

## **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**