

The social costs bear by the large and organized tea estates has a great impact on the total cost of production which is around 5-8 per cent of the total costs. As tea industry is labour intensive around 60 per cent of the total costs is incurred as labour costs. The cost which is born by the Indian tea industry for welfare measure of the workers is around Rs.3 billion per annum. In an industry with a total turnover of Rs.78 billion per annum, this burden is likely too high as feel by the tea estate owners. This cost implies an additional increase of Rs.4.12 per kg. in North East India and Rs.3.44 per kg. in South India and thus increases the price per kg of made tea. Lack of management activities high age of tea bush, high overhead costs, and poor agricultural practices etc. also play very vital role to push the cost of production of made tea³⁷.

4.9.1. Cost of Production of Small Tea Sector.

The cost of production of small tea sector BLFs combination production system, known as unorganized sector in the tea map of India is comparatively lower than the big tea estates, primarily because there are many hidden family labour costs, low wage rate of the workers and this sector does not bother to bear the social costs. Which the organized sectors are bound to bear it legally³⁸.

The small tea sector, which has a mushroom growth, has relatively lower cost of production than that of estate plantations, primarily there are many hidden

family labour costs and this sector do not follow the legislations or specific laws relating to plantation economy and so do not have to bear the social costs. So this sector functions at low cost parameters and enjoy the marketing edge.

From the following table the cost of production of per Kg. of green leaf of small growers is known.

Table No. 4.16

	West Bengal (Rs)	Assam (Rs)	Tripura (Rs)	Nilgiris (Rs)	Kerala (Rs)
Inputs- Fertilizers/Pesticides etc.	1.74	2.12	1.60	1.78	1.26
Wages	3.58	2.87	2.73	2.92	4.54
Direct expenses	0.15	0.69	0.32	0.11	0.19
Overheads	0.81	0.64	0.42	0.52	0.60
Total cost of per/Kg of green leaf	6.27	6.32	5.07	5.33	6.59
Average price realization	7.41	5.50	4.54	4.87	5.35

Source: Compiled report on small tea gardens (2005), Tea Board of India (Presented by SOMO, p. 73).

It is evident from the above Table that the cost of production of per Kg. of green leaf produced by the small growers in Kerala is the highest followed by West Bengal. Whereas the small tea sectors of Nilgiri Hills of Tamil Nadu has the lowest cost of production.

4.9.2. Cost of Production and Productivity.

Another important factor which influences the cost of production of Indian tea is the stagnation of productivity level in India in comparison to other global producers who play very important role in the world market.

Productivity is measured by yield (Kg/Hect.), which is affected by aspects such as, climate, soil condition, proper application of necessary inputs, age of the tea bushes and labour productivity³⁹.

Table No. 4.17 presents a clear picture of stagnation of productivity in Indian Tea Industry. On the other hand China and Sri Lanka have recorded a continuous increasing trend since 1995. Though Kenya has highest rate of productivity there has been a sign of downward trend since 2005.

Table No. 4.17

Productivity (yield Kg/Hect) of Four Major Tea Producing Countries.

Countries	1995	1996	2003	2004	2005	2006
India	1770	1809	1690	1713	1703	1732
China	528	538	636	662	692	718
Sri Lanka	1304	1349	1611	1638	1683	1648
Kenya	2136	2190	2235	2470	2289	2112

Source: Tea Statistics, 2005-06, Tea Board of India.

4.9.3 Cost of production of Made Tea in Dooars and Terai

The data collected from the selected tea gardens of Dooars and Terai reveals there has been a gradual increase in respect of cost of production of per Kg. of made tea since the year 1991 onwards.

The trend of cost of production of per Kg. of tea produced in the tea garden of Dooars and Terai is displayed by the Table No. 4.18.

Table No. 4.18

Average cost of per Kg. of Made Tea on the basis of studied Tea Gardens of Dooars and Terai Region.

Pre-Globalization (Sample size – 30 gardens)

Year	1991	1992	1993	1994	1995	1996	1997	1998
Cost (Rs./Kg.)	32.66	34.68	36.32	37.58	39.53	41.38	43.85	47.84

Post-Globalization

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2019	2010
Cost (Rs. P/Kg.)	52.62	56.88	60.58	63.64	66.75	70.38	68.13	68.46	70.39	73.60	78.25	81.57

[Source: Individual Tea Garden records.]

The Table shows in both pre and post globalization period the production costs of tea has been recording an upward trend. But the average production cost of per Kg. of Made Tea during the post-globalization period b (Rs.67.66 per kg.) is greater than the cost of per Kg. of made tea during the pre-globalization period (Rs.39.10).

With the increasing tendency of cost of production of made tea and the decreasing trend of selling price of tea as revealed by the Tea Auction Centre, this dual effect had pushed the Indian tea industry as well as the tea industry of Dooars and Terai in a crisis zone mainly during the period 2000 to 2005. As a result profit earning capacity of the industry has greatly affected and it made an adverse impact in the industrial relations of the tea industry of North Bengal. The situation became so critical that during the period 2002 to 2007 the employer of the tea gardens of Dooars and Terai had to sell their produce below the production cost. This can be proved by the evidence of the following table.

Table No. 4.19

Comparison between Cost of Production of per Kg. of Tea and Auction selling price.

Year	Cost of Production (Selected garden) (Rs)	Average selling price (Per Kg) (Siliguri Auction Centre)
2000	56.88	60.20
2001	60.59	63.41
2002	63.64	56.09
2003	66.75	54.58
2004	70.38	64.13
2005	68.13	58.38
2006	68.46	64.90
2007	70.39	65.92
2008	73.60	85.27
2009	78.65	104.65
2010	81.57	104.44

Source: Data collected from individual tea gardens and Tea Statistics, 2005-06, Tea Board of India.

It is evident from the above table that from the year 2002 onwards the auction selling price (Siliguri Auction Centre of, per Kg. of made Tea) had been accounted below the cost of production. This critical situation continued till the year 2007.

Analysts agreed the prices of tea was driven down by an over supply of tea in the Indian domestic market due to decrease in demand of Indian tea in the global market and for this tea companies are responsible for exporting low quality tea destroying the Indian credibility. In South India auction prices of tea had dropped by 33 per cent since 1998 from Rs.69 per Kg. to Rs.46 per Kg. in the 2004. In Northern India auction prices was fallen by 12 per cent during the same period. The situation turned towards critical when a number of plantations and tea growers used to sell their produce at a price less than cost of production. The Tea Board of India and Indian Tea Association estimated during this period the cost of production of per Kg. of tea procured varied between 65-75 rupees⁴⁰.

It is evident from the Table No. 4.19 that between the period 2002 to 2007 the tea estates of Dooars and Terai had to bear a huge loss as there was a big gap between the cost of production and auction selling price of per Kg. of Made Tea. Naturally during this period the management of the tea gardens of Dooars and Terai could not provide necessary amenities of life as per the PLA, 1951 and liabilities on different heads mounted up. In this situation the workers became the worst sufferer. A large amount of provident fund and gratuity money became due, arrear wages and rations of many gardens were not cleared by the management. There was delayed in wage hike and welfare costs either became stagnant or reduced. In spite of this situation the tea gardens of Dooars and Terai did not witness any strong and violent labour movement. It may be the union leaders as well as the general workers realized the weak financial conditions of the tea industry due to sharp fall of tea price and higher cost of production.

So, from the above discussion it is understood a crisis had been developed in the tea industry of West Bengal, mainly in Dooars and Terai region since 2000 onwards and the prime cause is decline in auction selling price of tea and increasing trend of cost of production. This situation has developed tremendous financial crisis in the tea industry of India and the tea industry of Dooars and Terai.

4.10 Emergence of Small Tea Sectors and Bought Leaf Factories in the Era of Globalization.

One of the very important facts that the Indian tea sector witnessed in the era of globalization is the emergence of small tea growers and establishment of Bought Leaf Factories (BLFs). Over the past 10-15 year time span the mushroom growth of small tea sectors had assumed a form of socio-economic movement and acted as a force for social transformation in the North-East region as well as North Bengal and Bihar. These small tea gardens have also opened up new avenues for generating employment opportunities, mainly in the rural areas by establishing tea factories in the small scale industry sector known as Bought Leaf Factories (BLFs). Presently this tiny sector is accounting for 26 per cent of the total production of tea in India. This sector operates at low cost parameter in comparison to age old organized sectors. Because the major strength of this sector lies in the young and most major strength of this sector lies in the young and most productive age of the plantations of reasonably high colonel composition, low cost of production and the young and energetic youth segment of the entrepreneurs powered by new and improved agro-techniques. The success story of the tea industry in both Kenya and Sri Lanka is intimately linked with this small tea sector over the past few decades. In India, the small tea growers have been established themselves as a major player for the growth and developments of Indian tea industry.

The output from the small tea sector has gone up by 160 million Kg from 97 million Kg. in 2000 to 257 million Kg. in 2009 that is the percentage share has increased from 11 per cent to 26 per cent during this period. The new planting carried out from mid 1990 onwards is the main architect for this bulk-production. On the other hand due to old age bushes and low productivity the contribution by the organized tea sector had declined by 53 million Kg. during the time span of 2000 to 2009⁴¹.

The tea growing regions of West Bengal underwent sea-change when from the mid-1980s onwards small tea plantations started to emerge mainly in the non-traditional areas of North Bengal region. The South Indian tea plantations had already marked their footsteps in the tea economy, but for the West Bengal tea

industry, this was a new phenomenon and there were several reasons for such development. Firstly, the state policy of land redistribution system available from surplus acres of land over scheduled ceiling since 1970 to landless farmers both for cultivation and residential purposes, leaving little land that could be granted for new tea leases. Tea production in West Bengal has remained confined to traditional tea growing regions of Darjeeling hills, Dooars of Jalpaiguri district and plain area of Darjeeling district, known as Terai, wherein the conversion of forest lands to revenue lands has reached at saturated point after independence. In any case, most of the larger tea estates in the region were established well before the 1930s.

Indian tea industry experienced a boom period from the mid-1980s. During that time, West Bengal tea sector eagerly sought the release of additional land for expansion to utilize the opportunity. But the existence of the Forest Conservation Act put a restriction on conversion of lands classified as forest for plantation purpose. Another important matter for growing small tea sector is, the vested lands acquired through land ceiling policy and redistributed to landless people were frequently found unsuitable for the cultivation of agricultural products, such as paddy, consequently, the idea of converting this land for the cultivation of tea by the small growers was conceived, in spite of existence of legal barriers.

In view of the land redistribution programme of the West Bengal government to the landless beneficiaries, the tea industry of West Bengal appreciated the step and they wished to settle this vested lands with small growers, preferably ex-tea workers and others living in the vicinity of the estates, who would sell the green tea leaves at the price determined on the quality of such green leaves to the small or nucleus factories. As a result a number of "project tea gardens" in the traditional and non-traditional tea-growing areas of West Bengal during late 1980s and early 1990s were established.

Although the conversion activities of farmlands to small tea gardens in West Bengal took place intermittently throughout 1990s, but the extent of transfer became visible only when the Tea Board published the statistical information regarding the operational works of small tea sectors from 1998 onwards.

In 1996, there were 162 BLFs and 29 co-operative factories in India and they jointly produced 67.01 million Kg. of made tea as a whole. At that period the BLFs of West Bengal and Assam together produced 5.09 million Kg. of made tea, representing just over 7.6 per cent of the total tea produced outside the traditional estate sector in India [Tea Board, 2002].

Since then within four years time span in the year 2000 Assam produced 37.68 million kg. of tea from 105 BLFs, and 46 BLFs in West Bengal produced 16.9 million kg. of tea, 11.88 million kg. or more than 70 per cent of the tea from BLFs in West Bengal was produced at 26 factories located in Terai region of Darjeeling district and 20 BLFs situated in Dooars of Jalpaiguri district produced the rest quantity, that is 5.02 million kg. Gradually the number of BLFs and production of tea from the small tea sectors started to increase in Assam and West Bengal⁴².

From 1990 onwards a tendency had been developed on the part of the small land owners to convert their small area of land into tea gardens. It was due to higher rate of price of tea motivated them to convert the land for the production of tea with a view to earn higher income. It was observed that many people who were the owners of small area of land mainly the cultivators and producers of pineapples, potatoes etc. had converted their gardens into small tea sector. As a process a large number of small tea growers were emerged between the periods 1990 to 2000. The upwards trend of auction tea price which reached at its peak in the year 1998 provided huge amount of profit to these small tea growers⁴³.

These small tea sectors have created tremendous challenges before the organized tea estates when from the later part of 1999 and onwards the auction price of tea started to experience sharp decline reducing the profit margin mainly of these big and organized tea estates⁴⁴.

In West Bengal the small tea gardens are scattered in three localities, such as Islampur Sub-division of Uttar Dinajpur District, Khoribari-Phansidewa Block of Darjeeling district and Raiganj Block of Jalpaiguri district. Mainly the cultivators of pineapple of these area resorted to tea cultivation due to lack of marketing facilities. In the absence of suitable market the pineapple growers had to face a lot of

problems to sell these perishable goods along with price fluctuations. All these hurdles led pineapple growers to shift from pineapple to tea.

As the small tea sectors have no factory of their own to produce made tea, a lot of Bought Leaf Factories have been established during this period of time. Small tea growers sell green leaf to these BLFs and in this process made tea is produced and sold in the market. So the two separate area of economic activities work for a common purpose creating employment opportunities mainly in the rural areas.

The small tea sectors generally employ casual labour. So the owners have little or no liability to follow the Plantation Labour Act, 1951 which has provided various welfare measures to protect and upgrade the living conditions of the workers. These labours are poorly paid and there is no question of paying provident fund or gratuity or like. This sector and BLFs do not bear the social costs which are one of the important components of cost of production of made tea. The cost of production of established tea estates becomes higher due to this social costs in comparison to un-organized small tea sectors⁴⁵.

4.10.1 Trend of Growth and Development of Small Tea Sectors and Bought Leaf Factories

From the Table No. 4.20 we can analyze the recent trend of growth and development of small tea sector and Bought Leaf Factories. In the year 2002 the total number of BLFs in India was 371 and they produced 157 million Kg. of tea contributing 18.78 per cent of total tea production in India of 838 million Kg. The contribution of small tea sector of North India in 2002 was 88.40 million Kg. or nearly 56 per cent. The BLFs of West Bengal produced 33.44 million Kg. from 56 factories. Terai produced 22.14 million Kg. from 36 BLFs, and Dooars produced 11.30 million Kg. from 20 BLFs.

In 2004, the number of BLFs increased to 466 and total production from this small sector accounted 214.13 million Kg. which is around 24 per cent of total tea production in India. In that year Terai region produced 33.49 million Kr and Dooars contributed 16.10 million Kg from 46 and 33 BLFs respectively. In the year 2006 the total number of BLFs in India recorded as 487 when the quantity of production

of tea was 239.96 million Kg. In that year West Bengal produced 59 million Kg of tea from 85 BLFs. Terai contributed 42.03 million Kg from 47 BLFs and 38 BLFs of Dooars produced 16.97 million Kg. So, since 2002 onwards increasing trend in respect of number of BLFs and quantity of production has been experienced by the small tea sector in India as well as in West Bengal. Another important point when the number of factories in North India showed an increasing trend during the period 2002 to 2006, the trend of South India recorded a negative trend. In respect of production the same trend is observed, except in the year 2006 when the quantity of production witnessed a little increase over 2005.

The performance of small growers of Assam, the highest tea producing state of India is also encouraging. In the year 2002, Assam small tea sector produced 53.24 million kg from 139 BLFs. In 2006 the number of factories increased to 203 the production crossed the 100 million kg mark. So, the two prime tea producing states of India witnessed a positive trend of growth in respect of small tea sectors.

Table No. 4.20

No. of Bought Leaf Factories and Quantity of production (in Million Kgs.)

States	Bought Leaf Factories	2002		2003		2004		2005		2006	
		No	Prod								
Assam		139	53.24	151	65.28	162	77.60	191	91.47	203	101.41
West Bengal											
Terai		36	22.14	43	26.28	46	33.49	47	38.54	47	42.03
Dooars		20	11.30	26	11.46	33	16.10	38	16.68	38	16.97
Total West Bengal		56	33.44	69	37.74	79	49.59	85	55.22	85	59.00
Total North India		199	88.40	228	105.80	261	130.34	306	105.52	318	164.30
Tamil Nadu		159	67.43	182	75.80	185	80.72	150	69.76	150	72.44
Kerala		12	0.94	16	2.32	18	2.95	18	2.48	18	2.41
Karnataka		1	0.23	2	0.07	2	0.12	2	0.06	1	0.21
Total South India		172	68.60	200	78.19	205	83.79	170	72.30	169	75.06
All India		371	157.00	428	183.99	466	214.13	476	222.82	487	239.36

Source: Tea Statistics, 2003-04 and 2005-06, published by Tea Board of India (P.17).

From the same table it is found in West Bengal the small tea sector has grown steadily in North Bengal in a decade, when quantity of production from this sector accounted 70 million Kg. of tea a year – more than one-third of the total production of nearly 200 million Kg. annually as per the records presented by the Tea Board of India. This handsome growth of small tea sector in the four districts (table no. 4.21) of North Bengal such as, North Dinajpur, Jalpaiguri, Darjeeling and Cooch Behar employ around 70,000 people. Another one lakh workforce is dependent indirectly on this sector with its 20,000 plantations. A survey conducted by the State Land and Land Reform Department revealed this picture on the status of small tea growers. By the end 2009, the 20,000 plantations are spread over 63,498.90 acres. In 1998, when this sector was started to grow, there were 5675 plantations covering over 35,000 acres of plantation area.

Mr. Bijoygopal Chakraborty, the Vice-president of the United Forum of Small Tea Growers' Association remarked "hundreds of paddy cultivators have shifted to tea, the sole reason being the prices and the market. The rise in domestic consumption as well as exports has further added to change."

The following table presents the status of small tea sectors as on 31st December 2009.

Table No. 4.21
Status of Small Tea Sector.

District	No. of Plantations	Area (in acres)
North Dinajpur	10,397	27,153.49
Jalpaiguri	5,777	22,196.31
Darjeeling	3,637	10,034.58
Cooch Behar	541	4,114.52

Source: State Land and Land Reform Department. (The Telegraph, Friday, 15th January, 2010, p. 6).

Table No. 4.22

Performance of Small Tea Sector of West Bengal.

Year	Total Production in West Bengal (M. Kgs.)	Production in Small Tea Sector (M. Kgs)	Percentage
2002	188.02	33.44	17.78
2003	200.63	37.74	18.81
2004	214.54	49.59	23.11
2005	217.54	55.22	25.38
2006	237.10	59.00	24.88

Source: Tea Statistics, 2005-06, Published by Tea Board.

The above table shows that the share of contribution of small tea sector in respect of total tea production in West Bengal has been increasing since 2002, though in the year 2006, quantity of production increased over 2005, but as a percentage share there is a slight reduction. Again in 2009 the production increased to 70 million Kg. (The Telegraph, dated 15th January, 2009, p. 6).

This indicates the small growers of North Bengal play significant role in the tea economy of West Bengal. The transformation of agricultural land into tea cultivation generally belonged to marginal farmers and other to use this land as economically viable and they became agree to accept the offer made by the nodal tea estates. The offer was cash compensation for the land transfer accompanied by assured wage labour employment at the rate of one labour for every acre (0.45 hectares) of land transferred. Against this the organized tea estates became able to improve their profitability by getting sufficient quantity of green tea leaves from these small tea gardens. The processing costs of such gardens were low because of higher productivity and low wages for plantation labour in comparison to organized tea sectors that are liable to pay statutory plantation wage and give welfare measure as per Plantation Labour Act 1951. However, had the farmer been assured of access to modern agricultural technology with necessary inputs and better irrigation facilities, multi-cropping on the same land would generate up to 200-240 man days of work per hectare and be definitely profitable for the marginal farmers? So at the beginning the operational functions of small growers were regulated by the

production pattern of made tea of the model tea estates. The small grower model also opened the avenues of greater economics of scale to the organized tea estates, since no longer they had to internalise the social costs of labour reproduction.

Casualisation of labour, lower labour costs and trend of price volatility in the auction houses made the Bought Leaf Factory sector as economically viable. Afterwards it became inevitable the rapid growth and development of BLFs in this region as they started to control over small tea sector. This development cleared the way for the small holder tea growing sector to establish units well outside the periphery of the traditional tea region. Then during the crisis period of tea industry due to continuous price fall in 2000-2005, the BLFs became able to put themselves in advantageous position in comparison to organized tea estates because of lower labour cost and other cost of production. So, the management of the tea estates covered by Plantation Labour Act, 1951 and other statutory matter such as labour laws and regulations like to re-organize the production process following the model of small tea sector. It is found through different literature and studies that the reasons for the higher cost of production in the organized tea sectors are the existence of permanent labour force, provisions for welfare measure of the workers in the form of social costs, high cost of supervision, low productivity due to old age of majority of tea bushes and a high interest burden. On the other hand BLFs and small holder combination are able to run the production activities at a much lower cost as they have no obligation to follow the above stated act or regulations. In the context of globalization and changing economic policy, the management of tea estates believes that one of the causes of crisis in the tea industry is due to present plantation mode of production for which production cost is high, mainly high labour costs and to overcome this situation management desires labour flexibility⁴⁶. It may appear a little strange that the small tea growers who have established tea gardens in non-traditional areas have been extending their production functions despite price volatility and market uncertainties. Since the cost of cultivating green leaf from the new plantations are low because of their higher productivity as well as the absence of statutory welfare costs for employing outside labours. Most of the workers are employed on casual basis in this un-organized small tea sector.

Interestingly, in the initial stage the proliferation of small tea growers was linked to the factories of the organized tea estates. By purchasing green leaf at a comparatively lower price from the small growers the organized sectors also enjoyed economical benefits. Because cost of production of green leaf is higher in the established tea estates as the estates have to bear statutory social costs besides higher rate of wage including rations at a subsidized rate.

Further higher margin of profits which is a result of reduced labour costs in combination with a uprising trend of auction price paved the way for better investment option by establishing Bought Leaf Factories. This development helped the small tea growers to be taken up well outside the periphery of the traditional tea growing region. In fact, it was inevitable that the BLFs would be low costs parameter and control over small tea growing operations would transfer from the organized estate sector to the BLFs⁴⁷. The ultimate result was the small holder tea sector and BLFs combination started to enjoy better economical benefits pushing the organized tea sectors in deep trouble. Due to low productivity and increasing trend of cost of production, mainly higher wage rate and other statutory benefits mainly as per the PLA 1951, the degree of crisis in the organized tea sectors increased. On the other side employing higher number of casual labour small holders BLFs combination enjoy the benefit of cost reduction and earn higher rate of profit. Most important matter is industrial dispute is minimum in this sector and peaceful and harmonious industrial relations prevail.

4.11 Closure and Abandonment of Tea Gardens.

Depressed price of tea and increasing trend of cost of production mainly from the later part of 1999 are the root causes of developing crisis in the tea industry of India. In the tea plantation of India there has been a story of poverty, hunger and a denial of workers' right. During this period of crisis at least 60,000 workers have lost their jobs due to the closure and amendment of plantations and another thousand of poor workers are threatened by further closures. Over 30 plantations in West Bengal, about 70 plantations in Assam, 19 plantations in Kerala and three or more plantations in Tamil Nadu have been closed since the late

1990s.⁴⁸ We were able to collect data from the Dooars Branch of Indian Tea Association (DBITA) regarding the causes of such closure and we had also talked with the trade union leaders regarding this situation and found the followings.

Information supplied by the DBITA

Closed Gardens

Sl. No. Gardens	Lock-out since	Causes of Closing
1. Katalguri	22.7.02	<ul style="list-style-type: none"> a) High land labour ratio. b) Non performance & low productivity. c) Gross indiscipline. d) Repetitive lawlessness. e) Huge un-recovered amount of electricity bills. f) Illegal tapping of electricity. g) Defiance of Management's lawful & reasonable orders. h) Menace of cattle trespassing in tea area. i) Considerable No. of sick/old workers. j) Pilferage of garden property shade trees, green leafs etc. k) Illegal occupation of Quarters. l) Threat & intimidation towards management personnel.
2. Chinchula	December, 2005	<ul style="list-style-type: none"> a) Repeated incidents of lawlessness allegedly due to failure of the management to meet its commitments. b) Non co-operation of workers towards management. c) Extreme financial constraints of the Company.
3. Raimatang	3.5.04	-
4. Kalchini	3.5.04	-
5. Ramjhora	10.08.02	-
6. Kheklapara	21.06.02	-
7. Bamandanga/Tondoo	16.9.03	-
8. Samsing	19.9.03	-
9. Chamurchi	2.4.04	-
10. Red Bank	July, 2003	-
11. Raipur	17.10.03	-
12. Dima	2.4.04	-
13. Shikarpur/Bhandapur	29.3.04	-

The reason the Association cited was economical and non-economical. Such as low productivity of the labours, high land labour ratio, huge un-recovered amount of electricity bills etc. in one side. On the other hand, defiance of management's order, non-cooperation with the management, mainly threat and intimidation towards management personnel were the main causes of closure. In case of Chinchula Tea Garden one of the causes of closure was extreme financial crisis of the tea estate.

But the views of the trade union leaders, such as Mr. Zia Ul Alam, General Secretary CBMU affiliated with CITU and Mr. Mani Kumar Damal, Joint General Secretary, NUPW affiliated with INTUC were completely different, admitting the overall crisis in the tea industry not only in West Bengal but throughout India also, since the year 2000 onwards. Both of them blamed the management for anti labour attitude. They told the intention of the management was to earn as much as profit from the gardens at the cost of the labour and by squeezing the tea estate itself. The management of these gardens is indifferent in maintenance work and re-plantation measure. They used to deprive the workers not providing the welfare measures and used to pay wages and rations on irregular manner. Their intention is to prove the gardens are non-viable. The workers of these gardens were not as undisciplined as the employers stated. Sometimes the workers used to show their anger for not having wages and other benefits as per Plantation Labour Act.

The workers of the closed and abandoned tea gardens had been passed through a difficult phase for a long time. A considerable number of workers were died of due to malnutrition and related diseases. The survivors of those workers' family have been living a miserable life. Struggle against hunger and poverty has been continuing as the Government Food and Work Programme and the activities of the Operating Management Committee proved insufficient to ensure minimum income of the workers of these closed and abandoned gardens. These measures have slowed down the procession of deaths to some extent but conditions are still miserable.

In one re-opened garden named Carron Tea Estate where we conducted our study found, people who managed to stay alive in spite of hunger during closure had

been suffering from the after effects of the closure period. A number of workers became too weak and lost their ability to work properly. The management of the gardens did not pay them full wages and ration and there was no 'badli' workers or replacement according to re-open condition. All these families were facing acute problem to arrange minimum requirements of living as 'badli' was not being allowed.

The tea workers are totally dependent on the tea estate for the essentials of life. The workers of this garden told they have been living in miserable conditions with poverty and hunger being the most common of problems and the management has been turning their backs on these problems continuously.

Mr. Alam and Mr. Darnal both also told a considerable number of workers and their family members used to engage themselves in other laborious job, like collection of stone chips from the river etc, as the tea workers have no better skill or knowledge to find job in other sectors of economy. Even the children of these families also have engaged themselves in such works to earn little amount of money to get rid of hunger. Some fathers had bound to send their daughters to other states or places to work as maid servants due to wretched conditions of the gardens. So, an environment of misery, sorrow ness, deprivation, fear of death due to hunger and malnutrition have been prevailing in the tea gardens of Dooars and Terai due to closure and abandonment of the tea estates and the relations between the management and workers are going to be unhealthy day by day.

The labour Minister of the previous Left Front Government of West Bengal and the then Commerce Minister of the BJP led Central Government declared in the assembly and in the parliament respectively in the year 2003 that no death was recorded in the tea gardens of West Bengal due to hunger. But the Chairman of the Co-ordination Committee of the Trade Unions of Tea gardens and the General Secretary of the CITUC, Mr. Chittabrata Mazumdar admitted that a number of workers must have died due to malnutrition and lack of medical care. This statement was published on the 5th December, 2003 in several daily newspapers including Uttar Banga Sambad.

The information published by the respective Government office that the infrastructure of the primary health centre of the gardens was so poor that the workers hardly get any treatment from there but no information of death of any worker was recorded. But the Commissioner appointed by the Supreme Court, conducted a study in the four closed tea estates, such as Muznai, Raimatong, Dheklapara and Ramjhora among 204 families of these gardens and found the rate of death of the workers increased by 241% after the closure.

The number of death as presented by the Primary Health Centre of the four gardens is presented here:-

Report by Primary Health Centre of four tea gardens of Dooars.

YEAR	Name of the Gardens				
	Muznai T.E.	Raimatang T.E.	Dheklapara T.E.	Ramjhora T.E.	Total
1998	29	53	24	24	130
1999	26	41	25	16	108
2000	11	30	32	22	95
2001	7	43	19	23	92
2002	41	63	24	41	169
2003	54	73	31	54	212
Average No. of death before closure	18	42	25	21	106
Average No. of death after closure	48	68	28	48	191
Rate of increase (Percentage)	62	39	9	55	44

Source: Uttar Banga Sambad (2nd April, 2009, page.3).

The picture we find from the above discussions that unprofitable condition of the tea gardens which have raised due to shrinkage of price of tea and higher cost of production and mounting pressure of liabilities due to arrears of wages, and other dues have led the management to declare closure or abandonment of work throwing thousands of workers in deep trouble.

4.11.1 Conditions of the Closed and Abandoned Tea Gardens of North Bengal.

The tea plantation sectors are isolated from the remaining part of the society as most of the tea gardens are situated in the remote places. Though with the passage of time and due to infrastructural development and advanced communication technology the situation have been improved considerably, still due to special character of the tea industry the life of the tea workers have no or very little relation with the other sections of working class, who live within the plantations area from birth to last day of life. They have no capacity or knowledge to find job outside the tea gardens as they could not get the opportunity to develop that skill or education since the days of inception of the tea cultivation. So if the gardens are closed these people have no option but to wait for death due to hunger and malnutrition. In the year 2003, A Onwards Asia Report claimed that more than 800 tea workers died of starvation over a period of three years in West Bengal due to closure of a number of plantations⁴⁹.

A report regarding this gloomy picture of the closed tea gardens was filed in the Supreme Court in the year 2004 by a study team named as 'Pashim Banga Khet Mojoor Samity and International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco, Plantation and Allied Workers' Association (IUF) as part of Writ Petition 196/2001 (a case on the right to food and work). On that basis the government took some specific measures to provide food and work to the workers in the closed plantations. To re-open these closed tea gardens the government wished to take effective measures also.

The study team visited the closed tea gardens of North Bengal in the year 2004 to monitor whether the government was actually implementing the schemes and programmes for the survival of the tea workers that it had promised to be implemented in the tea estates. At the same time the IUF's All India Tea Workers' Co-ordination Committee realized after visiting the re-opened tea gardens that the conditions of the tea workers seemed far from happy. The team conducted study in 22 tea gardens of Dooars regions which were being listed as closed or sick in December, 2003 as per the report of the District Magistrate of Jalpaiguri District.

According to report 15 or 68% of the gardens had re-opened, 3 plantations were still closed in September 2005, 2 plantations were abandoned and managed by union controlled operating and management committee and one was under liquidation. One plantation (Raipur) had closed down again after re-opening for a short period. The status of the closed tea estates as studied by the said committee was as follows:-

Present Status of Closed Tea Estates in Jalpaiguri District.

Name of Tea Estate	Status on 15 Sept. 2005	Date of Closure	Date of Re-opening	Period of closure
Looksan Tea Estate	Under Liquidation		Under liquidation	
Red Bank Tea Estate	Abandoned	March 2003	Managed by OMC	
Surendranagar Tea Estate	Abandoned	March 2003	Managed by OMC	
Chamurchi Tea Estate	Closed	April 2004	Closed	Closed for 1 year and 5 months.
Ramjhora Tea Plantation	Closed	10 th August 2002	Closed	Closed for 3 years and 1 month.
Katalguri Tea Estate	Closed	22 nd July 2002	Closed	Closed for 3 years and 2 months.
Dheklapara Tea Estates	Re-opened	22 nd August 2002	Closed	Closed for 3 years Re-opened recently
Carron Tea Estate	Re-opened	August 2003	11 th Feb. 2004	6 months
Dharanipur Tea Estate	Re-opened	March 2003	February 2005	1 year and 11 months
Raipur Tea Estate	Re-opened	17 th Oct. 2003	10 th March 2005	1 year and 5 months
Chinchula Tea Estate	Re-opened	20 th Nov. 2003	25 th June 2004	7 months
Bamandanga Tea Estate	Re-opened	16 th Sept. 2003	17 th June 2004	9 months
Majherdabri Tea Estate	Re-opened	19 th Jan. 2003	16 th January 2004	1 year
Samsing Tea Estate	Re-opened	25 th Nov. 2002	19 th March 2004	1 year and 4 months
Raimatng Tea Estate	Re-opened	1 st Oct. 2003	3 rd March 2004	5 months
Kalchini Tea Estate	Re-opened	1 st Oct. 2003	3 rd March 2004	6 months
Kohinoor Tea Plantation	Re-opened	10 th April 2003	7 th January 2004	9 months
Mujnai Tea Estate	Re-opened	14 th April 2004	11 th October 2004	6 months
Srinathpur Tea Plantation	Re-opened	31 st August 2002	11 January 2005	5 months
Rahimabad Tea Estate	Re-opened	17 th April 2002	4 th May 2004	2 years and 1 month
Jogesh Chandra Tea	Re-opened	22 nd April	8 th May 2005	2 years and 1 month

Estate		2003		
Toorsa Tea Estate	Re-opened	October 2001	8. 12. 2003	15 days.

- OMC stands for Operating and Management Committee that have been formed by all the unions together.

[Source : Report of The Study Team]

The study team observed in the closed gardens workers used to receive benefits but on irregular basis. Gardens managed by OMC (Operative Management Committee), paid Rs.40 per day to the workers. Some workers complained they did not get this wages as they were not politically affiliated to the then ruling party (Left Front Government) union. The OMC managed gardens due to proximity with the state government managed to receive subsidized rations for food grain and Rs.500 per month as family assistance under the FAWLOI scheme. But the conditions of the workers of other closed gardens which were not under the management of OMC found simply miserable. The workers were not receiving wages and other welfare measures as per government norms. Starvation malnutrition and other diseases became common in those tea gardens.

Therefore it is realized, due to closure and abandonment of the tea gardens located in the Dooars region has created tremendous problems on the life of the workers. This situation has developed a fearful situation in the tea gardens located in West Bengal, and there has been a negative impact on the industrial relation of the tea industry as a whole.

Globalization has affected the Indian Tea Industry to a great extent as well as the tea workers. Decreasing trend of export and increasing trend of import both has placed serious impact on the tea price in India. On the other hand cost of production of tea has shown an increasing trend during the period of post globalization. This situation has mounted up the financial crisis mainly in the tea industry of Dooars and Terai region of West Bengal. As a result, the tea workers became the worst sufferers. A number of tea gardens were either closed or abandoned and the emergence of small tea sector offered tremendous threat to the organized tea estates. Under this situation, it is important to reveal the labour-management relation in the era of globalization in the tea industry of India as well in the tea industry of Dooars and

Terai region. Our study has tried to find out the impact of globalization on the industrial parameters which are as follows.

4.12 Impact of Globalization on the Industrial Relation Parameters

Industrial relations are concerned with the relationship between management and workers. The act of regulatory mechanism has also a vital role to play to solve the industrial disputes which arise from time to time in the industrial sector. The term “Industrial Relations” commonly denotes employer and employee relations in both organized and unorganized sectors of economy, but the concept has a deep and wide meaning. It means collective relation between state, employer and employees.

4.12.1 Wages and Bonus Agreement in the Tea Industry

In the last chapter we have presented the wage agreement in the tea plantations of West Bengal. The last agreement continued for the financial year 1999-2000. The next agreement which was signed with a view to wage review of the tea workers of West Bengal on 25th July 2005 was a result of the history long industry wise strike which continued for 15 days and forced the management of the tea industry to review the wage rate for the tea plantation workers.

In the tea gardens of West Bengal, the workers are liable to pluck a fixed quantity of tea leaves which is known as “thika” or “task”. In the plain area of Terai of Darjeeling district and Dooars in Jalpaiguri district. The garden level task is dependent on climate, soil condition, age of tea bush, etc. and it varies from garden to garden from 21 Kg. to 27 Kg. This fixed quantity is well below 20 Kg. in Darjeeling hill.

According to agreement, the existing garden-task was redefined on the basis of peak-period (mid- May to October), early period (January to mid-May) and back period (November and December), considering the round of plucking which has an important role. A ‘round’ is the number of days which is considered since the last plucking in a section of tea bushes. The shorter the round, the higher value is realized by selling the made tea, such as 5 day-round, 8 day-round etc. In a 5 day-round, it is a difficult task, as the leaves are small and requires the plucking of many

bushes to fulfill the task. As a result it is difficult for a worker to earn higher amount of wages, if the quantity of 'thika' is not adjusted considering the 'round' of plucking.

In the 1980s the planters used to show more interest in quantity than quality of the product and unit value, but now the competition in the export market has forced the planters to think in a opposite direction. The most important part of the agreement is the wage cut which is scheduled at Clause 3 of the agreement where conditions and the rate of the wage cut has been clearly stated. The agreement prescribed the followings:

“For non-fulfillment of the task fixed and mentioned at clause 2, a monetary penalty for shortage of production will be imposed on a worker subject to the conditions hereunder:

The sick, old infirm (lata bura) and feeding mothers and pre and post-natal women will be treated as exempted categories and will remain outside the purview of penalty.

There will be no penalty if a worker fulfills 70 per cent of the daily fixed task everyday and if his/her total output in a week is equivalent to sum total of weekly output based on fixed daily task”.

But if a worker become unable to fulfill that quota following the above mentioned agreement he/she would be penalized for such shortage of weekly production @ Re. 1 per Kg. for shortfalls up to 6 Kg. and @ Rs.1.50 per Kg. for shortfall exceeding 6 Kg.

On the other side, if a worker produces more than the weekly output quota then he/she would be remunerated by paying extra leaf price for the excess quantity of weekly output.

The leaders of the Trade Unions had tried their best to oppose this pro-rata deduction of wage but they were handicapped by three factors.

Firstly, the most of the leaders of the Unions of garden units are opportunists and are closed to managements and are least concerned to protect the workers' right.

Secondly, in Terai region a number of leaders consist of CITU and INTUC had already signed many garden level agreements for this pro-rata deduction in the wage rate.

And lastly, the political interference in the Trade Union activities by the political parties as most of the Unions is affiliated to these parties.

It is an irony that in West Bengal no minimum wage has been fixed by the Government for the tea garden workers since 1956-57. While in Assam of North India and in three South Indian states, Tamil Nadu, Kerala and Karnataka, the State Governments have already declared a minimum wage for the tea workers. So, the employers took the opportunity of deducting wage on pro-rata basis as this is not an illegal step.

During the negotiations in the year 2005, the Co-ordination Committee of Plantation Workers (CCPW) demanded a need based wage hike of more than Rs.40, but it was immediately turned down by the Planters' Association and with the intervention of the then Left Front Government of West Bengal, the daily wage rate was increased by a merge amount of Rs.2.50 per day for first two years and Rs.3 for the third year.

So, this productivity linked wage system which was forced by the management and the then Government of West Bengal, which led to the introduction of a pro-rata system of wages that entailed plantation workers to deliver a pre-agreed productivity level to earn their basic daily wage. In case of failure to achieve this target there is a cut in the daily wage, though extra productivity is also awarded with incentives. This productivity linked wage agreement is contingent on the collective bargaining power of negotiating; trade unions are always feared with the high possibility of huge losses in wage amount.⁵⁰

4.12.2 Latest Agreement in respect of determination of wage rate:-

After having expire the last agreement on 31st March 2011 the new agreement regarding the wage hike of the tea workers was signed in 5th November, 2011. The tripartite negotiation that began with the lapse of the previous industry wise wage agreement entered a dead lock after 6 rounds of negotiation when the Consultative Committee of Plantation Association (CCPA) turned down the demand

of the Co-ordination Committee of various trade unions to accept an increase in wage rate from Rs.67 to Rs.165 .The latest agreement was signed between 37 trade unions. 5 Planters' Association and the new Government of West Bengal led by Trinamul Congress.

According to agreement the daily wage rate has increased from Rs.67 to Rs.85 with effect from 1st April 2011. It also provides step-ups in daily wage rate to Rs.90 and Rs.95 in the second and third year respectively. Arrear wage of the workers be paid in two phases by this fiscal year. A large number of 2.5 lakh tea workers spreading in more than 278 tea estates of Dooars and Terai would be benefited by this agreement.

4.12.3 Views of the Owners and the Union Leaders:-

Though the demand of the trade unions was not fulfilled as they claimed wage hike to Rs.165 per day and then slide down to Rs.130. Finally the daily wage of the tea workers would be Rs.91 in the financial year 2013-2014.

Under NREGA (Mahatma Gandhi National Rural Employment Guarantee Act) minimum wage was Rs.100 pr ay on 1.1.09 and increased to Rs.130 on 1.1.10. This is known as Right to Life Wage.

In spite of that after finalization of the agreement all the concerns, the Government, the trade unions and the planters expressed a sigh of relief, though there were differences in opinion.

The trade union leader and Chairperson of Progressive Tea Workers Union, a wing of ABABP (Akhil Braratiya Adivasi Bikash Parisad) said, "We are happy with today's agreement".

The President of DTDPLU (Darjeeling Terai Dooars Plantation Labour Union), Terai Committee said, "The issue had been providing for sometime to be resolved. Now it has been resolved".

According to Indian Tea Association (ITA), an industry lately feels, under pressure from political parties and state administration the garden owners agreed to raise workers daily wage by Rs.18 for the first year, which is nearly 27% hike, followed by Rs.5 for the next two years.

This increased wage rate be paid on and from 1st April, 2011, and it was agreed fifty percent of the arrear wage were to be paid before 25th December 2011. The Planters' Association said at least one fifth of the Dooars' 220 odd tea estates were unable to pay the first installment of arrear wage within that specified period due to financial crunch as this industry had to travel through a crisis period between the year 2000 and 2007. The owners of 40 odd tea estates of Dooars region wished to sell their gardens as they were not able to cope with the increased cost of production.

West Bengal Tea Development Corporation (WBTDC) controlled by the State's Commerce and Industries Department (run Hilla Tea Estate in Dooars) was also not able to pay the first installment of arrear wage within dead line, said Ziaul Alanv, Secretary, Cha Bagan Mazdoor Union, affiliated to CITU.

The owners' association demand labour accounts for about 65% of the production costs. So the wage hike must increase the cost of production.

D.P. Maheswari, Managing Director Jayashree Tea said, due to this wage hike by Rs.18 and then Rs.5 by next two years, production costs would increase by Rs.10 per Kg of made tea at least.

Managing Director and Chief Executive of Goodricke Tea Co. told, costs would go up to Rs.15-18 a Kg. in the current year and Rs.18-21 in next year. He also said, "The future looks dark as we will incur a loss Rs.5 per Kg. at the garden level".

A key official at a tea brokerage said, this "wage hike will put estates under intense pressure and will force them to cut social benefits offered to workers"⁵¹.

View of Wage Agreement:

Date of Agreement	Rate of increment		Extra leaf price (E.L.P)
	Adult labour Rs.	With Effect from	
3 rd February 2001	2.50	1.4.2000	
	2.50	1.4.2001	
	3.00	1.4.2002	
5 th July, 2005	2.50	1.4.2005	E.L.P. had increased in two phases. For the first 5 Kg. of leaves above the thika (24 Kg.) the E.L.P. would be Rs.1 P/Kg. Beyond a plucking of the specified quantity (thika). It would be Rs. 1.50 P/Kg.
	2.50	1.4.2006	
	3.00	1.4.2007	

[Tea: Industry Wise Agreement Book in West Bengal From 1956-2007 Compiled and Published by Murari Mitra]

Table No : 4.23

Daily wage rate of the tea workers of Dooars and Terai regions as per agreement:

Year	Rate of wage (Rs.)	Indexed value (Rs) (Base year- 2000=100) (Real Income = $\frac{\text{Actual wage}}{\text{Index No. of that Yr.}} \times 100$)
1999	34.80	35.97
2000	37.80	37.80
2001	41.80	40.64
2002	45.90	43.94
2003	45.90	42.96
2004	45.90	41.84
2005	48.40	42.67
2006	50.90	43.48
2007	53.90	44.76
2008	58.00	46.39
2009	58.00	46.555
2010	67.00	52.91
2011	85.00	65.00

Source:- As per Agreement (Supplied by DBITA).

The last agreement was signed between the employer and the employee on 4th November 2001 and it would remain in force till 31st March 2014. The workers would receive Rs.85 in 2012 and it would increase to Rs.90 in the third year.

According to the latest agreement wage rate has increased by 27% from Rs.67 in the year 2010 to Rs. 88 in the year 2011. But if we consider the value of the real wage or indexed value of wage, we find the rate of wage has actually increased by Rs. 12.09 or by nearly 23%. Therefore it can be stated that the workers will be less benefited even after increase in the daily wage by Rs.18. This may lead towards adverse industrial relations in the tea industry.

4.13 Bonus paid to the Plantation Workers: - History and Development

In the industrially advanced countries incentive system was introduced date back to the introduction of scientific management in 19th century to give financial benefits to the workers to recognize their efficiency. Since then numerous scheme have been evolved and introduced throughout the world. Besides regular wages, bonus is common in almost all plantation industries. Bonus means any payment over and above the stipulated rate of wages, and without having any consideration against it. Payment of bonus in its proper sense were first paid after the end of First World War following a series of strikes consequent upon the rise in prices and profits earned by the industry. However, it was treated as an ex- gratia payment by the employers. During the Second World War Bonus was treated as a payment made to the workers out of the extra-ordinary profits earned during the war due to rising prices of different essential commodities.

Though bonus was paid by a number of employers voluntarily, the claim for bonus was still not a legal right, but was accepted chiefly on the growth of broad principles of justice, equity and good conscience with a view to keeping the workers contented. This situation continued until the Bombay High Court made a verdict that payment of bonus could be demanded by the workers as a right. That means a

payment which should be made by the employer as extra remuneration for work done by the employees under a contract, express or implied.

Bonus paid to the tea Plantation Workers:- History and Development incentive system.

The Government of India appointed a committee to find out an appropriate system of device to calculate labourers' share of profits on the recommendation of the Indian Labour Conference held in April 1948. The Committee observed, in the tea industry profit sharing continued in the form of periodic bonuses wither voluntary or as awarded by industrial courts and tribunals.

4.13.1 Bonus and Trade Union Movement.

In West Bengal the tea workers raised their demand for getting bonus in the year 1954, when they claimed sixty days' wages as bonus for the year 1953. Under the leadership of West Bengal Cha Sramik Union the workers threatened industrial strike, but their demand was rejected for the number of reasons. Such as, tea being essentially an agricultural enterprise dependent upon fluctuating world demands, and so is unsuited for the payment of bonus. Because due to variation in demand there is a possibility of decline in tea price, as it happened in the year 1955. The then tea industry owners thought, the profit earned in the year 1954 were required to make good the loss incurred in the year 1952 and earlier and to meet the huge amount of liabilities which were developed due to introduction of Plantation Labour Act, 1951, and also to meet the tax liabilities imposed by both Central and State Governments. And finally, it is experienced, in spite of increase of wage rate. Labourers did not derive any real benefit, because insufficient supply of goods required for the workers increased the inflationary pressure or the workers did expense more money to purchase liquor which is still a serious problem in the tea garden area.

But the Government did not accept these arguments of the employers and considered the owners wished to deprive the workers to get their share of profit. The tea industrialists offered to pay bonus on the basis of area prosperity for 1954 and subsequent years was not acceptable to the workers. The then Union Governments labour minister Sri Khandubhai Desai also became unwilling to face the long delay of a tribunal. So the tea industry of North East India had no choice but to pay the bonus to the workers.

After that, the government took initiative to frame up a guideline for payment of bonus to the workers and formed a committee under the chairmanship of Mr. P. Menon an I.C.S. Officer. Thus an industry wise agreement for bonus payment in the tea plantations of North East region came to in force through the intervention of Central Government in the year 1955 for the period 1953 to 1956 on the basis of an adjustment through the additional contribution to the Provident Fund in respect of those workers who were members of the said fund, and for others adjustment was made in the form of savings certificates. After the year 1956, the Government of India appointed a Bonus Sub-committee under the Chairmanship of the Regional Labour Commissioner. This step of the government opened a new avenue for the different labour unions in the country to make a demand of minimum bonus irrespective of profits. The employers rejected the proposals and through a series of arguments and counter-arguments between the employers and the workers the Committee could not reach to any agreement. During that period, the profit of the tea industry was not as handsome as it were in the year 1954 and the unions agreed to accept the rate which was calculated on the basis of average rate of the period 1953-56.

After the year 1960, a Bonus Commission was set up and it recommended issuing an ordinance for regulating payment of bonus in May, 1965. It was replaced by the Payment of Bonus Act, 1965. The act lay down that a minimum bonus irrespective of profits should be paid to daily rated workers, monthly paid staff and to executive staff drawing a monthly salary up to and including Rs.1600.

The Payment of Bonus Act, 1965 provided for the payment of minimum bonus at 4 per cent of wages and in the year 1973 the rate increased to 8.33 per cent of the total emoluments, besides including important provisions. To review the operation of the Bonus Act, 1965 and to suggest suitable modifications in the existing system of a Bonus Review Committee was set up in the year 1972 under the Chairmanship of Dr. B. K. Madan, a former Deputy Governor of the Reserve Bank of India. The Committee suggested the need for postponement for some time any 'significant direct increases' in the workers' remuneration, including bonus, above a certain level. The Committee recommended to maintain a 'status quo' in respect of minimum rater of 8.33 per cent and suggested the maximum bonus be raided from 20 to 25 per cent.

After that with the changing situation an amendment was made in the year 1976, named as Payment of Bonus (Amendment) Act, 1976. The Act suggested the payment of bonus be related to profit, production and allocable surplus and the minimum rate be brought down to 4 per cent again. The law forced the workers to suffer a loss and due to imposition of emergency in the year 1975 the workers became bound to eschew strike and thus their bargaining power became weaker.

The Payment of Bonus Act 1965 was introduced as a measure of progressive labour legislation and its intention was to maintain a harmonious relationship between the employer and the labour. But the mission was not successful, at least in the industry and since its enactment not less than 10 per cent of industrial strikes were held due to issue of bonus⁵².

Bonus issue in the tea plantations has been a debatable issue since its application. There has been a series of conflicts between the employers and the workers in this regard. To find out a reasonable way of solution the government has been formulated laws and rules, set up different committees and with the passage of time amendments have been made to cope with the situation. The rate of bonus is fixed on the basis of profitability of the concern, and the differences in opinion are inserted in this point. It is largely felt among the employers that it is an anachronism that bonus as an instrument primarily for profit sharing should have a statutory minimum. Their argument is payment of bonus should be linked with the increase in the prosperity of the industry. Otherwise the plantation industry will be in crisis. On the other hand the workers put allegation against the management that the financial statements by which criterion the percentage of bonus is decided are manipulated and the loss or low amount of profit which is reflected through this calculation do not present the true result of the business. In this way the labourers are deprived from getting higher amount of bonus and the owners; enjoy the maximum benefit. So, conflict arises due to this which ultimately leads towards bad industrial relation⁵³.

4.13.2 Rate of Bonus Issues in the Tea Industry of West Bengal.

Bonus is paid to the tea workers as a monetary incentive which is a share of profit and it has always been a matter of controversy. It births arrogance among the workers; develop many unpleasant incidents which affect the industrial relations in the tea industry. Presently bonus is issued to the tea workers of Dooars, Terai and

Darjeeling hilly area through industry wise negotiations according to different rates specified for different categories of tea gardens.

Classification is made on the basis of profitability and other related factors of the gardens as explained by Mr. Prabir K. Bhattacharjeje, Secretary DBITA. Before that the bonus in the tea gardens of West Bengal had been determined by collective bargaining between individual garden management and the trade unions. Table No. 4.24 presents the rate of bonus issue to the tea workers of Dooars, Terai and Darjeeling Hilly area for the period 1986 to 2010.

Table No. 4.24

Industry wise Bonus Settlement and Percentage of Each Group.

Payable year	Dooars & Terai				Darjeeling Hills Gardens			
	A	B	C	D	A	B	C	D
1986	18.25	17%	15%	10%	17%	14%	12.50	10%
1987	18.25	17%	15%	10%	17%	14%	10%	8.33
1988	19.25	18%	16%	10%	17%	14%	12.50	10%
1989	20%	19%	17%	11%	19%	16%	14.50	10.33
1990	20%	20%	20%	13%	20%	18%	16%	12%
1991	20%	20%	20%	18%	20%	20%	18.50	14.50
1992	20%	20%	19%	18%	20%	20%	18.50	14.50
1993	20%	18.25	18.50	16%	19.25	18.25	17%	13%
1994	20%	19.50	18.50	16%	19.25	18.25	17%	13%
1995	19.50	18.50	17.50	14.50	19.25	18.45	16.25	12.25
1996	20%	19%	18%	15%	19.25	18.50	17%	13%
1997	20%	19.50	18.50	15.50	19.50	18.75	17.25	13.25
1998	20%	20%	20%	20%	20%	19.25	17.25	13.75
1999	20%	20%	20%	20%	20%	19.25	17.25	13.75
2000	20%	19.50	19%	18.50	20%	19.25	17.25	13.75
2001	16.66	15.66	14.66	13%	20%	Not	Known	-
2002	12%	11%	9.75	8.50	-	Not	Known	-
2003	10.50	9.25	8.50	8.50	11.10	10.50	9%	8.35
2004	11%	9.75	9.00	8.50	11.50	10.75	9.50	8.70
2005	11%	9.75	9.00	8.50	Not	Known		
2006	11.25	10%	9.15	8.50	12.00	10.00	9.00	9.00
2007	11.90	10.50	9.50	8.50	12.60	10.60	9.25	9.25
2008	13.50%	12%	10.80%	9%	Not	Known		
2009	20%	20%	20%	18%				
2010	20%	20%	20%	18%	17%	16%	15%	13%

Source: Up to 2007, Tea Industry wise Agreement Book in West Bengal (1956 to 2007).

Editor: Murari Mitra, General Secretary, Tea Employees Association, CFTD.

From 2008 onwards supplied by DBITA

It is observed from the above table that the bonus paid to the workers working both at the Terai and Dooars Darjeeling hill gardens unto the year 2000 were almost the same from the previous couple of years. Even in spite of lack of profitability in the overall tea industry from 1999 onwards, but it had got no reflections in the bonus rate till the year 2000.

But from the year 2000 onwards, we started to observe a declining trend in the rate of bonus paid to the workers in the tea gardens located specifically in the Terai and Dooars regions. A lot of lock-outs, closure and abandonment of tea

garden took place mainly in the Dooars region, as a result of which, a large number of tea garden workers became unemployed which had got a cascading impact on the socio-economic conditions of this locality. The same sort of situations persisted up to the year 2008 and the tea gardens of this locality witnessed a lower rate of bonus declaration. The situations started to change from 2009 onwards and the tea workers used to receive higher rate of bonus.

Therefore it can be stated that lower rate of bonus makes the workers less benefited from the economic point of view. And this step definitely leads to the development of conflicts between the management and the workers.

This sort of situation encourages development of unhealthy industrial relation in the tea industry

4.13.3 Welfare measures taken by the Employers of Tea Gardens in the form of Social Costs incurred in the era of globalization:

It is already stated in the previous chapter that most of the Plantation workers belong to the weaker section of the society and more than 50 per cent of the workers are female which is a special feature of the tea plantation industry. However, the social security measures provided in the Plantation Labour Act, 1951, have definitely played a very important role in improving the working and living conditions of the workers. In the previous chapter we have already discussed the necessary provisions of the PLA, 1951 in respect of tea plantation workers and about the situation of implementation of such provisions in the tea industry of Dooars and Terai.

In the context of India's ongoing policies on globalization and liberalization however the tea industry of India has been encountering several problems from various corners. One of the major problems is the profitability had been decreased due to sharp fall in tea price globally and domestically, mainly during the period 2000 and 2005 and increasing cost of production. Social costs which are borne by the planters in the form of welfare measures as per PLA, 1951, has a huge impact for increasing cost of production of made tea in West Bengal as well as in India. The social costs borne by the planters in India is the highest as compared to any other tea producing countries of

the world. Now it has become a serious problem to meet the social costs by the planters due to decrease in profitability⁵⁴.

In the tea industry, mainly in West Bengal, the planters discharge the responsibility of social costs for the welfare of the tea workers, starting from the maternity benefits to the expecting mother to the cremation on the death of the workers.

The problem has again been compounded by the steps of the government as a huge amount of money being funded into the rural development scheme through Panchayat and other local bodies, bypasses plantation areas presumably because of presence of the Plantation Labour Acts which provides welfare measures for the plantation workers⁵⁵.

The other tea growing countries of the world like Sri Lanka, Kenya, China, Indonesia, Vietnam etc. have waging severe competition to Indian tea both in domestic and global market. But in these countries the Plantation Act are not as stringent as in India due to the planters of these countries are not bound by the law to provide welfare measures to the plantation labours compulsorily. Hence the cost of production of made tea is lower than that of India and is therefore more globally competitive⁵⁶.

Table No. 4.25

Average Amount of Social Costs incurred by the Tea Garden Management Doors and Terai Region during the pre and past globalization era.

Year	Pre-Globalization		Year	Post Globalization	
	Rs.	Real value Rs.		Rs	Real value Rs.
1991	36,08,599	46,62,649	1999	54,21,274	56,04,543
1992	38,23,992	46,93,166	2000	53,20,728	53,20,728
1993	39,15,000	46,66,825	2001	52,53,437	51,08,856
1994	41,53,048	48,24,638	2002	51,57,215	49,37,024
1995	44,41,200	50,18,872	2003	50,74,785	47,50,337
1996	47,50,325	52,14,980	2004	48,98,580	44,65,840
1997	48,92,091	52,47,898	2005	46,78,919	41,25,667
1998	54,99,159	58,09,380	2006	52,01,034	44,42,670
			2007	54,76,469	45,48,184

			2008	57,89,792	46,30,722
			2009	60,34,302	48,43,328
			2010	63,07,712	49,81,215

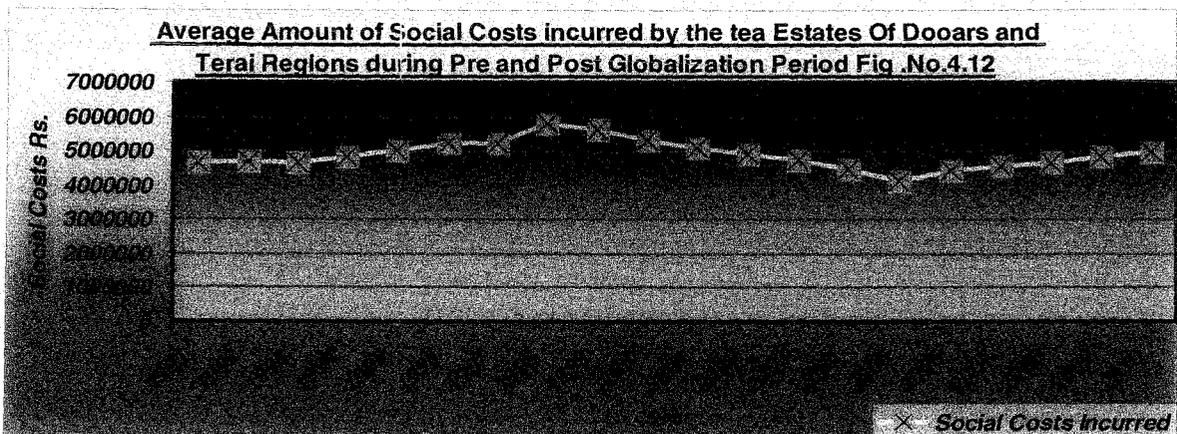
Source : Data collected from individual gardens.

$$\text{Real Value} = \frac{\text{Actual Amount of Social Cost Incurred}}{\text{Index Number of The Year.}} \times 100$$

(Base Year = 2000)

(Base Year = 2000)

Figure 4.14



Source : Collected from Sampled Tea Gardens

It is revealed from the Figure No. 4.14 that the amount of social cost borne by the tea garden employers as a measure of social welfare for the tea workers has been showing a decreasing trend since the year 1999 onwards which is regarded as the post-globalization period. We have already observed due to fall in export, influx of cheaper rate of tea from other countries rising cost of production etc. have developed tremendous crisis in the tea gardens caused the decreasing trend of the bearing of social cost on the part of the management of the tea gardens in post globalization period.

Test of Significance

From the Table No. 4.26, we found, the amount incurred by the management of the tea estates in terms of social cost have apparently been increased during the post globalization period. But in terms of real income (indexed value as calculated with the

help of cost of living index) it is evident that the social costs born by the tea estates for the welfare of the tea workers during the post globalization period has been decreased in comparison to pre-globalization regime. The statistical test in this regard is done with the help of 't' test from the said Table. To make the calculation easier we have taken the approximate value of social cost incurred during the pre and post globalization period(indexed value).

This is one tailed t test and the degree of freedom (d.f.) is $(n-1) = 29$.

Null Hypothesis (H_0) :- The average amount of social cost incurred by the tea garden management of Dooars and Terai during the pre-globalization period = The average amount of social costs born by the tea gardens in the post globalization period.

Alternative Hypothesis (H_1) :- The amount of social costs born by the tea estates of Dooars and Terai during the post-globalization period < The social costs born by the tea estates of Dooars and Terai during the pre-globalization period.

From the Table No. 4.26 we calculated.

$$\sum d/n = - 2.686$$

$$\sum d_2/n = 10.5432$$

$$n = 30$$

$$\begin{aligned} S^2 (\text{variance}) &= \sum d^2/n - (\sum d/n)^2 \\ &= 10.5432 - (- 2.686)^2 \\ &= 3.328604 \end{aligned}$$

$$S = \sqrt{3.328604} = 1.8244$$

$$\text{Then } t = \frac{d}{s/\sqrt{n-1}} = \frac{- 2.686}{1.8244/\sqrt{29}} = (-) 7.9282$$

The table value of 't' at 1% level of significance and at 29 d.f. is:-

$$t_{0.01, 29} = 2.462$$

So the observed value of 't' > tabulated value of 't',

Hence it can be concluded that the amount of social costs incurred by the tea garden owners to perform welfare measures during the era of post-globalization is lower than the amount paid for that measure by the tea garden employers in the regime of pre-globalization.

So, the null hypothesis is rejected and alternative hypothesis is accepted.

Thus it can be concluded that the social cost incurred by the planters as per the Plantation Labour Act, 1951 has considerably declined in the post-globalization period. Consequently, the industrial relation in the tea gardens of Dooars and Terai region has been adversely affected.

Table No.4.26
Average amount of Social costs incurred by the tea gardens (Selected) of Dooars and Terai regions during pre and post globalization period.

Name of the gardens	Actual amt. incurred (Pre-globalization) Rs.	Actual amt. (Post-globalization) Rs.	Real Income Indexed value		Appx. Value		d X ₂ X ₁	d ²
			Pre-globalization Rs.	Post-globalization Rs.	X ₁ Rs. In lakh	X ₂ Rs. in lakh		
Dooars :-	1991-98	1999-10	1991-98	1999-10	1991-98	1999-10	1991-98	1999-10
Beach T. E	7402875.00	9341213.37	2977584.09	2187706.52	29.78	21.88	-7.90	62.41
Bata Bari T. E	1420258.50	5963319.75	1420854.81	1381884.33	14.21	13.82	-0.39	0.15
Baradighi T. E	4515020.62	6231876.00	1792256.08	1458069.64	17.92	14.58	-3.34	11.15
Bagrakote T. E	8792788.50	14357143.50	3465796.64	2926186.45	34.66	29.26	-5.54	29.10
Bandapani T. E	3854606.62	5402369.25	1382960.30	1259282.77	13.83	12.59	-1.24	1.52
Chalsa T. E	6393117.75	9205273.50	2526760.59	2163342.44	25.27	26.63	-3.64	13.2
Chaluni T. E	6651801.00	9262117.12	2634587.50	2144829.77	26.35	21.45	-4.90	24.0
Carron T. E	2698476.37	3154549.12	1084294.50	838370.08	10.84	8.38	-2.46	6.0
Dal Singh Para T. E	7350679.50	10339570.13	2923192.48	2412790.36	29.23	24.13	-5.10	26.0
Dim Dima T. E	9046173.75	15045916.88	3570419.94	3479801.12	35.71	34.80	-0.91	0.82
Denguaghara T. E	7516516.50	11859708.00	2947788.00	2760715.00	29.48	27.66	-1.82	3.3
Gandrapara T. E	7038891.75	10587785.63	2767766.08	2484547.77	27.68	24.85	-2.83	8
Kill Colt T. E	5763841.11	8460246.00	2273678.13	1966346.35	22.74	19.66	-3.08	7.4
Mech Para T. E	6260126.25	10141216.50	2469126.71	2345836.17	24.69	23.46	-1.23	1.5
Madhu T. E	3356857.87	4471137.00	1335633.16	1040323.54	13.36	10.40	-2.96	8.7
Mathura T. E	7111332.75	9664086.00	2554056.99	2263470.17	25.54	22.64	-2.90	8.4
Kumargram T. E	8475326.25	13752261.00	3332685.16	3183529.80	33.33	31.84	-1.49	2.2
Phaskawa T. E	1420258.50	2062931.25	558351.68	421586.21	5.58	42.16	-1.36	1.9
Raja T. E	326534.87	4649598.00	1312105.48	1092482.14	13.12	10.93	-2.19	4.8
Zurrantee T. E	6789547.00	11530568.63	2970927.30	2660688.74	29.71	26.60	-3.11	9.7
Terai :-								
Atol T. E	2546018.62	3072411.00	1003817.08	809787.61	10.04	8.10	-1.94	3.8
Bijohnagar T. E	2838891.00	3842875.50	1131093.34	898028.63	11.31	8.98	-2.33	5.4
Belgachi T. E	1980418.12	2650347.37	783749.52	617005.64	7.84	6.17	-1.67	2.8
Kiran Chandra T. E	1696317.00	2637733.50	664771.79	616558.87	6.65	6.17	-0.48	0.23
Kamalpur T. E	872258.50	1167770.25	332200.76	305442.45	3.32	3.05	-0.27	0.07
Mahorgaog & Gulma	7025274.00	11158184.25	2895331.56	2597766.93	28.95	25.98	-2.97	8.8
Naxalbari T. E	2739321.75	4054251.75	1080570.08	765567.90	10.81	9.66	-3.15	9.9
Pahargumia T. E	5543196.37	6667911.75	2210962.17	1509461.92	22.11	15.10	-7.01	49.1

Lohaqarh T. E	1124072.62	1809844.87	516749.88	423094.54	5.17	4.23	-0.94	0.8
Ord erai T. E	3934782.12	5892114.75	1497454.04	1374936.11	14.97	13.75	-1.22	1.4
							$\Sigma d=80.58$	$\Sigma d^2=6.2$

We collected data from the selected tea gardens of Dooars and Terai regarding social cost borne by the management of these tea gardens to discharge the responsibilities of welfare measures of the workers as per the PLA, 1951. It reveals from the Table No. 4.25, that during the period 1991 to 1998, which is classified as pre-globalization period, the average quantum of social costs incurred by the employers in the tea gardens of Dooars and Terai has been recorded an upward trends. But from the year 1999 onwards, the period classified as post-globalization, the amount of social cost borne by the management has been specifically decreased from the year 2000 onwards.

The amount of social costs incurred by the employers has been shown by the Fig. No 4.14. The figure clearly shows there has been an upward trend till the year 1998 and thereafter the declining trend started. The management started to allot more amount and gradually the quantum of money sanctioned regarding social expenditure increased. However, it should be taken into account that from the year 2006 onwards the price of tea in India started to improve after passing though a long depressed condition.

So, here we find the tea industry of West Bengal used to maintain a steady progress in incurring welfare expenditure to improve the working and living conditions of the tea workers till the year 1998. However, when the tea industry began to face critical situation mainly due to price depression, loss of export market, import threat etc. since 1999 onwards, the management of the tea estates found it easier to cut down welfare measures to remain competitive. Not only that, in this period the provident fund and gratuity dues in the various tea gardens have been increased and the employers resorted to paying labour wages lower than the minimum wages. The social costs therefore plunged down significantly during the post globalization period.

4.13.4 Provident Fund dues – impact on the life of the workers.

An amount @ 12% is deducted from the income of the workers and employees of the tea gardens as per the Provident Fund Act 1952 [See 2(38)], which is known as Recognized Provident Fund, for the benefit of the workers and

employers. The employer may also contribute to this fund. The total of such contribution is invested in the gilt-edged securities or remitted to Provident Fund Commissioner or deposit to Government Treasury. The total accumulated amount consisting of employee's contribution and the interest accrued on that contribution is normally paid to the employee or worker after his/her retirement or termination from service. In case of death of the employee the accumulated amount is paid to his or her legal heirs.

The management of the tea gardens of West Bengal deduct provident fund money from the wages and salaries of the workers and employees as per the rate specified by the Provident Fund Act, but from the various studies and information collected from the individual gardens it is evident that the amount so deducted by the management of a number of tea estates in respect of Provident Fund has not been deposited in the respective account. As a result huge amount have been due and the workers have become deprived.

According to a report published by the Indian Government that 43 per cent or 129 tea gardens out of 300 odds organized tea estates of West Bengal had not deposited provident fund money which was deducted from the wages of the workers since 1973. According to that report nearly Rs.81 crore had not deposited in the Provident Fund Account till the year 2002 by the various organizations including a number of tea estates⁵⁷. Another report which was published in the Uttar Banga Sambad, a daily news paper, the amount of arrear provident fund money in 125 tea gardens situated in the tea producing zone of North Bengal is around Rs.34 crore⁵⁸.

A detailed report about the trend of Provident Fund dues was published in Uttar Banga Sambad, dated 30th June, 2010, in respect of 52 tea gardens situated at Dooars, Terai and Darjeeling Hilly area up to 28th February, 2010. It is reflected by that report the arrears provident fund amount varies from Rs.10 lakh to Rs. 2.54 cores. This is a proof that how the workers have been deprived from getting their hard-earned money in one hand and on the other side the trade union movements have become weaker in the era of globalization. Interestingly a number of renowned and established tea estates are also responsible for doing such unethical and unlawful act and this attitude of the management has intensified for developing

unhealthy industrial relations in the tea industry. The 52 tea gardens on which such report was published, consists of 35 tea gardens of Dooars, 14 gardens of Terai region and three tea gardens of hilly region of Darjeeling district.

The report as published is as follows:-

Arrear Provident Fund money of different tea gardens of North Bengal.

Dooars.

Sl. No.	Name of the Gardens	Amount due (Rs)	Sl. No.	Name of the Gardens	Amt. due
1.	Killcott T.E	69.11 lakh	27.	Ramjhora T.E.	23.28 lakh
2.	Garganda T.E.	60.36 lakh	28.	Bhagatpur T.E.	15.45 lakh
3.	Dhumchipara T.E.	1.7 crore approx.)	29.	Danguajhar T.E.	25.42 lakh
4.	Lankapara T.E.	64.97 lakh	30.	Carron T.E.	84.81 lakh
5.	Nageswari T.E.	36.35 lakh	31.	Binnaguri T.E.	13.28 lakh
6.	Bagrokote T.E.	29.49 lakh	32.	Mogolkata T.E.	1.02 cr
7.	Mathura T.E.,	43.43 lakh	33.	Samsing T.,E.	2.55 cr (approx)
8.	Dalsinghpara T.E.	98.90 lakh	34.	Mujnai T.E.	22.43 lakh
9.	Dima T.E.	98.63 lakh	35.	Nimtjhora T.E.	18.51 lakh
10.	RayMatang T.E.	1.43 cr.		<u>Terai</u>	
11.	Kalchini T.E.	78.48 lakh	36.	Belgachi T.E.	9.20 lakh
12.	Vernabari T.E.	64.97 lakh	37.	Potong T.E.	33.38 lakh
13.	Radharani T.E.	44.10 lakh	38.	Saidabad T.E.	11.51 lakh
14.	Luksan T.E.	35.28 lakh	39.	Singal T.E.	25.65 lakh
15.	Kohinoor T.E.	76.18 lakh	40.	Panighata T.E.	1.2 cr.
16.	Kadambini T.E.	1.53 cr.	41.	Gangaram T.E.	15.40 lakh
17.	Bamandanga T.E.	99.57 lakh	42.	Goyalgach T.E.	50.13 lakh
18.	Karbala T.E.	1.07 cr.	43.	Singhbuli T.E.	24.39 lakh
19.	Banarhat	73.78 lakh	44.	Kumai T.E.	39.70 lakh
20.	Chunabhati T.E.	63.44 lakh	45.	Selhim T.E.	25.04 lakh
21.	New Dooars T.E.	1.13 lakh	46.	Oox T.E.	20.67 lakh
22.	Chamurchi T.E.	15.85 lakh	47.	Laxmipur T.E.	10.86 lakh
23.	Madhju T.E.	1.98 cr.	48.	Potagoa T.E.	12.97 lakh
24.	Tunabari T.E.	19.94 lakh	49.	Gayaganga T.E.	13.69 lakh
25.	Dim Dima	39.78 lakh		<u>Darjeeling</u>	
26.	Bandapani T.E.	22.09 lakh	50.	Mim T.E..	42.10 lakh
			51.	Pubong T.E.	96.89 lakh
			52.	Siongtong T.E.	25.84 lakh

It is known from this report that Provident Fund authority has granted to deposit arrear dues of provident fund money on installment basis against the appeal made by some of the tea gardens, such as Killcott, Madarihar, Garaganda,

Dhumehipara, Nageswari, Lankapara, Bhagatpur, Goyalgach etc. arrest warrant was issued again the management of some of the tea gardens such as Dalsinghpara, Dolmore, Sali, Kadambini, Dheklapara, Chamurchi etc. for not depositing provident fund money in the Provident Fund Account.

Paschimbanga Khet Majoor Samity and International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco, Plantation and Allied Workers Association (IUF) made a study on closed and Re-opened Tea Gardens in North Bengal under the leadership of Anuradha Talwar, Debasish Chakraborty and Sarmishiha Biswas. They became able to collect the important information about huge amount of arrears and liabilities of 18 tea gardens.

This is presented as follows:-

Liabilities towards Workers:

Name of the Gardens	Provident Fund	Gratuity	Salary/Wages & others	Total
Looksan T.E.	7,704,792.00	1,198,614.79	19,889,644.96	28,791,051.75
Carron T.E.	6,998,633.00	834,240.15	9,184,551.46	17,017,424.61
Red Bank T.E.	9,524,000.00	5,757,300.00	20,048,700.00	35,330,000.00
Surendranagar T.E.	3,250,400.00	2,359,700.00	5,977,700.00	12,587,800.00
Dharanipur T.E.	3,321,500.00	1,687,600.00	6,680,200.00	11,689,300.00
Raipur T.E.	4,500,000.00	3,300,000.00	7,610,000.00	15,410,000.00
Chinchula T. E.	10,595,111.00	2,219,629.00	10,388,981.92	23,203,721.92
Ramjhora T.E.	6,827,667.00	1,385,147.00	3,817,934.00	12,030,748.00
Ramandanga Tondoo T.E	12,516,616.00	1,524,439.10	1,000,000.00	15,041,075.10
Chamurchi T.E.	9,214,317.00	4,234,260.06	24,729,215.30	38,177,792.30
Samsing T.E.	18,600,627.00	10,000,000.00	Not known	28,600,627.00
Raimatang T.E.	16,899,938.00	2,809,628.00	19,033,586.00	38,743,152.00
Dheklapara T.E.	8,100,000.00	1,100,000.00	1,455,000.00	10,655,000.00
Kalchini T.E.	15,616,564.00	2,685,093.25	31,249,112.21	49,550,769.46
Kohinoor T.E.	4,983,238.00	3,079,281.68	5,883,496.18	13,946,015.86
Mujnai	5,349,408.00	1,501,829.88	6,775,937.39	13,627,175.47
Srinathpur T.E.	800,000.00	500,000.00	320,000.00	1,620,000.00
Rahimabad T.E.,	40,000.00	30,000.00	150,000.00	220,000.00
Total	144,842,831.00	46,206,762.91	175,194,059.62	366,243,633.53
Dues per worker	8,439.74	2,692.39	10,208.25	21,340.38
No. of Months of Wages	6.56	2.09	7.93	16.58

The study team found the total liability towards workers as per the report was Rs.366 million. The 18 tea gardens for which this information was available 17162 permanent workers are employed. The liability is therefore of Rs.21, 340 per

worker. The industry wise wage rate was Rs.45.90 daily during the period 2002-2004, these amounts to about 17 months or more than a year and a half of wages.

Provident Fund money which was deducted from the wages of the workers and had not deposited with the Provident Fund Commissioner became due to the extent of Rs.8440 to each worker. This amounts to nearly seven months of wages of a worker. It was also found there had been wages and other dues amounting to Rs.10208 or 89 months of wages were due to the workers.

It is cleared from the above study that the crisis which the tea industry experienced particularly during the period 2000-2005, is not the only factor for mounting such huge amount of liabilities. The management's intention and attitude towards the workers is also responsible for such unhealthy condition of these tea estates. The exploitative nature of the employer has been continuing in some of the gardens and which has been deteriorating the overall industrial relations of the tea industry.

From the above study it is also felt that the government machinery has not been functioning with great care and responsibility to take action against the defaulters. The Provident Fund Commissioner has been authorized strong powers by the Employees Provident Funds and Miscellaneous Provisions Act, 1952 for recovery of the due amounts.

According to section 8B of the said Act, the authorized officer can:-

- (a) Attach and sell the moveable and immovable property of the establishment or employer.
- (b) Arrest and detain the employer in prison.
- (c) Appoint a receiver for the management of the movable and immovable property of the employer or establishment.

The study found one positive step for recovery of area provident fund money was in the case of Chinchula Tea Estate where a case had been filed by the Provident Fund Commissioner. The High Court had issued an order in March 2005 by instructing the owner of the garden to deposit the due amount of PF in 20 monthly installments.

Another step was noticed when a case was filed in the Kolkata High Court [Case No. WP No. 10085(w) of 2005] against the Auctavious Tea and Industries

Ltd. under which management of five tea gardens, such as Dalmore T.E., Dalsinghpara, Saili and New Saili had total dues in Provident Fund amounting to Rs.1,78,00426.

In respect of PF dues of Dalmore T.E. situated in Birpara of Jalpaiguri district, the Kolkata High Court gave an verdict that an amount of Rs.4,54,627 be deposited with the Provident Fund Commissioner within 29th July, 2005 and the remaining due balance in 45 installments of equal amount within 10th of every months. The High Court also issued an important order that the Tea Company was not allowed to sell any asset of the company except for the usual tea business of the company till the provident fund dues of the workers was not paid.

It is understand from the audit report of the Dalmore T.E. that no accounting entries was recorded in the Provident Fund Deduction and Deposit Account in respect of provident fund money which was deducted from the wages of the workers as their share and the share of the employer.

The Audit Report of the Auctavious Tea Industries Ltd. Dated 27.09.05 also published the same facts. The audit report also published another very important news that the life insurance premium money under Salary Savings Scheme of Rs.79744.80 in April 2005, Rs.60, 397.00 in May 2005 and Rs.59728.00 in June 2005, which was deducted from the wages of the workers had not deposited in the respective account of the Life Insurance Corporation.

It is a mandatory to deduct provident fund from the wages/salary of the workers/employees and deposit the same with the Provident Fund Commissioner as per Provident Fund Act and violate the same is a punishable offence as per rule. [Uttar Banga Sambad, 19th April, 2009, p. 3].

All the above facts prove a section of the tea garden owners have a tendency to exploit the labours and deprive them from getting their rights and their activities have thrown the workers as well as the tea industry in deep crisis. The ultimate result is the industrial relations in the tea industry are becoming worsening day by day as the management of some tea gardens is not paying the arrear money of wages and other income and not depositing the provident fund money which is deducted from the wage of the workers⁵⁹.

During our study we collected information regarding provident fund dues from 30 sampled tea gardens of Dooars and Terai. Through the data obtained from these tea gardens it is found that the quantum of provident fund dues has increased enormously during the post globalization period which is quite evident from the Table No. 4.27.

Table No. 4.27
Pre-Globalization Period.

Year	1991	1992	1993	1994	1995	1996	1997	1998
Amount of Provident Fund Due (Rs. In lakh)	2.01	2.61	3.22	3.91	4.39	5.96	7.89	9.26

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Amount of Provident Fund Due.	14.66	12.56	15.62	19.01	22.01	25.25	27.57	28.63	27.30	26.24	29.48	26.86

Post-Globalization Period.

Source: Data collected from selected tea gardens of Dooars and Terai.

From the table 4.27 it is evident that the quantum of average provident fund dues from the year 1991 to 1998 did show an increasing trend and it increased by more than 360 per cent in the year 1998 in comparison to 1991. This increasing trend of Provident Fund dues began to pile up in huge quantum from 1999 onwards and continued till the year 2009. It climbed as high as Rs.29.48 lakh in the year 2009 and showed some respite by falling down to Rs.26.86 lakh in the next year. It is pretty clear from the table, that in the post globalization period, the amount of provident fund dues has increased enormously. A few number of tea estates are

responsible for such huge amount of dues in respect of provident funds which is reflected by the report of the Uttar Banga Sambad (dated 30th June, 2010).

As the average amount of provident fund dues have increased significantly it definitely has created an negative impact in the minds of the workers as it is a clear indication of exploitative attitude from the part of the management of the tea estates. This has led to develop unhealthy industrial relations in the tea industry of Dooars and Terai.

Test of Significance:

The data collected from the sampled tea gardens of Dooars and Terai in respect of provident fund dues during the pre and post globalization period is presented by the table no.4.28. It is found from the table that the amount due in respect of Provident Fund is higher in the post globalization era. The statistical test in this regard is also done with the help of the said table.

Table No. 4.28

Average amount of Provident Fund dues in the selected tea gardens of Dooars and Terai during the pre and post globalization period

SL No.	Name of the gardens	Actual Amount of Dues		Approximate Value of P.F. Dues		d=X ₂ -X ₁	d ² =
		Pre-Globalization(X ₁) (1991-1998)	Post Globalization(X ₂) (1999-2010)	Pre-Globalization(X ₁) (Rs. In lakh)	Post-globalization(X ₂) (Rs. In lakh)		
1	Beach T.E	1495106	5818860	14.95	58.19	43.24	1869.69
2	Bata Bari T.E	189578	876310	1.89	8.76	6.87	47.19
3	Baradighi T.E	401105	4745413	4.01	47.45	43.44	1887.03
4	Bagrakote T.E	246287	1306569	2.46	13.06	10.6	112.36
5	Bandapani T.E	268032	4306345	2.68	43.06	40.38	1630.54
6	Chalsa T.E	150103	1089850	1.50	10.89	9.39	88.17
7	Chaluni T.E	384551	886689	3.84	8.87	5.03	25.30
8	Carron T.E	751455	4323127	7.51	43.23	35.72	1275.91
9	Dal Singh Para T.E	477720	3904082	4.78	39.04	34.26	1173.75
10	Dim Dima T.E	626544	2178577	6.26	21.78	15.52	240.87
11	Denguaghara T.E	691186	1906294	6.91	14.06	7.15	51.12
12	Gandrapara T.E	563377	1512599	5.63	15.12	9.57	91.58
13	Kill Colt T.E	357277	2502121	3.57	25.02	21.45	460.10
14	Mech Para T.E	173227	456792	1.73	4.57	2.84	8.06
15	Madhu T.E	1394637	8128952	13.45	81.29	75	5625
16	Mathura T.E	629228	2728652	6.29	27.28	20.99	440.58
17	Kumargram T.E	365494	936133	3.65	9.36	5.71	32.60
18	Phaskawa T.E	276484	665269	2.76	6.65	3.89	15.13
19	Raja T.E	225304	507098	2.25	5.07	2.82	7.95
20	Zurrantee T.E	732348	852344	7.32	8.52	1.2	1.44

21	Atal T.E	549631	1142931	5.49	11.43	5.94	35.28
22	BijoyNagar T.E	572322	3691959	5.72	36.92	31.2	973.44
23	Belgachi T.E	209132	868295	2.09	8.68	6.59	43.43
24	Kiran Chandra T.E	262632	360064	2.62	3.60	0.98	0.96
25	Kamalpur T.E	102297	752722	1.02	7.53	6.51	42.38
26	Mahorgaog & Gulma	532334	872342	5.32	8.72	3.4	11.56
27	Naxalbari T.E	232969	532540	2.32	5.32	3	9
28	Pahargumia T.E	499798	3487946	4.99	34.87	29.88	892.81
29	Lohagarh T.E	218653	846414	2.19	8.46	6.27	39.31
30	Ord Terai	216744	872111	2.17	8.72	6.55	42.90
						$\sum d=495.39$	$\sum d^2=17175.44$

The Null Hypothesis= H_0 and Alternative Hypothesis = H_1 : the amount of Provident Fund dues in the tea gardens of Dooars and Terai in the pre-globalization period= the amount of provided fund dues in the tea gardens of those regions during the post-globalization period.

Alternative Hypothesis (H_1): the amount of provident fund dues during the post globalization period in the tea gardens of Dooars and Terai > the amount of provident fund dues in those gardens during the pre-globalization period

From the Table we found,

$$\sum d/n = 16.4216 \text{ and } \sum d^2/n = 539.3386$$

$$\text{And } S^2(\text{Variance}) = \sum d^2/n - (\sum d/n)^2 = 269.7222$$

$$S = 16.4232$$

$$T = d / \{s / (n-1)^{1/2}\} \text{ or } 5.3845$$

The table value of t at 1% level of significance and 29 d.f. are:-

$$t_{0.01, 29} = 2.462$$

Here the observed value of t is greater than the table value at 1% level of significance. Hence the null hypothesis is rejected and alternative hypothesis is accepted. Therefore, it can be concluded that in the post globalization era the amount of provident fund dues have been increased considerably in comparison to the pre-globalization period and this incidence has developed un-healthy industrial relations in the tea industry of Dooars and Terai.

4.13.5 Gratuity dues Impact on the life of the workers.

Gratuity serves as an instrument of social security. It is such a benefit which provides a financial support to an employee and his family members after retirement from the service. This retirement benefit is paid by the employer to an employee in consideration of his/her services rendered to the respective institution. It is a statutory right of the employee to have the gratuity who have rendered 5 years of continuous service and whose services stands terminated after coming into force

of the act on account of superannuation or retirement or resignation or death or disablement. In case of death, the amount of gratuity is paid to the nominee of that employee and if the nominee is a minor one or if no nomination is made to legal heirs of the dead employee the amount of gratuity should be deposited with the controlling authority who shall invest the same for the benefit of such minor in such banks or financial institutions as may be prescribed, until such minor attains majority.

According to section 7(2) of the gratuity, act, as soon as gratuity becomes payable, the employer shall, whether the application has been made or not, determine the amount of gratuity and give notice in writing to the person to whom the gratuity is payable and also to the controlling authority specifying the amount of gratuity so determined. Section 7(3) of the act lays down that the employer should arrange to pay the amount of gratuity within thirty days from the date of its becoming payable to the respective employee to whom it is payable. But a large section of tea garden workers are deprived from getting the benefit of gratuity as a considerable number of tea gardens have not paid the gratuity money to the workers after their retirement. As a result a huge amount of money has been due in terms of payment of gratuity. It is already stated that huge amount of arrears and liabilities have been found in different tea gardens where a study was conducted by the Paschim Banga Khet Major Samity and IUF on closed and Re-opened tea gardens in North Bengal. During our visit in 20 (twenty) selected tea gardens in Dooars and 10 (ten) tea gardens in Terai we tried to find out the real picture in terms of payment of gratuity to the employee of those gardens. From the information available, we find during the pre-globalization period that is during 1991-1998, the dues in respect of gratuity was much less than the post globalization period of 1999 to 2010. Like provident fund, Zurrantee T.E and Mohergam & Gulma T. E had no dues for gratuity and also Kamalpur T. E and Kiran Chandra T. E, the two gardens of Terai had no dues during pre-globalization period in respect of gratuity.

From the Table No. 4.29 it is evident that the amount of gratuity due to the workers of the tea gardens of Dooars and Terai during the post globalization regime

(1999-2010) is considerably higher than the amount of dues of gratuity of the pre-globalization period.

The test satisfies in this respect is conducted by 't' test. Null Hypothesis (H_0): The amount of gratuity due in the tea gardens of Dooars and Terai before globalization = the amount due in respect of gratuity in those tea gardens after the age of globalization.

Alternative Hypothesis (H_1): The amount of gratuity due in the tea gardens of Dooars and Terai in the post globalization period > The amount of gratuity due to the tea workers of those tea gardens in the pre-globalization period.

This is one tailed 't' test and the degree of freedom (d.f) is $(n-1) = 29$. From the Table No. 4.29 we find :-

$$\sum d/n = 62.56 \text{ and } \sum d^2/n = 143688.61 \text{ and } n = 30.$$

(For making the calculation easier we consider the approximate value of the average amount of gratuity due in the selected tea gardens).

$$\text{Then, } S^2 \text{ (variance)} = \sum d^2/n - (\sum d/n)^2 = 875.87$$

$$S = 29.59$$

$$\text{Therefore, } t = \frac{d}{S/\sqrt{n-1}} = 11.931$$

The Table value of 't' at 1% level of significance and at 29 d.f. are :-

$$t_{0.01,29} = 2.462$$

So, the observed value of t is greater than the table value 1% level of significance. Hence, the null hypothesis is rejected and alternative hypothesis is accepted. Therefore it can be concluded that the amount of gratuity due in the tea gardens of Dooars and Terai in the age of globalization has been shown an increasing trend in comparison to pre-globalization period.

Table No. 4.29

Average amount of gratuity dues in the sampled tea gardens of Dooars and Terai during the period of pre and post globalization.

Sl. No	Name of the gardens	Actual amount due		Approximate value (Rs. In thousand)		$d = X_2 - X_1$	$d^2 =$
		Pre-globalization (1991-1998)	Post-globalization (1999-2010)	(1991-1998) X_1	(1999-2010) X_2		
1.	Beach T. E	28.416	105568	28.41	105.56	77.15	5952.12
2.	Bata Bari T. E	35.658	98478	35.65	98.47	62.82	3946.35
3.	Baradighi T. E	37.536	91667	37.53	91.66	54.13	2930.05
4.	Bagrakote T. E	38.768	105319	38.76	105.31	66.55	4428.90
5.	Bandapani T. E	32.946	97836	32.94	97.83	64.89	4210.71
6.	Chalsa T. E	28.983	107629	28.98	107.62	78.64	6184.24
7.	Chaluni T. E	34.392	97509	34.39	97.50	63.11	3982.87
8.	Carron T. E	38.798	107861	38.79	107.86	69.07	4770.66
9.	Dal Singh Para T. E	37.668	106837	37.66	106.83	69.17	4784.48
10.	Dim Dima T. E	31.262	101933	31.26	101.93	70.67	4994.24
11.	Denguaghara T. E	35.545	115502	35.54	115.50	79.96	6393.60
12.	Gandrapara T. E	36005	99603	36.00	99.60	63.60	4044.96
13.	Kill Colt T. E	42801	105550	42.80	105.55	62.95	3937.56
14.	Mech Para T. E	29658	96784	29.65	96.78	67.13	4506.43
15.	Madhu T. E	39958	225409	39.95	225.40	185.45	34391.70
16.	Mathura T. E	30463	98343	30.46	98.34	67.88	4607.69
17.	Kumargram T. E	35669	103253	35.66	103.25	67.59	4568.40
18.	Phaskawa T. E	37.267	97946	37.26	97.94	60.68	3682.06
19.	Raja T. E	31536	94568	31.53	94.56	63.03	3972.78
20.	Zurrantee T. E	15328	21458	15.32	21.45	6.13	37.57
Terai :-							
21.	Atol T. E	21936	81693	21.93	81.69	59.76	3571.25
22.	Bijohnagar T. E	38306	100817	38.30	100.81	62.51	3907.50
23.	Belgachi T. E	32578	96913	32.57	96.91	64.34	4139.63
24.	Kiran Chandra T. E	19216	37547	19.21	37.54	18.33	335.98
25.	Kamalpur T. E	13256	22618	13.25	22.61	9.36	87.60
26.	Mahorgaog & Gulma	21633	38952	21.63	38.95	17.32	299.98
27.	Naxalbari T. E	26178	88363	26.17	88.36	62.19	3867.59
28.	Pahargumia T. E	29785	93806	29.78	93.80	64.02	4098.56
29.	Lohaqrh T. E	27.561	86986	27.56	86.98	59.42	3530.73

30.	Ord erai T. E	20.187	79532	20.18	79.53	59.35	3522.42
						$\sum d=1877$	$\sum d^2/n=14368$
						$d(\sum d/n)=62.5$	8.61
						6	

4.13.6 Promotion of the workers in the tea industry of Dooars ad Terai.

In a tea estate there are mainly form categories of employees in the tea garden hierarchy. They are

- (a) Management
- (b) Staff
- (c) Sub.-staff and
- (d) Workers.

There is very little scope of promotion from one category to the next.

The manager of the tea garden occupies the highest place in the garden hierarchy who is placed at the top of the management. He is assisted by a number of assistant managers who are placed in the second rank of the management category. Then there are staff or "babus", who work in the office and also play the role of intermediaries between the assistant managers and the daily-rated workers. Also there is a staff that assists the factory manager to keep an account of the amount of tea produced. The next category, the sub-staff, comes below the staff and mainly known as supervisory staff. These people are promoted from the lower ranks and earn slightly higher wages and are paid on a monthly basis. The highest rank in this category is the field staff known as 'munshi' and in the factory, the factory 'sarder'. 'Chapraasi' is the rank comes next to munshi. The incumbents of these two posts perform similar work. They carry the orders from the top and look after the sub-staff below them.

The next one is the 'boider' in rank. His duty is to take the attendance of the workers and the sub-staff in the field. The next place in the hierarchy is the dafader who works as a linkman between the workers and management and guides the workers at every step explaining the nature and quantity of works to be performed

by the workers. The next two ranks are the chowkider and the paniwalla. Each garden has a number of chawkidars or guards to vigil the assets of the garden

The duty of the paniwalla is to carry water for the workers during the duty hours. A paniwalla must belong to a tribe which is superior to others so that all workers can drink the water he carries.

Besides these ranks, there are other categories of sub-staff named as 'davawalla' (health assistant) who helps the doctor or pharmacist in dispensing medicines. Sometimes even the cook of the managers belongs to sub-staff.

The fourth and the final category in the hierarchy are the factory and daily rated workers and recognized as the most important part of the hierarchy. These people form the majority of the work force in the plantation and play a very important role in the production functions.

In the tea garden promotional opportunities from lower to upper level is limited and infrequent. Promotion from staff to management level is a rare incident⁶⁰.

On our visit in the selected tea gardens we found a number of workers are promoted from workers to sub-staff. Through conversation with the workers we came to know the people who are close to union leaders or management are generally get this opportunity, although the union leader and the management denied this grievance of the workers.

Realizing the importance of education the workers of the tea gardens send their children to schools and even to colleges to get required education to be employed in the higher posts of the organizational hierarchy in the tea gardens. The gradual spread of education has been generating higher expectations in the minds of the new generation of the garden people. As a result there has been a growing demand that the local boys should be employed in the category of staff or in the clerical posts. But in reality it is generally found that the outsiders are recruited in the category of staff when the vacancies arise. This kind of step no doubt, create arrogance and dissatisfaction in the minds of the workers and they become restless not only against the management but against the Union leaders also.

The incident that took place in the Dalgaon Tea Estate situated 70 Km. east of the headquarters of Jalpaiguri district in West Bengal in the year 2005, June 6th was an evidence of the unhealthy co-operation between management and union leaders. Resentment among the workers started when the unit leader of the Centre of India Trade Unions (CITU) affiliated, Chabagan Mazdoor Union, Tarakeswar Lohar with the support of his followers began accepting applications from the outsiders against the vacancies of three clerical posts as declared by the garden management. The rival group of workers became violent and the worst carnage took place in the tea plantations of the Dooars, when the laborers set ablaze the house of Tarakeswar Lohar and killed 19 people. Before this worst incident happened the union leader ordered his security men to open fire to disperse the mob. Although the 112 years-old tea estate has no record of this kind of violence in its history But this incident is definitely a sign of no reliance on the union leaders as well as on the management which leads towards unhealthy industrial relation.

[Uttar Banga Sambad 7th Sept.'2005, P-1]

Interviewing with the management we came to know that there are no specific criteria for promotion in the tea gardens. But generally the following factors are considered to select a worker to higher post, such as:-

- (a) Performance level of the worker
- (b) Educational qualification
- (c) Length of the service
- (d) Sincerity and responsibility towards duty etc.

But the workers told trade union's reference and loyalty towards management play an important role to get such promotion.

The picture about the promotion of the workers to higher posts during the pre and post globalization period and the statistical analysis in this respect in the sampled tea estates is presented in the following way.

Table 4.30

Average number of workers promoted to higher post during the pre and post globalization period in the sampled tea gardens of Dooars and Terai.

Sl. No.	Name of the gardens	Pre-globalization (1991-1998) X_1	Post globalization (1999-2010) X_2	$X_2 - X_1 = d$	d^2
1.	Beach T. E	2.88	1.92	- 0.96	0.9216
2.	Bata Bari T. E	2.14	1.75	- 0.39	0.1521
3.	Bagrakote T. E	2.78	1.96	- 0.82	0.6724
4.	Baradighi T. E	3.20	2.08	- 1.12	1.2544
5.	Bandapani T. E	3.16	2.15	- 1.01	1.0201
6.	Chalsa T. E	3.26	2.12	- 1.14	1.2996
7.	Chaluni T. E	3.50	2.36	- 1.14	1.2996
8.	Carron T. E	2.42	1.67	- 0.75	0.5625
9.	Dim Dima T. E	3.26	2.16	- 1.26	1.5876
10.	Denguaghara T. E	3.15	1.89	- 1.26	1.5876
11.	Dal Singh Para T. E	2.82	1.89	- 0.93	0.8649
12.	Gandrapara T. E	3.75	2.26	- 1.49	2.2201
13.	Phaskawa T. E	2.38	1.75	- 0.63	0.3969
14.	Mech Para T. E	2.42	1.88	- 0.54	0.2916
15.	Madhu T. E	1.75	1.12	- 0.63	0.3969
16.	Mathura T. E	2.66	1.92	- 0.74	0.5476
17.	Kill Colt T. E	2.03	1.53	- 0.50	0.2500
18.	Kumargram T. E	3.13	1.88	- 1.25	1.5625
19.	Raja T. E	3.12	1.78	- 1.34	1.7956
20.	Zurrantee T. E	4.25	3.15	- 1.10	1.2100
21.	Atal T. E	2.92	1.89	- 1.03	1.0609
22.	Belgachi T. E	3.15	1.75	- 1.40	1.9600
23.	Bijoyagar T. E	2.50	1.38	- 0.88	0.7744
24.	Kamalpur T. E	2.25	1.50	- 0.75	0.5625
25.	Kiran Chandra T. E	2.75	1.80	- 0.95	0.9025
26.	Lohaqrh T. E	2.25	1.65	- 0.60	0.3600
27.	Naxalbari T. E	2.14	1.55	- 0.59	0.3481
28.	Pahargumia T. E	2.50	1.46	- 1.04	1.0816
29.	Ord erai T. E	2.75	1.25	- 1.50	2.2500
30.	Mahorgaog & Gulma	3.50	2.20	- 1.00	1.0000

$$\sum d = 27.71$$

$$\sum d/n = 0.9236$$

$$\sum d^2 = 30.47$$

$$\sum d^2/n = 1.0156$$

$$S^2(\text{variance}) = \sum d^2/n - (\sum d/n)^2 = 1.0156 - (-0.9236)^2$$

$$S^2 = 0.1625$$

$$S = 0.4031$$

$$t = \frac{d}{s/\sqrt{n-1}} = \frac{-0.9236}{0.4031/\sqrt{29}} = \frac{-0.9236 \times 5.3851}{0.4031} = -12.3385$$

We found calculated value of $t = 12.3385$ and degree of freedom (d.f.) is $(n-1)$ or 29

I $n=30$ I

This is one tailed test and the significance value at 1% level for 29 d.f.

$$t_{0.01,29} = 2.462$$

The Null hypothesis (H_0):- The average number of promotion of the workers in the pre globalization period in the tea gardens = the average number of promotion of the workers during the post globalization period.

The Alternative hypothesis (H_1):- The average number of promotion of the workers during the post globalization era in the tea gardens < The average number of promotion of the workers in the pre-globalization period.

As the calculated value of t is greater than the table value of ' t ' at 1% level of significance, then we can conclude that the promotional opportunity of the workers has been reduced considerably in the post globalization period. So, it can be said there has been an adverse effect on the industrial relation between the workers and the management in the tea estates of Dooars and Terai regions.

4.13.7 Strikes and Lock-outs in the Tea Industry

Tea Industry of West Bengal had witnessed aggressive labour movement when strikes and other form of violent agitation was a common feature of the labour movement and industrial relations were unhealthy. However, with the passage of time the trade unions discarded aggressive form of labour movement and since the beginning of the 90s they adopted the way of co-operation and helpful attitude. As a result, strikes, gheraos, confinement and assault of the managerial staff etc. became restricted. The data available from the sampled tea gardens of Dooars and Terai region in respect of strikes from the year 1991 to 2010 is

presented by the following Table No. 4.31. It is evident from the table that the number of strikes held in the tea industry of Dooars and Terai shows an erratic nature of industrial disputes. There is no uniform upward or downward trend in the number of strikes observed by the workers during this whole period of 1991 to 2010. Major fluctuation in this trend was recorded in the year 1999 and 2005 in the form of industry wise strikes for long 11 days and 15 days respectively for the demand of wage hike. Due to this the number of overall strikes increased in the post-globalization period. Otherwise there has not been any major difference in the number of strikes observed by the tea workers in Dooars and Terai. It is found from the data that on an average a tea garden witnessed maximum two days strike in the post-globalization period whereas in the pre-globalization this average number was more than two.

Table No. 4.31

Average number of strike held in the Tea Industry of Dooars and Terai during Pre and Pre-Globalization period.

Pre-Globalization

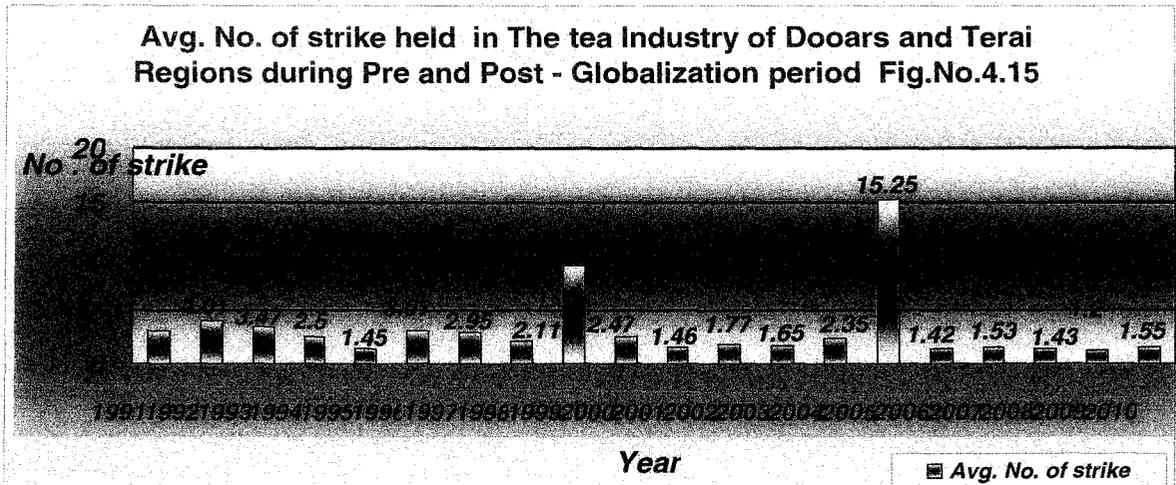
Year	1991	1992	1993	1994	1995	1996	1997	1998
Number of Strikes.	3.08	4.01	3.47	2.50	1.45	3.07	2.95	2.11

Post Globalization

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
No. of strikes	9.2	2.47	1.46	1.77	1.65	2.35	15.25	1.42	1.53	1.43	1.20	1.55

Source: Individual Tea Garden Records.

Fig No 4.15



Source: Data Collected from Individual Tea Gardens.

The data collected from the 30 tea gardens of North Bengal, 20 of Dooars and 10 of Terai regions in respect of workers' movement and managements' attitude. It is evident from the data and information that the tea industries of Dooars and Terai experienced labour agitations and labour unrest during the period 1991 to 2010, as the management are not corned enough to follow the provisions of various acts which have been framed from time to time in favour of the tea plantations workers. Even some of the gardens do not pay the wages and rations according to agreement. Finding no alternative the workers go for strike to fulfill their demands and industrial relations deteriorate. Fig.4.15 shows the trend of strikes in the period of pre and post globalization period in the tea industry of Dooars and Terai.

The statistical test in this regard is calculated as follows by the Table No.4.32. **Let the Null Hypothesis is H_0 and Alternative Hypothesis is H_1 Null Hypothesis (H_0)**: Average number of strike in the selected tea gardens during the per-globalization period = Average number of strike in those gardens in the post globalization period.

Alternative Hypothesis (H_1): Average number of strike organized by the tea workers in the tea gardens during post-globalization period > Average number of strike called by the tea workers during the pre globalization period.

This is one-tailed 't' test with (n-1) degree of freedom (d 't').

$$T = \frac{d}{s/\sqrt{n-1}}, \quad n = 30$$

$$D = \sum d/n = 2.368$$

$$\sum d^2/n = 5.936$$

$$S^2 \text{ (Variance)} = \sum d^2/n - (\sum d/n)^2 = 0.329$$

$$S = 0.5735$$

$$T = 38.7589.$$

The table value of t at 1% level of significance and at 29 d . f :-

$$t_{0.01, 29} = 2.462 \text{ and the observed value is } 38.7589$$

The observed value of 't' is greater than the table value of 't' at 1% level of significance.

Hence, the null hypothesis is rejected and alternative hypothesis is accepted. Then it can be concluded that the number of strike in the tea industry of West Bengal have been increased in the post globalization period. It may also be concluded that the industrial disputes in the tea gardens have been prevailed and industrial relations in the tea industry is unsatisfactory.

Table 4.32

Average number of strike in the selected tea gardens of Dooars and Terai during pre and post globalization period.

Name of the gardens		Pre globalization (1991-1998) X_1	Post globalization (1999-2010) X_2	$D = X_2 - X_1$	$D^2 =$
D	Batabari	2.50	5.25	2.75	7.5625
	Bagrakote	2.12	4.86	2.74	7.5076
O	Baradighi	2.92	5.16	2.24	5.0176
O	Beach	2.36	5.87	3.51	12.3201
A	Bandapani	2.58	5.25	2.67	7.1289

R S	Chalsa	2.50	4.38	1.88	3.5344
	Chaluni	2.25	5.25	3	9
	Carren	2.93	5.53	2.60	6.76
	Dal singh Para	2.32	4.65	2.33	5.4289
	Dim Dima	2.18	4.26	2.08	4.3264
	Denguajhora	2.25	4.15	1.90	3.61
	Gandrapara	2.25	4.25	1.75	3.0625
	Killcott	2.37	4.25	1.88	3.5344
	Mechpara	2.26	4.76	2.50	6.25
	Maldhu	2.38	4.13	1.75	3.0625
	Mathura	2.66	5.26	2.6	6.76
	Kumargram	2.50	4.25	1.75	3.0625
	Phaskowa	2.32	4.66	2.34	5.4756
	Raja	2.39	4.76	2.37	5.6169
	Zurrantee	1.88	2.50	0.62	0.3844
T E R A I	Atal	1.75	4.37	2.62	6.8644
	Bijoyagar	2.78	5.18	2.40	5.76
	Belgachi	2.94	4.68	1.74	3.0276
	Kiranchandra	1.62	4.37	2.75	7.5625
	Kamalpur	1.12	3.87	2.75	7.5625
	Mohorgaij & Gulma	2.12	4.22	2.10	4.41
	Naxalbari	2.00	4.87	2.87	8.2369
	Pahargumia	2.37	4.75	2.38	5.6644
	Lahagarh	2.12	4.50	2.38	5.6644
	Ord Terai	1.75	4.50	2.75	7.5625
			$\sum d = 71.06$	$\sum d^2 = 178.09$	

It is found from the Table No. 4.32 that the number of strike observed by the tea workers in the tea industry of Dooars and Terai during the post globalization period is greater than the number of strike held in the pre-globalization period.

Trend of Lock-out in the tea industry of Dooars and Terai in the age of Globalization.

Going through the sampled tea gardens in Dooars and Terai during our study it is realized that in the age of liberalized economy the working class people of tea industry have been affected considerably due to fear of closure of the gardens and fear of loss of job. As a result workers' movement and agitation have been shown a downward trend. A big question has been arisen in the minds of the workers about the utility or success of such movement. Above all government's reluctance to support any kind of agitation that may lead to close down the organization is also responsible for such attitude of the workers. Talking with a number of workers we felt this and on the other hand increasing number of lock-outs in the tea gardens of both the regions of Dooars and Terai exhibits the aggressive attitude of the employers in the age of globalization.

The data available from the selected tea gardens of Dooars and Terai in respect of lock-outs from the year 1991 to 2010 shows a dominating nature of industrial relations in the tea industry of West Bengal by the employers.

Table No. 4.33

Average number of Lock-outs in sampled Tea Gardens of Dooars and Terai Region during the period 1991-2010.

Pre-Globalization Period.

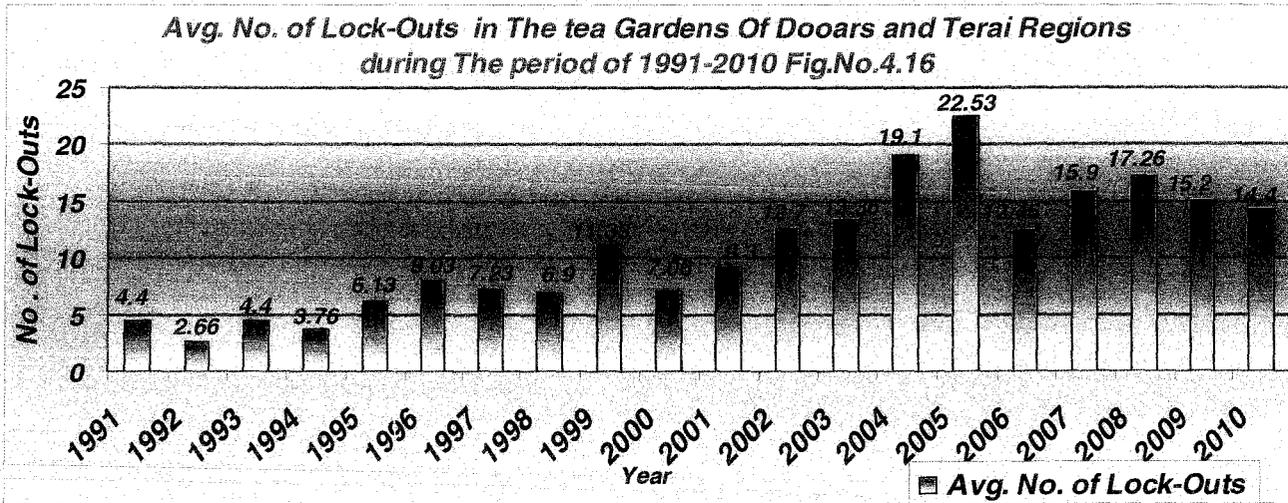
Year	1991	1992	1993	1994	1995	1996	1997	1998
No. of Lock-outs	4.40	2.66	4.40	3.76	6.13	8.03	7.23	6.90

Post-Globalization Period

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
No. of Lock-outs	11.33	7.06	9.30	12.70	13.36	19.10	22.53	12.46	15.90	17.26	15.20	14.40

Source: Data collected from selected tea gardens of Dooars and Terai region.

Fig No 4.16



Source: Data Collected from Individual Tea Gardens.

It is noticed from the table that there was no uniform upward or downward trend of lock-out during the pre-globalization or post-globalization period. However it is cleared from the table that the number of lock-outs in the post-globalization period is greater than the pre-globalization era.

Rather, during the pre-globalization period a fluctuating trend had been recorded. In the post-globalization period from the year 2000 to 2005 there had been a continuous upward trend and maximum number of lock-outs took place in the year 2005. It is already found that during this period of 2000-2005, the tea industry had passed through a crisis phase due to fall in auction tea price and when cost of production surpassed the auction selling price of tea. During this period a number of tea estates were either closed or abandoned throughout India including West Bengal, mainly in Dooars region. It may be due to that crisis that the management of the tea estates of these regions preferred to close the production activities to avoid losses and to reduce the costs mainly the labour costs. But this step had definitely developed an adverse impact in the industrial relations of the tea industry.

The situation started to improve from the year 2007 and in the year 2009 the auction price of per Kg. of tea increased considerably. The C.T.C. teas which are produced in Dooars and Terai fetched a price of Rs.111 per Kg in the year 2009 an

increase by Rs.21 per Kg in comparison to previous year, and quality brand tea was sold for Rs.150 per Kg. The price of which was recorded as Rs.120 per Kg in the year 2008. The best quality C.T.C., tea was sold at a fabulous price of Rs.172 per Kg. In North Bengal more or less 200 to 210 million Kg of tea is produced every year. So, this trend of steady market has injected financial strength to the tea industry and made the tea industrialists happy. [Uttar Banga Sambad, 5th December, p. 5].

But in spite of this improved situation the tea gardens of Dooars and Terai witnessed on an average 14 to 17 days lock-outs. This attitude of the management may be to deprive the workers from getting financial benefits, such as higher rate of bonus arrear pay, provident fund etc. and to stop any kind of labour agitation. Because for a very nominal incident management like to declare lock-out. Such as, the management of Phaskhawa Tea Estate declared lock-out for a very nominal reason. One of the workers, named Prem Sebyan used to cut bamboo tree adjacent to the labour quarter and Manager Mr. Sanjeeb Pramanik issued a show-cause letter against his name for such act, and after 3 days of issuing such letter the management retrenched that worker. This step of the management developed labour unrest. Realizing the situation the management re-employed Prem Sabyan as a worker on 1st January 2011. But on the very next day the management declared lock-out in the garden. The worker used to believe as the plucking of tea leaf is stopped during winter; the management never likes to pay wages and other benefits to the workers in this season and thus declared lock-out to gain extra profit at the cost of the labour. [Uttar Banga Sambad, 2nd January, 2011].

From the above it can be stated in the post-globalization period the attitude of the employers of the tea estates have become more aggressive and they prefer to keep the workers under pressure. This trend is definitely leads towards unhealthy industrial relations in the overall tea industry of West Bengal.

The statistical test in respect of trend of lock-out is stated below:

From the Table No.4.34, We can observe the trend of lock-out in the pre and post globalization era and the statistical analysis in this regard can be presented in the following way.

From the data as collected we are to use 't'-test. Null Hypothesis (H_0) : Average number of lock-out in the tea gardens of Dooars and Terai region in the pre-globalization period = Average number of lock-out in the tea gardens of the said region during the post globalization period.

Alternative Hypothesis (H_1): Average number of lock-out in the post globalization period in the tea estates of Dooars and Terai region > Average number of lock-out in the tea estates of the same regions during the pre globalization period.

From the Table No. 4.34 we calculated,

$$\sum d/n = 8.334 \text{ and } \sum d^2/n = 78.796$$

$$s^2 \text{ (variance)} = \sum d^2/n - (d)^2 = 78.796 - (8.334)^2 = 9.341$$

$$s = \sqrt{9.341} = 3.0563$$

$$t = \frac{d}{s/\sqrt{n-1}} = \frac{8.334}{3.056/\sqrt{29}}$$

$$\text{or, } t = 14.685$$

The Table value of t. at 1% level of significance is, $t_{0.01, 29} = 2.462$

Therefore observed value of t (14.685) is greater than the table value of 't' at 1% level of significance.

$$t_{14.685} > t_{2.462} \text{ (at 1\% level)}$$

Hence the null hypothesis is rejected and alternative hypothesis is accepted. So, it can be concluded that the average number of lock-out in the era of globalization has increased considerably than the number of lock-out took place before the age of globalization in the tea industry of West Bengal. From this analysis it may be concluded that the relation between the management and the tea workers is not a harmonious one and this is not a healthy sign for the growth and development of the tea industry of West Bengal.

Table No. – 4.34

Average number of lock-out in the selected tea gardens of Dooars and Terai regions during pre and post globalization period.

Sl. No.	Name of the Gardens	Pre globalization (1991-1998) X_1	Pre globalization (1999-2010) X_2	$d = X_2 - X_1$	d^2
1.	Beach T. E	4.87	14.00	9.13	83.3569
2.	Bata Bari T. E	6.50	14.25	7.75	60.0625
3.	Bagrakot T. E	6.00	17.62	11.62	135.0244
4.	Baradighi T. E	5.12	12.62	7.50	51.25
5.	Chalsa T. E	2.62	8.25	5.63	31.6969
6.	Chaluni T. E	5.00	14.12	9.12	83.1744
7.	Carron T. E	8.12	18.87	10.75	115.5625
8.	Dim Dima	5.62	14.75	9.13	83.3569
9.	Denguaghara T. E	6.25	15.25	9	81.00
10.	Dal Singh Para T. E	6.62	16.37	9.75	95.0625
11.	Gandrapara T. E	5.37	13.87	8.50	72.25
12.	Phaskawa T. E	5.75	12.50	6.75	45.5625
13.	Mech Para T. E	5.87	17.62	11.75	138.0625
14.	Maldah T. E	6.87	15.37	8.50	72.25
15.	Malhura T. E	6.00	16.37	10.37	107.5369
16.	Kill Colt T. E	6.12	12.62	6.50	42.25
17.	Kumargram T. E	6.62	14.00	7.38	54.4644
18.	Raja T. E	7.25	15.75	8.50	72.25
19.	Bandapani T. E	3.62	10.25	6.63	43.9569
20.	Zurrantee T. E	- 2.56	- 4.72	2.16	4.6656
21.	Mahorgaog & Gulma	- 2.62	4.52	1.90	3.61
22.	Belgachi T. E	5.50	20.25	14.75	217.5625
23.	Bijoyagar T. E	4.87	15.12	10.25	105.0625
24.	Kamalpur T. E	2.87	4.25	1.38	1.9044
25.	Kiran	2.00	5.75	3.75	14.0625

	Chandra T. E				
26.	Lohaqrh T. E	5.62	16.62	11	121
27.	Naxalbari T. E	4.75	16.00	11.25	126.5625
28.	Atal T. E	5.37	15.25	9.88	97.6144
29.	Pahargumia T. E	6.00	17.25	11.25	126.5625
30	Ord Terai T. E	6.12	14.62	8.50	72.25
				$\sum d=250.33$	$\sum d^2=2358.9871$
				$\sum d/n = d = 8.34433$	$\sum d^2/n=78.796$

When production functions are stopped due to strike or lock-outs it symbolizes unhealthy industrial relations are prevailing in the industry and on the other side huge quantum of loss is generated due to stoppage of production functions which ultimately turns the industry towards the path of sickness, this situation further deteriorates the industrial relations in the industry.

From the Table No. 4.35 and Table No. 4.37 the trend of man-days lost due to strike and lock-outs has been reflected. Table No. 4.35 shows in the pre-globalization period the number of man-days lost due to strike had not increased or decreased by a considerable number. It is due to number of strikes observed by the tea workers during that period 1991 to 1998 were on an average 3 days per year. From the other point of view it can be stated the workers preferred to discard the aggressive view of labour movement in the days of changed economic policy. From the same table we can find that man-days lost due to strike is excessively high in the year 1999 and 2005 in the post-globalization period due to the two major industrial strikes that continued for 11 days and 15 days respectively for the demand of wage increment in tea industry. Leaving aside these two years, the man-days lost due to strike hovered around 1000 to 2000 in the post-globalization period. In the year 2009 the number of man-days lost recorded below 1000, whereas during the pre-globalization period this number varied 2000 to 3000. However, if we consider the average of the two periods separately, i.e. pre and post-globalization era, we find that the average number of man-days lost due to strike is greater in the post-globalization period.

It is evident from Table No. 4.37 the average number of man-days lost due to lock-outs has been recorded an increasing trend till the year 2005 except for the year 1998 and 2000. Interestingly since the year 2007, the tea price started to increase after recording a set-back for a number of years since 2000. The number of man-days lost due to lock-out were also higher due to greater number of lock-outs happened in the tea industry after the crisis period is over.

Higher number of lock-outs means higher number of man-days lost and the industry suffers a loss of huge amount of profits. It is interesting to note the employers preferred to declare lock-out incurring a loss of huge amount of profits and that may be to suppress any kind of labour agitation and to make weaker the trade union movement. This situation indicates the employers have become more powerful in the post-globalization period and the industrial relation in the tea industry has become un-harmonious and un-healthy.

The success of tea industry highly depends on the performance of the workers as the greater part of the production function are labour intensive. So, if the labourers become unhappy or they are deprived from necessary economical and social benefits which have been provided by the provisions of the Plantation Labour Act, 1951, the tea industry will face tougher problems in the near future.

Table No. 4.35.

Average number of Man-days Lost due to Strike.

Pre-Globalization.

Year	1991	1992	1993	1994	1995	1996	1997	1998
Man-days Lost.	1923	2653	2560	2691	2662	2468	1935	1264

Post-Globalization Period.

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Man-days lost	12,197	1528	1839	2064	1932	2008	15363	1376	1224	1006	742	1453

Source: Data collected from sampled tea estates of Dooars and Terai region of West Bengal.

Man days lost due to strike :-

From the Table No. 4.36 the average number of man days lost during the pre and post globalization period can be known and the statistical test in this regard is done with the help of 't' test.

Null Hypothesis (H₀):- Number of man days lost due to strike in the pre-globalization period = Number of man days lost due to strike in the post-globalization period.

Alternative Hypothesis (H₁):- Number of man days lost due to strike in the post-globalization period > Number of man days lost due to strike in the pre-globalization period.

$$\sum d/n = 71824.63/30 = 2394.154333$$

$$\sum d^2/n = 218328992.22/30 = 7277633.073$$

$$S^2 (\text{Variance}) = \sum d^2/n - (\sum d/n)^2 = 1545659.697$$

$$S = 1243.245$$

$$T = \frac{d}{s/\sqrt{n-1}} = 10.37005$$

This is one-tailed test and the degree of freedom = $n - 1 = 29$. The table value of 't' at 1% level of significance at (n-1) degree of freedom (d.f.) is 2.462 respectively, where as observed value of $t = 10.37005$

$$t_{10.37005} > t_{1.699} \text{ and } t_{2.462}$$

Hence the null hypothesis is rejected.

So, it can be concluded that the number of man-days lost due to strike during the post globalization period has increased considerably which proves the disputes have been prevailing in the tea gardens of North Bengal.

Average man-days lost due to strike in pre and post globalization period in selected tea gardens of Dooars and Terai.

Table4.36

Tea gardens	Average man-days lost			
	(1991-98) X ₁	(1999-2010) X ₂	d = (X ₂ - X ₁)	d ² =
Beach T. E	4946.37	11406.00	6459.63	41726819.74
Bandapani T. E	5323.25	8712.65	3389.4	11488032.36
Bata Bari	1510.00	2645.50	1135.5	1289360.25
Chalsa T. E	2549.25	4673.63	2124.38	4512990.38
Dim Dima	5284.75	8318.65	3033.9	9204549.21
Denguajhar T. E	2904.00	8765.50	5861.5	34357182.25
Dal Singh Para	5324.00	8712.00	3388	11478544
Gandrapara	4287.50	7288.75	3001.25	9007501.563
Mechpara T. E	3593.35	6327.35	2734	7474756
Mathura T. E	2635.00	4479.50	1844.5	3402180.25
Mathu T. E	2052.00	3564.00	1512	2286144
Phas Kowa T. E	2616.25	5458.75	2842.5	8079806.25
Kill Cott T. E	2432.00	4352.00	1920	3686400
Raja T. E	2470.25	5121.25	2651.25	7029126.563
Carron T. E	5324.35	8712.75	3388.75	11483626.56
Kumargram	3525.00	4556.25	1031.25	1063476.563
Baradighi T. E	3305.00	5821.25	2516.25	6331514.063
Chaluni	2876.12	6735.75	3859.63	14896743.74
Zurrantee T. E	872.75	1525.75	653	426409
Bagrakote	2938.00	7215.00	4277	18292729
Mahurgang& Gulma	1298.75	2590.50	1291.25	1667326.563
Belgachi T. E	1136.80	2538.00	1401.2	1963361.44
Bijaynagar T. E	2257.50	4537.25	2279.75	5197260.06
Kamalpur T. E	190.25	658.50	468.25	219258.06
Lohagarh	703.00	1516.50	813.5	661782.25
Noxalbari	1222.87	2319.12	1096.25	1201764.06
Pahargumia	3178.25	6539.75	3361.5	11299682.25
Kiran Chandra	513.37	1454.87	941.5	886422.25
Atal T. E	869.25	2178.75	1309.5	1714790.25
Ord Terai T. E	1183.50	3559.50	2376	5645376

Table No. 4.37

Average Number of Man-days loss due to Lock-out in the tea gardens of Dooars and Terai during Pre and Post Globalization Period.

Pre-Globalization

Year	1991	1992	1993	1994	1995	1996	1997	1998
No. of Man-days lost	1346	2393	5040	4294	6719	7461	7235	4067

Post-Globalization

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
No. of Man-days	12568	6227	9199	11444	4382	18865	21592	13698	15227	16664	14992	15358

The data collected from the 30 tea gardens of North Bengal, 20 of Dooars and 10 of Terai regions in respect of overall conditions of the tea estates in the era of globalization. It is evident from the data and information as collected from those sampled tea gardens that the tea industries of Dooars and Terai experienced labour agitations and labour unrest from time during the period 1991 to 2010, and also the violation of business ethics on the part of the management. As a result the tea estates of these regions witnessed a considerable number of strike, lock-outs, gate meetings and a large number of man days lost due to those steps taken by the workers as well as the employers during the pre and post globalization period.

Man days lost due to lock-out has been on increasing trend which is evident from the above table. The test of significance in this respect is done with the help of the Table No. 4.38.

The statistical test in this regard is presented as follows. Say, the Null Hypothesis is H_0 , and Alternative Hypothesis is H_1 , Null Hypothesis (H_0) : The number of man days lost due to lock-out in the pre-globalization period in the tea gardens of Dooars and Terai = The number of man days lost due to that reason in the tea gardens during the post-globalization period.

Alternative Hypothesis (H_1) : The number of man days lost due to lock-out during the post-globalization period in the tea gardens of Dooars and Terai > The number of man days lost due to that reason in the tea gardens during the pre-globalization period.

$$\sum d = 253439.21$$

$$\sum d^2 = 2861787638.10$$

$$d = \sum d/n = 8447.97$$

$$\text{and } \sum d^2/n = 95392921.27$$

$$S^2 = \sum d^2/n - (\sum d/n)^2 = 24024723.82$$

$$S = 4901.5022$$

$$\text{and } n = 30$$

We is one tailed test and the degree of freedom is $(n - 1) = (30-1) = 29$.

The table value of t at 1% level of significance at $(n-1)$ or 29 degree of freedom (d.f) are as :-

$$t_{0.01,29} = 2.462$$

So, the observed value of t (9.2813) is greater than the value of 1% level significance. Hence, it may be concluded that the Null hypothesis is rejected and Alternative hypothesis is accepted.

So, it can be said that the number of man days lost during the post-globalization period is higher than the number of man days lost in the pre-globalization period.

Table No. – 4.38

Average number of man days lost in the selected tea gardens in Dooars and Terai region of North Bengal due to lock-out.

Sl. No.	Name of the Gardens	Average number of man days lost (1991-98) Per-globalization (X_1)	Post globalization (1999-2010) (X_2)	$D = X_2 - X_1$	$d^2 =$
1.	Beach T. E	9637.12	27.755	18117.88	328257575.70
2.	Bata Bri T. E	3925.06	8703.18	4778.12	22830430.73
3.	Bagrakot T. E	8814	20205.57	11391.57	129767867.10
4.	Baradighi T. E	5965.38	14901.06	8935.68	79846377.06
5.	Chalsa T. E	2368.45	9227.71	5959.26	35512779.75
6.	Chalmuni T. E	6393.75	18108.90	11715.15	137244739.50
7.	Carron T. E	5111.54	13882.80	8771.26	76935001.99
8.	Dim Dima T. E	6970.42	22447.65	15477.23	239544648.50
9.	Denguajhora T. E	7843.75	19186.40	11342.65	128655709.00
10.	Dal Singh Para T. E	12692.19	32079.06	19386.87	375850728.40
11.	Gandrapara	7177.67	19601.77	12424.10	154358260.80
12.	Phaskawa T. E	1558.96	3406.25	1847.29	3412480.344
13.	Mechpara T. E	6062.24	18368.85	12306.61	151452649.70
14.	MAdhu T. E	5934.82	13364.21	7429.39	55195835.77
15.	Mathura T. E	8349.00	22860.70	14511.70	210589436.90
16.	Kill Colt T. E	5859.08	12208.27	6349.19	40312213.66
17.	Kumargram T. E	9354.06	19811.75	10457.69	109363280.10
18.	Raja T. E	4623.68	10186.31	5562.63	30972852.52
19.	Bandapani	3458.00	9857.93	6399.93	40959104
20.	Zurrantee T. E	2794.24	5711.31	2917.07	8509297.385
21.	Terai:- Mohorgnj &	3305.78	6318.15	3012.37	9074373.017

	Gulma				
22.	Belgachi T. E	2851.06	10537.43	7686.37	59080283.78
23.	Bijoynagar T. E	3604.40	11225.46	7621.06	58080555.52
24.	Kamalpur T. E	474.26	754.37	280.11	78461.6121
25.	Kiranchandra T. E	635.50	1957.87	1322.37	1748662.417
26.	Lohagarh T. E	1859.51	5590.55	3731.04	13920659.48
27.	Naxalbari T. E	2584.00	8742.00	6158.00	37920964
28.	Atal T. E	2666.20	7586.87	4920.67	24212993.25
29.	Pahargumia	8472.00	24376.34	15904.34	252948030.80
30.	Ord Terai	4831.74	11553.45	6721.71	45181385.32
				$\sum d = 253439.31$	$\sum d^2 = 2861817638.1051$

4.13.8 Man days lost due to Gate Meeting:-

Besides strike and lock-out, gate meeting is considered as one of the most decisive factors in measuring the industrial relations in the tea industry. The workers organize gate-meeting as a part of the worker movement to raise their demands under the leadership of the respective trade unions. Through gate-meeting the workers convey their grievances to the management.

The gate-meeting is generally organized in the morning shift at the working hours and is continued for a minimum of half an hour to a maximum of two hours depending on the gravity of the issues of the agitation. The workers are assembled at the factory gate or in front of the staff room and raise their slogans in support of their demands.

The workers take part in the gate-meeting generally for the following issues:-

- a) For delay in wage payment and for getting arrear wages
- b) For construction of new houses and for repairing the existing houses

- c) For having fringe benefits such as supply of slippers, umbrella, tarpaulin etc.
- d) Additional employment and appointment of Badh workers and force decasualization of labour
- e) Electricity facilities
- f) Protection from wild animals such as leopards and elephants etc.

During our study in the sampled tea gardens in Dooars and Terai region, we find the occurrence of gate-meeting in these gardens have been a regular feature to bring their demands in the notice of the management.

The data collected from the sampled tea gardens of the Dooars and Terai region, it is evident that the man-days lost due to gate meeting has been showing an increasing trend in the post-globalization period in comparison to pre-globalization era.

Table No:- 4.39

Average no. of Man-days lost due to Gate meetings in the Tea Gardens of Dooars and Terai Region.

		Pre-Globalization Period							
YEAR		1991	1992	1993	1994	1995	1996	1997	1998
No. of Man-days lost		204	267	365	437	578	691	706	843

		Post-Globalization Period											
YEAR		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
No. of Man-days lost		1041	1052	1240	1327	1219	1253	1509	1337	1103	917	940	1098

Source: Individual Tea Garden records (various years)

From the Table No 4.39, it is evident that there has been a clear record of increasing trend in the average man-days lost due to gate meeting in the post

globalization period. The average number of man days lost during the period 1991 to 1998 is accounted for nearly 511 days whereas during the period of 1999 to 2010 the number of man days lost is recorded as an average 1099 days. This is a clear indication that the tea industry of Dooars and Terai has been experiencing unhealthy industrial relations in the post-globalization era due to higher number of man-days lost due to gate-meeting.

Though gate-meeting is organized for a shorter period of time in comparison to strike but as it is taken place frequently it leads to the loss of considerable number of man-days at the end of the year and ultimately production is hampered due to plucking of less quantity of green leaf than the scheduled quota of the workers per working day. Mainly during the peak flush season the loss incurred due to gate meeting increases many-fold.

This trend of gate meeting in the tea gardens of Dooars and Terai conveys an important message to the managements concern for fulfilling the benefits of the tea-workers which are legislated by PLA 1951.

The workers are feeling they are deprived of getting necessary benefits and have been trying hard to avail themselves those facilities by raising their demands in this form of agitation which is less aggressive in nature in the age of liberalized economy when the employers have become more powerful. But as a whole the labour management relations in these gardens have been indicated a worsening situation.

From the Table No 4.40 we find the average man days lost due to gate meeting during the pre and post globalization era in the sampled tea gardens of Dooars and Terai. We find from our study that the number of man days lost due to gate meeting has been showing on upward trend in the post globalization regime in the industry of Dooars and Terai. We adopted 't' statistical test as test of significance and found the following result.

This is one tailed test and the degree of freedom is $(n - 1)$ or 29.

Here $\sum d/n = 706.164$

$$\sum d^2/n = 767421.02$$

$$S^2 (\text{variance}) = \sum d^2/n - (\sum d/n)^2 = 268759.07$$

$$S = 518.41$$

Null Hypothesis (H_0) : Number of man days lost due to gate meeting in the sampled tea gardens in the pre-globalization period = Number of man days lost to gate meeting in the post-globalization period in the tea gardens. Alternative Hypothesis (H_1) : Number of man days lost in the post-globalization period in the tea gardens > Number of man days lost during pre-globalization period.

$$t = \frac{d}{s\sqrt{n-1}} = 7.3352 \text{ (observed value)}$$

The Table value of t at 1% level of significance and at 29 degree of freedom are:-

$$t_{0.01,29} = 2.462$$

So, the observed value of t is greater than the table value at 1% level of significance. Hence, the null hypothesis is rejected and alternative hypothesis is accepted.

Man days lost due to gate meeting in the selected tea gardens of Dooars and Terai during the pre and post globalization period.

Table – 4.40

Sl. No.	Name of the Tea Estate	(1991-98) Pre- globalization.	(1999-2010) Post Globalization	$d = X_2 - X_1$	d^2
1.	Beach T. E	1487.00	3749.00	2262.00	5116644.00
2.	Bandapani T. E	453.00	1472.87	1019.87	1040134.817
3.	Bata Bari T. E	346.12	759.75	413.63	171089.7769
4.	Chalsa T. E	792.50	1098.73	306.23	93776.8129
5.	Dim Dima T. E	505.75	1373.00	867.25	752122.5625
6.	Denguaghara T. E	285.00	537.62	252.62	63816.8644
7.	Dal Singh Para T. E	778.25	2299.00	1520.75	2312680.563
8.	Gandrapara T. E	579.87	1078.37	498.50	248502.25
9.	Mech Para T. E	314.75	825.75	511.00	261121.00
10.	Mathura T. E	628.10	712.87	84.77	7185.9529
11.	Madhu T. E	547.75	1137.87	590.12	348241.6144
12.	Phaskawa T. E	209.87	443.50	233.63	54582.9769

13.	Kill Colt T. E	168.50	700.50	532.00	283024.00
14.	Raja T. E	556.75	1157.87	601.12	361345.2544
15.	Carron T. E	491.00	1386.00	895.00	801025.00
16.	Kumargram T. E	614.37	1799.75	1185.38	1405125.744
17.	Baradighi T. E	569.37	1927.00	1357.63	1843159.217
18.	Chaluni T. E	529.00	1195.62	666.62	444382.2244
19.	Zurrantee T. E	573.25	859.12	285.87	81721.6569
20.	Bagrakote T. E	586.10	1384.50	798.40	637442.56
21.	Mahorgaog & Gulma T. E	790.87	723.75	- 67.12	4505.0944
22.	Belgachi T. E	279.87	883.25	603.38	364067.4244
23.	Bijohnagar T. E	403.62	1962.25	1558.63	2429327.477
24.	Kamalpur T. E	278.75	371.87	93.12	8671.3344
25.	Lohaqarh T. E	252.87	622.50	369.63	136626.3369
26.	Naxalbari T. E	337.87	854.50	516.63	266906.5569
27.	Pahargumia T. E	631.87	2960.25	2328.38	5421353.424
28.	Kiran Chandra T. E	239.37	339.50	100.13	10026.0169
29.	Atal T. E	206.00	498.12	292.12	85334.0944
30.	Ord erai T. E	666.62	1174.25	507.63	257688.2169
				$\sum d =$ 21184.92	$\sum d^2 =$ 23022630

4.13.9 Amount of Capital invested by the management of tea industries for up gradation of technology.

Globalization has released competitive forces in the field of trade, industry and commerce by withdrawing barriers of borders between the states and by bringing the knowledge of advanced technology from one country to another and by capital inflows and many more of this kind. Introduction of advanced technology in the production functions reduces the cost of production; improve the quality of the product and helps better utilization of resources or inputs as well as human resources. So, on one hand globalization has thrown challenges to the industries throughout the world, on the other hand it has opened many avenues of opportunities for the betterment of the economy.

Most of the tea gardens situated in Dooars and Terai regions were established by the British Government. Since then more than 160 years have been

passed, but it is unfortunate that most of the tea gardens of North Bengal, has been using more or less the same technological knowledge which the British introduced in the days of inception of the tea industry. No proper step was taken and sufficient amount of capital was not invested to install better technological equipments to produce better quality of tea at a less cost.. Advanced technology ensures higher productivity that leads to higher rate of profit. During our study in the selected tea gardens of Doors and Terai we interviewed a number of managerial staff and unit leaders of different trade unions regarding technological advancement in the tea industry of these regions. Most of them agreed sufficient steps have not taken to introduce better technology in most of the gardens particularly in the financially weak gardens. On our visit in the selected tea gardens of Dooars and Terai we observed the following technological up gradation and modification measures taken by the management such as :-

- (a) Instruction of monorail system in the factory which has reduced the use of manual labour to a considerable extent.
- (b) New VFBD drier instead of conventional one.
- (c) New milling machine.
- (d) Introduction of vireo serene in place of Hobrow system used for sorting tea in the factory.
- (e) Introduction of new withering trough shed **and**
- (f) Installation computer mainly for official use.

The amount of money spent for the up gradation of technology in the sampled tea estate can be presented by the fallowing chart.

Table No. -4.41

Average amount of money spent for up gradation of technology in the selected tea gardens of Dooars and Terai regions during pre and post globalization era.

Sl. No.	Name of the gardens	Amount spent Pre-globalization (1991-1998)	Amount spent Post globalization (1999-2006)	$d = X_2 - X_1$	$d^2 =$
1.	Beach T. E	38.192	18.547	- 19645	385926025
2.	Bata Bari T. E	41.665	22.528	- 19137	366224769
3.	Bagrakote T. E	42.529	23.225	- 19304	372644416
4.	Baradighi T. E	32.885	20.513	- 12372	153066384
5.	Bandapani T. E	28.876	14.112	- 14764	217975696
6.	Chalsa T. E	45.936	22.181	- 23755	564300025
7.	Chaluni T. E	41.106	25.215	- 15891	252523881
8.	Carron T. E	27.716	12.824	- 14892	221771664
9.	Dim Dima	33.878	19.416	- 14462	209149444
10.	Denguaghara T. E	41.776	23.782	- 17994	323784036
11.	Dal Singh Para T. E	34.625	14.519	- 20106	404251236
12.	Phaskawa T. E	43.267	21.346	- 21921	480530241
13.	Mech Para T. E	39.127	19.857	- 19270	371332900
14.	Maldah T. E	33.852	13.458	- 20394	415915236
15.	Mathura T. E	40.263	18.538	- 21725	471975625
16.	Kill Colt T. E	50.236	16.726	- 33510	1122920100
17.	Kumargram T. E	47.612	20.102	- 27510	156800100
18.	Raja T. E	48826	21.674	- 27152	737231104
19.	Gandrapara T. E	58.286	18.228	- 40058	1604643364
20.	Zurrantee T. E	51.725	23.145	- 28580	816816400
21.	Atal T. E	34.485	14.288	- 20197	407918809
22.	Belgachi T. E	24.275	12.476	- 11799	139216401
23.	Bijohnagar T. E	22.516	13.675	- 8841	78163281
24.	Kamalpur T. E	21.678	11.116	- 10562	111555844
25.	Kiran Chandra T. E	27.248	12.933	- 14315	204919225
26.	Lohaqrh T. E	29.215	14.216	- 14999	224970001
27.	Naxalbari T. E	20.936	12.348	- 8588	73753744
28.	Pahargumia T. E	33.742	13.468	- 20274	411035076
29.	Ord erai T. E	35.872	14.958	- 20914	437395396
30.	Mahorgaog & Gulma	37.858	16.672	- 21188	448846596

The statistical analysis in this regard can be presented with the help of 't' test

Null Hypothesis (H_0) :- Quantum of money spent for up gradation of technology in the tea estates during the pre-globalization period = Amount of money spent in that regard in the post globalization era.

Alternative Hypothesis (H_1) :- Amount of money spent for up gradation of technology in the tea estates in the pre globalization > Quantum of money spent in that respect in the tea estates during the post globalization era.

This is one tailed test and the degree of freedom is $(n - 1) = 29$.

$$t = \frac{\bar{d}}{s/\sqrt{n-1}} = \frac{-18326.9}{2402.9477/5.3851}$$

$$t = (-) 41.0713$$

The level of significance at 1% and at 29 d.f.

$$t_{0.01,29} = 2.462$$

Calculated value of $t = 41.0713$

As the observed value of t is greater than the table value at 1% level of significance hence the null hypothesis is rejected.

$$\sum d = -54807$$

$$\sum d/n = -18326.9$$

$$\sum d^2/n = 10249482646/30$$

$$= 341649421.0$$

$$S^2 (\text{variance}) = \sum d^2/n - (\sum d/n)^2$$

$$= 5774157.7$$

$$S = 2402.9477$$

Therefore it is proved in the era of post globalization the tea industries of Dooars and Terai had spent less amount of money in comparison to pre globalization period for up gradation of technology.

This situation has curtailed the growth industry and ultimately the workers have become less-benefited and industrial relations have worsened.

Analyzing the significance of the important parameters of Industrial relations of Tea Industry located in Dooars and Terai region, it is found out that during the post globalization period the benefits the workers were entitled to have decreased considerably as compared to the pre-globalization period. Due to this

outcome the industrial relations in the tea industry has become unhealthy and has started to lack harmony.

During our visit in the sampled tea gardens we interviewed the leaders of different trade unions and got their views about the condition of relations between the workers and management. Most of the union leaders agreed between the period 2000 to 2005 the overall tea industry of India had been passed through a critical stage and this situation had affected the tea industry of North Bengal also. Realizing the situation they did not organize any strong labour movement till the year 2004 though the workers had been deprived from getting economical and social benefits, particularly the welfare measures as specified by the Plantation Labour Act, 1951. Besides that the management did not show any positive intention to increase the daily wage rate of the workers for a long period of time. This continuous deprivation made the living and working conditions of the workers miserable which forced the trade unions to held continuous long fifteen days strike; that made a history in the tea plantation economy.

One of the eminent union leaders of Cha Bagan Mazdoor Union (affiliated to CITU), who is the Secretary of the said union Mr. Jiaur Alam claimed, though a number of laws have been framed by the Union and State Governments after independence from time to time to protect the plantation workers in respect of working and living conditions, but ironically the management of the tea industry use to violate these rules and laws and exploit the workers and industrial disputes develop. He also admitted that the process of Globalization have made the employers of the tea gardens more powerful as the government has liberalized its control over industrial policy. As a result if the workers raise their voice against the anti-labour policy of the management. The employers either abandon or lock-out the garden blaming the workers are undisciplined and violate the law and order situation. This situation has made the trade union movement weaker and the industrial relations have become unhealthy.

Mr. Mani Kumar Darnal, one of the trade union leaders of INTUC demanded new economic policy which the Union Government initiated in 1991 has been responsible for the miserable conditions of the workers as the removal of

various trade barriers and free trade agreement under the instruction of the World Trade Organization have released stiff competition in the world tea market and the Indian Tea Industry has become uncompetitive. As a result there has been cut in welfare measure, arrear in wage and huge amount of dues in provident fund and gratuity. A number of gardens had either been closed or abandoned. He stated the example of Ramjhora Tea Estate of Dooars region where 1103 permanent workers had been employed. The life of these workers turned to a miserable condition when the management abandoned the garden without paying Rs. 20.48 lakh of wages, Rs.6.87 lakh on account of ration and Rs.68.30 lakh in the Provident Fund Account. Before transferring the ownership in the hand of Hanuman Tea Company in the year 1993-94, the garden had produced 9 lakh Kg. of made tea in the financial year 1991-92. But after that for an unknown reason the quantity of production started to decline and the garden was declared as unprofitable one. Ultimately the owner closed the production and more than thousands workers became helpless. This type of incidence has become a common matter in the tea gardens of North Bengal, mainly in Dooars region. This situation has forced the trade unions abstain from organizing any aggressive movement to raise the demands of the workers.

Mr. Alok Chakraborty, President INTUC, Darjeeling District also said workers are deprived from having necessary amenities of life. Even wages are not paid as per bipartite or tripartite agreements in some gardens. The provisions of the Plantation Labour Act, 1951 are not followed by the employers in many gardens. If the workers raise their voice against these steps, the management becomes dissatisfied about the attitude of the workers. They put blame against the workers saying, workers are indiscipline, irresponsible and do not obey the management. Even for any simple reason and to avoid the responsibilities, such as to pay arrear wages or provident fund dues, they either abandon the garden or lock it out without following the legal steps. He also cited example stating the incident of Turturi Tea Estate.

Turturi Tea Estate situated in Alipurduar of Jalpaiguri suspended work and left the garden without clearing arrears of wages which became due for wage hike of more than 500 workers. The tea garden workers had been paid a daily wage

of Rs.67 till March 2011 as per the previous agreement. According to recent agreement signed on 5th November, 2011 between the workers and the management the daily wage rate increased to Rs.85 from the 1st April 2011 with retrospective effect. The management of Turturi Tea Estate had promised to clear the dues in two installments – before Christmas and Holi festival of 2012. But the management did not keep their word and when the workers placed their demands before the management about the arrear wages, the management blamed the workers had threatened the staff of the management, used abusive language and tried to damage company's properties. They claimed all the operating trade unions instigated and provoked the garden workers. On the other side the workers and the unions denied the charges. It is important to consider that more than 40 per cent of the workers of this garden are of Christian community and without having the money they could not celebrate the Christmas with full of joy which is very important part of their social and cultural life. [Telegraph, 24th December, 2001, p. 6].

We had conversation with the general workers of the sampled tea garden of both the region. Most of the workers feel they have been passing through a miserable condition since long time. Their working and living conditions have been deteriorated. When we talked with the labourers of Carron Tea Estate and Madhu Tea Estate of Dooars region and Belgachi Tea Estate of Terai region, the workers said they are not paid wages and rations regularly. But they are not in a state to raise their voice for their rights. Because they fear if the gardens are abandoned or locked-out, where they would go and what they would do. They know they have no better skill and knowledge to be employed in other sectors of economy outside the tea gardens. Interestingly, they also said though they are members of respective trade unions, but gradually they have been losing faith in trade union movement.

We got the opportunity to have a conversation with Mr. N. K. Basu, Chief Advisor, Indian Tea Planters' Association, North Bengal, through prior appointment dated 11th March, 2009, at his office in Jalpaiguri. According to him globalization has not affected the Indian Tea Industry in a vast way, like Information Technology or other service sectors. However, the Government of India has taken steps in respect of free trade agreement as per the instructions of

World Trade Organization (WTO), still quantity of tea imported from Kenya, SriLanka, Indonesia and Vietnam etc. has been accounted for within the limit till today and export quantity of Indian tea has been hovers around 200 million Kg. since long back, and above all India has a very strong domestic market. He made a comment that one of the most important impacts of globalization is emergence of large number of small tea gardens throughout India and establishment of Bought Leaf Factory (BLF). These two sectors are highly dependent on each other. It proves, still tea is a profitable sector and the degree of crisis is not as high as it is said by a number of tea garden owners. There are some evil forces that use to play a crucial role for such crisis which has developed in the tea industry in this present time. As per his opinion one of the causes of crisis is constant changes of ownership. These people have no knowledge about plantation economy. In real sense they are not planters but traders. Neither they have taken any step to plough back the profit, nor have they taken any initiative of proper maintenance of the gardens, such as re-plantation of new tea bushes uprooting the older bushes etc. As a result productivity of the gardens has declined, profitability has reduced and correspondingly liabilities have increased. And when they realize the garden is unable to give expected rate of return, they either abandon the work or declare lock-out. In this process the crisis has developed and the relation between the management and the workers has become worsen.

Another reason, according to him, multiplicity of unions, more than thirty trade unions have been working in the tea industry of North Bengal. The trade union leaders are generally urban people. The urbanized leadership does not pay proper attention to protect the interest of the workers as well as the tea industry. Rather they act as middleman and what they do or think that is for political gain.

He explained out of 276 organized tea estates only 17 gardens have been closed (till the date of interview) and another 20 to 22 gardens were either sick or financially weak. Therefore it can be stated there has not been negative impact in the overall tea industry in India, particularly in the tea industry of West Bengal in the age of globalization. Mr. Basu realized to overcome the problem and to revive the tea gardens some important steps should be taken. The growth rate of area under

tea is negligible and the production rate has not increased sufficiently. Above all productivity has declined for many reasons. In this situation labour force should be decreased, at least for a specified period. The trade unions should realize the matter from practical point of view. In this process the sick or unprofitable gardens would be able to shed their financial liabilities and would be profitable in the near future and new employment opportunities would be emerged. The Union and State Governments, Tea Board of India, Employers' Associations and the Trade Unions should come forward in a co-operative manner to make it rational for the greater interest of the workers, employers and the tea industry as well. The Secretary of Dooars Branch of Indian Tea Association (DBITA) Mr. Prabir Kumar Bhattacharya had a good deal of conversation with us in respect of the present situation of the tea industry of North Bengal and the condition of the industrial relations in the present state of affairs. His views were that due to recent financial crunch mainly because of price fluctuations it became impossible for some tea gardens to provide sufficient welfare measures following PLA, 1951. He feels that the trade union leaders failed to understand these reasons and reacted to the situation in the wrong fashion. And it is due to these industrial disputes that the healthy relations in the tea industry have been hampered.

In this chapter we have thoroughly studied the impact of globalization and liberalization on the tea industry of Doors and Terai and its impact on the industrial relation. Increasing cost and decreasing price situation have adversely affected the tea industry from various sides. The overall effects of globalization have made the Indian tea industry uncompetitive in the world market. India has a strong domestic market if it can increase its productivity then it can prevent the threat of other exporting countries and can increase the quantity of export. This can help to improve the financial health of the industry. This study establishes the conditions of the workers have been miserable in the post-globalization era. It has affected badly the industrial relations. The situation is alarming. Proper and effective steps should be taken by the owners, workers, trade unions, governments etc for the development and future growth of this industry and to regain its past glory.

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CHAPTER - V

CHAPTER V

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^{^off} 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 ^{increase} 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.

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APPENDIXES

NAME OF THE SAMPLED TEA ESTATES

Dooars Region

1. Beach Tea Estate
2. Bata Bari Tea Estate
3. Baradighi Tea Estate
4. Bagrakote Tea Estate
5. Bandapani Tea Estate
6. Chaluni Tea Estate
7. Carron Tea Estate
8. Chulsa Tea Estate
9. Dal Singh Para Tea Estate
10. Dim Dima Tea Estate
11. Denguajhora Tea Estate
12. Gandrapara Tea Estate
13. Kill Cott Tea Estate
14. Mech Para Tea Estate
15. Madhu Tea Estate
16. Mathura Tea Estate
17. Kumagram Tea Estate
18. Phaskawa Tea Estate
19. Raja Tea Estate
20. Zurrantee Tea Estate

Terai Region

21. Atol Tea Estate
22. Bijohnagar Tea Estate
23. Belgachi Tea Estate
24. Kiran Chandra Tea Estate
25. Kamalpur Tea Estate
26. Mahorgang and Gulma Tea Estate
27. Naxalbari Tea Estate
28. Pahargumia Tea Estate
29. Lohagarh Tea Estate
30. OrdTerai Tea Estate

WAGES AND FRINGE BENEFITS PROVIDED BY THE MANAGEMENT TO THE DAILY RATED TEA WORKERS OF TERAI REGION, FOR THE YEAR 2003

(Data supplied by Terai tea Planter's Association, Bengdubi)

1. <u>Wages</u>	Rs. 41.80 + 4.10 = 45.90
2. <u>Fringe Benefits</u>	
i. <u>Food grains Subsidy</u> – 3 units @ Rs. 4.35p per day	-- Rs.13.05
ii. <u>Firewood</u> - 2½ peels per annum @ Rs. 400/- per peel	-- Rs. 3.33
iii. <u>Dry Tea</u> - 400 grams per month @ Rs. 50/- per kg 13.3 grams per day	-- Rs. 0.67
iv. <u>Liquid Tea</u>	-- Rs. 0.75
v. <u>National & Festival holidays</u> 10 X 41.80 divided by 300 days	-- Rs. 1.39
vi. <u>Housing Accommodation</u> @ 7½ % on Rs. 41.80	-- Rs. 3.14
vii. <u>Welfare</u> (Protective Clothing, Crèche & Child Care) lump sum	-- Rs. 0.50
viii. <u>Medical</u> – Say 5% on 41.80	-- Rs. 2.09
ix. <u>Earned leave with Wages</u>	-- Rs. 2.09
x. <u>P.F. @ 12%</u>	-- Rs. 5.02
xi. <u>Bonus @ 20%</u>	-- Rs. 8.36
xii. <u>Gratuity</u> 15 days wages	-- Rs. 2.09
	Total: <u>Rs. 42.48</u>

Wages per day - Rs. 41.80 + 4.10 = Rs. 45.90

Fringe Benefits - Rs. 42.48
Total: - Rs. 88.38

CONSUMER PRICE INDEX (BASE YEAR - 2000)

(Source: Bureau of Labour Statistics)

91	-	79.09
92	-	81.48
93	-	83.89
94	-	86.08
95	-	88.49
96	-	91.09
97	-	93.22
98	-	94.66
99	-	96.73
2000	-	100.00
01	-	102.83
02	-	104.46
03	-	106.83
04	-	109.69
05	-	113.41
06	-	117.07
07	-	120.41
08	-	125.03
09	-	124.59
10	-	126.63
11	-	130.63
12	-	131.92

