

CHAPTER IX : Remuneration in Tea Industry.

Content :

- 9.1 Money Wages
- 9.2 Extra Leaf Price (E.L.P)
- 9.3 Earnings Gap Between Men and Women
- 9.4 Determinants of Money Wages
- 9.5 Bonus
- 9.6 Summary

9.1 Money Wage

During the pre-independence period low wage was a common phenomenon in all the industries of India. The wage rates in fact depended on the principles of demand and supply. With an increase in the number of personnels even from the rural economy seeking employment in our industry, the demand for labour became much less than its supply. Labour thus began to be exploited and low levels of wages prevailed. But in tea industry inspite of actual labour shortage, wages were extremely low. A tea garden worker earned wage less than an agriculturer labour. Due to absence of trade union no collective bargaining power could create consciousness among the tea plantation workers. The planters were in dominating situation and dictated both the wages as well as the conditions of service of the workers. The Wage Commission (1946) in it's report stated that, the workers had not developed a spirit of collective bargaining and hence could not take a unified stand in bargaining for fair wages. The same view was also put by the Royal Commission (1931) and

recommended for setting up a wage fixing machinery in tea industry. But the planters did not care for these recommendations and maintained their absolute dominance in wage fixing till independence.

Early records reveal that the payment in Bengal plantations was generally on the 'hazira' and 'thika' system. By the former system the worker is required to complete a certain task without any reference to time, for which he is entitled to one hazira and after that, if the worker so likes, he may be given a second task for which he earns another hazira called 'Doubli'. Doubli was smaller than hazira but was paid at the same rate as hazira.

The rates ^{of} wages in the tea plantations of Terai in 1948 were as follows.

Table 9.1

Daily wage rate in Terai - 1948

	Per Hazira	
	Rs.	anna
Adult Male	0	6
Adult Female	0	5
Children	0	3

Source : Halder Committee's Report - 1948, p.5.

The rise in wages that had been allowed to ^{the} workers since 1947 was in the form of allowance. Only one kind of cash allowance as at Dooars and Darjeeling, namely, Dearness allowance, besides certain concessions in the prices of food stuffs and other articles of necessities, were given to the plantation workers of Terai. It was first introduced in 1944 when the rate was 1 anna per day for adults both male and female and 6 pies for children. The Industrial Committee on plantations at their conference at Delhi in 1947-48 increased the Dearness allowance without making any alteration in the then structure of basic wage. In 1948 the committee fixed Dearness allowance as 5 annas 6 pies per day for adult male and female and 3 annas per day for children. The gradual change in the rate of Dearness allowance is shown in the table below :

Table 9.2
Dearness allowance - 1944 to 1948

	1944			1947			1948		
	Rs.	Anna	Pies	Rs.	Anna	Pies	Rs.	Anna	Pies
Adult male	0	1	0	0	2	0	0	5	6
Adult female	0	1	0	0	2	0	0	5	6
Children	0	0	6	0	1	0	0	3	0

Source : Halder Committee's Report, 1948, p.6.

After the recommendations of the Industrial Committee on plantations a difficulty arose regarding the allotment of the

total amount of Dearness allowance to hazira and 'Doubli'. The matter was subsequently decided in a tripartite conference when it was decided that the total cash Dearness allowance would be divided between the first and second hazira in the following way :

Table 9.3

Distribution of Dearness allowance - 1948

	First hazira			Second hazira		
	Rs.	anna	pies	Rs.	anna	pies
Adult male	0	4	0	0	1	6
Adult female	0	4	0	0	1	6
Children	0	2	3	0	0	9

Source : Halder Committee's Report, 1948, p.6.

Thus, the total cash wage of the workers of Terai tea gardens in 1948 stood as follows :

Table 9.4

Daily wage rate in Terai 1948

Category of workers	Basic hazira			Doubli			First hazira			Second hazira (doubli)			Total cash wage		
	Rs	a	p	Rs	a	p	Rs	a	p	Rs	a	p	Rs	a	p
Adult male	0	6	0	0	6	0	0	4	0	0	1	6	1	1	6
Adult female	0	5	0	0	5	0	0	4	0	0	1	6	0	15	6
Children	0	3	0	0	3	0	0	2	3	0	0	9	0	0	9

Source : Data compiled from Halder Committee's Report, 1948, pp.5-6.

After independence the Govt. of India passed legislations to protect the interest of the workers. Consequently the workers were given an opportunity to organize themselves. The advent of trade unionism helped to improve the collective bargaining strength of workers, and they began to resort to strike for higher wages.

The minimum wage Act was passed in India in 1948. Plantations were include in the schedule employment under this Act. The Act empowered the Central or State Govts. as the case may be to fix minimum rates of wages in respect of schedule employments. For fixing or revision the minimum rates of wages, the appropriate government appoints committees or sub-committees as it deemed necessary.

Accordingly the Govt. of West Bengal set up Minimum Wages Advisory Committee for tea plantations in March, 1950. The recommendations of the Committee came into effect in early 1952. The committee fixed the minimum wage at Rs. 1.16 for males and 1.03 for females in Terai.

In 1952, there was a depression in tea industry and tea prices decreased abnormally. On this argument the planters were not willing to pay wages as fixed up by the Committee. They resorted to a wage cut. To stem the situation the State Govt. set up a second minimum wages Committee in November, 1952. The committee resorted the minimum wages fixed up by the 1st Minimum Wages Committee but suggested to

curtail all other benefits received by the workers in kind. The workers were given an additional 34 paise per day as cash compensation in lieu of curtailment of these benefits. Moreover the cereals which were being supplied to the workers at Rs. 500 per maund increased to Rs. 15.00 per maund from February, 1953.¹ In 1953 wages for males and females rose to Rs. 1.50 and Rs. 1.36 respectively. After this two adhoc increments were made in the daily wage rates. The first was in 1955 of 18 paise and another in 1959 of 13 paise. As a result in 1959, the daily wages rates for male, female and children workers of Terai stood at Rs. 1.81, Rs. 1.57 and Re. 1.00 respectively. Thus, between 1952 to 1959 the daily wage rate of a male worker increased by only 9 paise annually.

The 15th session of the Indian Labour Conference held in July, 1957 agreed that, the workers in all major industries should not only have guaranteed minimum wage but a need based minimum wage. Accordingly, the Central Govt. appointed the Central Wage Board for tea plantation Industry in December 1960. The Board declared it's final recommendation on 1st April, 1966. During this tenure the Board declared two interim increments. The first interim wage increase effected from 27th June, 1962. The workers of Terai were granted an increase of 8 paise, 7 paise and 4 paise respectively for men, women and children workers. The second interim wage increment effected from 10th June, 1964, which granted an increase 6 paise, 5 paise and 3 paise respectively for men, women and children

workers. Thus, before the Board's final recommendations the daily wage rate of men, women and children workers in the Terai stood at Rs. 1.95, Rs. 1.81 and Rs. 1.07 respectively. Finally the Board laid down that the wages of daily rated workers of West Bengal should increase by 13 paise, 10 paise and 7 paise respectively for men, women and children workers from 1st January, 1966. A further increase of 2 paise for men, women and 1 paise for children recommended to be effected from 1st April, 1966. On 1st April 1966, the daily wage rate of men, women and children in the Terai stood at Rs. 2.10, Rs. 1.93 and Rs. 1.15 respectively. Thus, after taking five years and four months time the Central Board increased the daily wage rate of a male and female worker by only 29 paise and 24 paise respectively. Obviously the very objective of the Central Board of providing a need based minimum wage was not fulfilled by its recommendations. The standard formula for fixing a need based minimum wage is to take 3 units of consumption for every adult male worker, but in tea industry 1:5 ratio was taken. The planters argued that since employment is family based the ratio of 1:3 is too high. The Central Wage Board too spelt out its stand against the planters' approach. It mentioned in its report that the extent of family employment was not the same as in earlier days when there was labour scarcity. It further noted that "the family system of employment can not be considered as unique in the tea plantation industry and even it had been so it is a matter of consideration whether it was justified for employers to claim benefit of it by way

of low wages for male earners". However, on the same page where the critical observations were made against low wages, the report stated that, "it was not in a position to recommend wages in keeping with the present cost of living and in terms of the need based wage formula of the 15th Indian Labour Conference" as this would result in a sudden jump in wages.²

Between 1966 to 1973, wages increased at a very slow rate either through the recommendations of bipartite meetings or through the demand of the trade unions. The co-ordination committee of the tea plantation workers (CCTPW) went on continuous strike with effect from 18th August, 1969. The main issue of the strike for increased wages and employment and the implementation of plantation Labour Act (PLA). A tripartite settlement was reached at the intervention of the Labour Minister, West Bengal on 2nd September, 1969. This settlement made the following interim increases in the daily rate of wages and VDA of the adult worker w.e.f the date of agreement.³

i) on a/c of VDA	Rs. 0.06
ii) on a/c of interim increase in wages	Rs. 0.14
	<hr/>
	Rs. 0.20 per day

The children will have the increment at half of the rate of adults, i.e., Rs. 0.10 per day. After this increase the

daily wage rate of men, women and children in the Terai stood at Rs. 2.39, Rs. 2.22 and Rs. 1.29 respectively. The employers agreed that another increment in wages would be given from 1st April, 1970. Accordingly, an interim increase of 9 paise in the wages of adult daily rated workers was made from 1st April, 1970. The rate of increase for the child workers was half of this, i.e., $4\frac{1}{2}$ paise. Thus, the daily wage rate raised to Rs. 2.48 for men, Rs. 2.31 for women and Rs. 1.335 for children.

In pursuance of a tripartite agreement of the 2nd September, 1969, the Govt. of West Bengal, Labour Department, in their resolution dated the 21st October, 1970 set up a Wage Fixing Committee with representatives from the employer and the employees and Mr. Justice, P.C. Mullick as the chairman. The committee held several sessions and at their meeting on the 9th February, 1972 a settlement was reached. Accordingly wages of all adult daily rated male and female workers in the Dooars, Terai and Darjeeling increased above the existing wages as follows :⁴

- a) from 1.4.71 to 31.5.72 (14 months period) 23p. per day.
from 1.6.72 to 30.6.73 (13 months period) 23p. per day.
- b) children had the increases at half the rate of the adults i.e., $11\frac{1}{2}$ p. per day.

Thus, by June 1973 wages of the daily rates workers in the Terai stood at Rs. 2.94 for men, Rs. 2.77 for women and Rs. 1.565 for children.

The CCTPW submitted 19 point charter of demands including the revision of wages in June, 1973 and gave a threat of continuous strike w.e.f 6th August, 1973 if the demands are not fulfilled. The Minister of State for labour met the parties at Siliguri on 18.6.73 on which date the parties verbally agreed to refer the question of wage increase to a wage fixing machinery. Accordingly, in July 1973, the second Minimum Wage Fixing Committee was set up by the Govt. of West Bengal. It was a tripartite body having equal number of members from the employers and employees side with a Chairman nominated by the Govt. of West Bengal. An Assistant Labour Commissioner acted Secretary of the committee.

The final recommendations of the committee were released in July, 1977. A few interim increments were granted by the committee during its four years term. Soon after its appointment there was an increase of 15 paise for male and female workers and 7 paise for children w.e.f 1st July 1973.

After considering the contentions of the parties several meetings of the second Minimum Wage Fixing Committee it was suggested by the chairman that, in view of the condition prevailing in the industry and elsewhere in the country the

parties should come to a short term settlement on wages of workers to provide them with immediate relief pending finalisation of a new wage structure. Accordingly, at the 11th and 12th meetings of the Wage Fixing Committee the second interim increments of 25 paise for male and female workers and 12½ paise for child workers was made effective from the 1st July, 1974. After this increments the daily wage rate of men, women and children in the Terai stood at Rs. 3.34, Rs. 3.17 and 1.765 respectively.

The second Minimum Wage Fixing Committee held several sessions but it could not come to any decision regarding the new rates of wages of the workers. At the 10th session of the committee it was decided that, Govt. would be informed about the inability of the committee to evolve an agreed wage structure. Subsequently tripartite meetings were held by the Labour Commissioner. At a meeting held in the Labour Commissioner's chamber on the 22nd May, 1975 a consensus was reached. Finally at a meeting of the Wage Fixing Committee held on the 22nd May 1975 an agreement was reached. Accordingly the rates of wages of the daily rated workers increased as follows :⁵

Adult workers :

from 7th July 1975 to 31st March 1976	45 p. per day.
from 1st April 1976 to 30th June 1977	45 p. per day.

Child workers :

from 7th July 1975 to 31st March 1976 - 22½ p. per day.

from 1st April 1976 to 30th June 1977 - 22½ p. per day.

Finally the committee recommended that the rates of all daily rated workers would be increased as follows :⁶

Adult workers :

from 1st July, 1977 to 30th June, 1978 - Re. 1 per day.

from 1st July, 1978 to 30th June, 1979 - Re. 1 per day.

Child workers :

from 1st July, 1977 to 30th June 1978 - Re. 0.50½ per day.

from 1st July, 1978 to 30th June, 1979 - Re. 0.50 per day.

Thus, by the June, 1979 the daily wage rate of men, women, and children in the Terai tea gardens raise to Rs. 6.24, Rs.6.07 and Rs. 3.22 respectively.

When the first agreement expired on June 30, 1979 a tripartite agreement was signed on the 6th May, 1980 which increased the rates of daily wage of the workmen for the next three years as follows :

Table 9.5

Increment to daily wage rate 1.7.79 to 30.6.82

	Adult (increased by)	Child (increased by)
from 1.7.79 to 30.6.80	90 p.per day	45 p. per day
from 1.7.80 to 30.6.81	90 p.per day	45 p. per day
from 1.7.81 to 30.6.82	90 p.per day	45 p. per day

Source : Memorandum of Settlements - 1966 to 1991, published by Tea Association (North Bengal Branch, Siliguri), p.80.

Further it was also agreed that the arrears accruing out of the above for the period 1.7.79 to 5.5.80 would be paid in three equal instalments as follows :

- 1st instalment would be paid by July, 1980.
- 2nd " " " " " " December, 1980.
- 3rd " " " " " " March, 1981.

At the end of the June, 1982, the daily wage rate of men, women and children in the Terai raised to Rs. 8.94, Rs. 8.77 and 4.57 respectively.

The previous agreement expired on 30th June, 1982 but the next agreement was signed in August, 1983, which increased the daily wages of all daily rated workers as follows :

Table 9.6

Increment to daily wage rate 1.7.83 to 1.7.85

	Adult	Child
With effect from 1.7.83	75p.	38p.
With effect from 1.7.84	75p.	38p.
With effect from 1.7.85	75p.	38p.

Source : Memorandum of Settlements - 1966 to 1991, Published by Tea Association of India (North Bengal Branch, Siliguri), p.85.

The workers were allowed retrospective benefit for the period 1.4.83 to 3.6.83, though they should have been given for the period 1.7.82 to 30.6.83. Thus, the workers lost their enhanced wages for nine months due to delay in settlement of agreement.

At the end of this agreement the daily wage rate of adult men and women increased to Rs. 11.19 and that of children to Rs. 5.71.

The three year wage agreement of 1983 expired on June 30, 1986, but the next tripartite agreement was signed in June, 1987. The new tripartite agreement increased the daily rate of wages for the next three years as follows :

Table 9.7

Increment to daily wage rate 1.6.87 to 31.5.90

	Adult	Child
from 1.6.87 to 31.5.88	85p.	43p.
from 1.6.88 to 31.5.89	85p.	43p.
from 1.6.89 to 31.5.90	85p.	43p.

Source ; Memorandum of Settlements - 1966 to 1991, Published by Tea Association (North Bengal Branch, Siliguri), p.105.

As the previous settlement expired and also a few months elapsed the employers agreed to pay a sum equivalent to the retrospective entitlement for the period 14.2.87 to 31.5.87. But the workers were entitled to receive the retrospective benefit from 1.7.86 to 31.5.87. Thus, they lost their enhanced wages for the period of eight and a half month due to delay in the settlement of wage agreement. This shows some amount of weakness of the bargaining strength of trade unions in the tea gardens.

When this agreement expired i.e., 31.5.90, the daily wage rate of adult male and female workers increased to Rs. 13.74 and that of children to Rs. 7.00.

After the expiry of the previous agreement the latest tripartite wage agreement, was signed in August, 1989 which granted an enhancement in the daily rate of wages of a daily rated worker as follows :

Table 9.8

Increment to daily wage rate 1.6.90 to 1.6.92.

	Adult	Child
w.e.f 1.6.90	by Rs. 2.70 per day	by Rs. 1.35 per day
w.e.f 1.6.91	by Rs. 1.40 per day	by Rs. 0.70 per day
w.e.f 1.6.92	by Rs. 1.40 per day	by Rs. 0.70 per day

Source : Memorandum of Settlements 1966 to 1991, Published by Tea Association of India (North Bengal Branch, Siliguri), p.113.

By the end of May, 1993 the daily wage rate of adult and child workers in the Terai tea gardens stood at Rs. 19.24 and Rs. 9.75 respectively.

Table 9.9

Money wages in the Terai Tea Gardens (1952-1992)(Per day)

Date/Year	Men	Women	Children
1952	1.16	1.03	0.62
1953	1.50	1.36	0.83
1954	1.50	1.36	0.83
1955	1.68	1.54	0.92
1956	1.68	1.54	0.92
1957	1.68	1.54	0.92
1958	1.68	1.54	0.92
1959	1.81	1.67	1.00
1960	1.81	1.69	1.00

contd ...

Table 9.9 contd ...

1961	1.81	1.69	1.00
27.6.62	1.89	1.76	1.04
1963	1.89	1.76	1.04
10.6.64	1.95	1.81	1.07
1965	1.95	1.81	1.07
01.1.66	2.08	1.91	1.14
1967	2.10	1.93	1.15
1968	2.19	2.02	1.19
02.9.69	2.39	2.22	1.29
01.4.70	2.48	2.31	1.335
01.4.71	2.71	2.54	1.45
01.6.72	2.94	2.77	1.565
01.7.73	3.09	2.92	1.64
01.7.74	3.34	3.17	1.765
07.7.75	3.79	3.62	1.99
01.4.76	4.24	4.07	2.215
01.7.77	5.24	5.07	2.72
01.7.78	6.24	6.07	3.22
01.7.79	7.14	6.97	3.67
01.7.80	8.04	7.87	4.12
01.7.81	8.94	8.77	4.57
01.7.82	8.94	8.77	4.57
01.7.83	09.69	9.52	4.95
01.7.84	10.44	10.44	5.33
01.7.85	11.19	11.19	5.71

contd ...

Table 9.9 contd ...

01.7.86	11.19	11.19	5.71
01.6.87	12.04	12.04	6.14
01.6.88	12.89	12.89	6.57
01.6.89	13.74	13.74	7.00
01.6.90	16.44	16.44	8.35
01.6.91	17.84	17.84	9.05
01.6.92	19.24	19.24	9.75

Source : Data compiled from Tea Statistics, 1952 to 1990-91, Published by Tea Board Calcutta and Memorandum of Settlements, 1966 to 1991, Published by Tea Association of India (North Bengal Branch, Siliguri).

A close perusal of Table^{9.9} reveals that the wage of a tea garden worker increased at a very slow rate. The minimum wage committee (Modak Committee) stated that, the minimum wage of a worker should not be restricted to just a cash wage but should also cover other welfare benefits like accommodation, medical, education of the children etc. But inspite of proclaiming these lofty ideas, the committee fixed the minimum wage of a male worker in the Terai tea gardens at Rs. 1.16 only in 1952.

During the period 1952 to 1960 the daily wage of a male worker increased by only 65p., estimated as annual increase of only 8p.

The Central Wage Board for tea plantation after taking five years and four months time (December 1960 to April 1966)

fixed the daily wage of a male worker finally at Rs. 2.10, i.e., increased by only 29p. During the tenure of the Central Wage Board wages increased by only 6p. annually, on an average.

Between 1966 to 1973 the wages mainly increased by the pressure of the trade unions, including the General Strike 1969. During the period the daily wage of a male worker increased by 99p. The average annual increase was a mere 14 paise.

The second Minimum Wage Fixing Committee took four years time (July 1973 to July 1977) for making its final recommendations. But it also failed to fix up a need based minimum wage for the workers. In July, 1977 the daily wage of a male worker rose to Rs. 5.24. Thus during the four years period of the Second Minimum Wage Fixing Committee annual increase in daily wages was 54p.

Wages increased at a faster pace since 1977. Between the period of 25 years, 1952 to 1977, daily wage rate of a male worker in Terai Tea gardens increased by only Rs. 4.08, the annual increase was less than 17p., on an average. During the last 15 years, 1977-1992, the daily wage of a male worker increased by Rs. 14, estimated an annual increase of 93p. on an average. Since 1977 the wages have increased at a faster pace, but the daily wage of a plantation worker is lower than the statutory minimum wage for agricultural workers in the state.

Inspite of organised trade unionism and a co-ordination committee which is a unique body because one can rarely find such diverse unions like INTUC and CITU sharing the same platform. It has also failed to provide a need based minimum wage for the workers. On the argument of the family based employment the employers are not agreed to pay wages to the tea garden workers equal to the wages of the other organized industry. But this argument might be justified during the early days when there was labour scarcity in the tea gardens. At present the picture has changed and all members of a family are not getting employment in the tea gardens. There are large number of unemployed in the tea gardens. But still the employers paying low wages to the workers on their old argument.

Regarding the question of wages, the attitudes of the employers and the Co-ordination committee seem to be directed towards a common goal, i.e., the formation of wage board. The ITPA Chairman's address states that "the whole matter of wage fixation should vest in a wage board which alone can study the need of the workers as also the capacity of the industry in a region".⁷ The Co-ordination Committee also presumed to gain need based minimum wages for the workers through tripartite negotiation rather than struggle.

The past performances of Wage Boards and Wage Committees show that they are time consuming and ultimately in a whimper.

These committees are ideal for stalling mass movements by impressing on the workers that their demands can be met, not through struggles but through negotiation. This may help to maintain "industrial peace" which the Left Front Govt. and its constituent trade unions are so keen to maintain, but at the same time it is obviously a tragedy for the trade union movement.

9.2 Extra Leaf Price (ELP)

Besides daily wages the workers are also entitled to get plucking incentive. Every worker engaged in plucking tea leaves is given a fixed minimum quota. This is known as the thika. Any worker plucking beyond his or her thika is given an incentive which is known as Extra Leaf Price (ELP). ELP increased from 5.50 to 7.00 paise per kg. in Dooars and Terai gardens w.e.f 9.6.69 and further to 10p. per kg. w.e.f 1.7.77. ELP ^{was} fixed at 13p. per kg. by a tripartite settlement on 6th May, 1980. The effect of increase was allowed from 11.4.80. It further increased to 16p. per kg. w.e.f 1.7.83 and to 19p. per kg. w.e.f 1.6.87. Finally the tripartite wage agreement in August, 1990 increased the extra leaf price (ELP) in the Dooars and in the Terai tea gardens to 25p. per kg. w.e.f. 1.8.90.

Thus, the ELP was stagnant at 7p. per kg. between the period 1969 to 1977. Since 1977 ELP has increased in every tripartite

wage agreement at a 3 year interval. But the rate of increase is very insignificant. During the last 13 years (1977 to 1990) ELP has increased by only 15p., i.e., by one paise annually, on an average.

9.3 Earnings Gap Between Men and Women

Wage differential between male and female workers existed in the tea industry from its inception. During the pre-independence period a woman generally earned three-fourth of the wage of a man. The differences increased after independence. In 1948, the wage difference between a male and female was four paise. After the final recommendations of the first Minimum Wages Advisory Committee in 1952 the wage difference stood at 13 paise. In 1953 the difference increased to 14 paise. The wage difference remained same till 1966. After the final recommendations of Central Wage Board the wage difference rose to 17 paise and it remained same through out the period so long the wage difference existed in the tea industry.

The progress to equality in wages has an interesting history. The employers held out against this demand on the grounds that the differential in the 'thika' justified the wage differences. In 1975 the Govt. of India passed Equal Remuneration Act abolishing wage differences among sexes in all industries.

Even after the enactment was in force, the employers refused to pay equal wages to male and female workers. The Indian Tea Planters' Association (ITPA) stated that giving women the same wages as men, and at the same time maintaining different work loads, would result in discrimination against men. Some tea gardens equalised the wages but increased the work load of women to the same level as that of men. In this process, women in fact suffered a wage cut. While the difference in wages was less than 6 per cent, the increase in work load was of the order of 20 per cent.⁸

In December, 1976 the Ministry of Labour of the Government of India clarified that the Equal Remuneration Act applied to 'equal nature of work' and not to the 'volume' of work. The employers were required to pay the differences in wages retrospective from the date that Act came into force. Here it is interesting to note that Tea Statistics (official publication of the Tea Board) 1976-77 to 1983-84, continues to list separate wages for men and women. It is, therefore, evident that the equal wages were not enforced everywhere in the tea industry at least up to 1983.

There is a lot of controversy about the calculation of real wage of the tea garden labourers. Calculation of real wage can be seen in Appendix-III.

9.4 Determinants of Money Wages

An attempt has been made here to ascertain the determinants of Money Wages in tea industry with the help of regression and partial correlation analysis. The money wage rate (A) has been taken as a dependent variable. Independent variables are the consumer price Index (B), Index of unionisation (C) and Productivity of Workers (D). Data for this analysis are taken for the period 1961 to 1989. Detail data have been shown in Appendix-III.

Data on union membership in tea industry are not available in labour in West Bengal, an official publication of the Ministry of Labour, Govt. of West Bengal, so for measuring the degree of trade unionism, the average daily number of labour employed in the industry has been used as a proxy for union activities. We have found that about 100% of the workers in tea industry are the members of the trade unions.

The results of regression analysis have been shown in Table 9.10.

It can be seen from the table 9.10 that the value of R^2 between CPI (B) and money wage (A) is 0.9231 and that of between money wage (A) and unionisation (C) is 0.7129. The value of R^2 between money wage (A) and labour productivity (D) is very minimum, i.e., 0.4441. Thus, the Money wage in tea industry is more related with C.P.I and than the unionisation, and labour productivity seems to have no influence over the money wages.

Table 9.10

Regression Analysis of Money Wages in Tea Industry : 1961-1989

Dependent variable is A
(t values in parenthesis)

Independent variables	1	2	3	4
Constant	-17660	-12.078	-9.1484	-9.0556
B	0.0301 (18.002)*			0.0188 (4.5990)*
C		0.1461 (0.0178)		0.0593 (3.7027)*
D			0.0225 (4.6443)*	0.0043 (1.4893)
R ²	0.9231	0.7129	0.4441	0.9525
F.Ratio	324.07*	67.035*	21.570*	166.96*
DW	0.8253	0.3085	0.2814	0.5773

* Significant at 1% level.

Table 9.11 presents the results of partial correlation coefficients.

Table 9.11

Partial Correlation Coefficients

Variables	Constant variables	Partial correlation coefficients	T.values	D.F
AB	CD	0.6770	4.5990*	25
AC	BD	0.5951	3.7027*	25
AD	BC	0.2855	1.4893	25

* Significant at 1% level.

Table 9.11 shows that the partial correlation coefficients between Money Wage (A) and C.P.I (B) keeping constant unionisation (C) and labour productivity becomes 0.6770. The result of the same is 0.5951 between Money Wage (A) and unionisation (C) keeping constant C.P.I (B) and labour productivity (D). The value of partial correlation coefficients between Money Wage (A) and labour productivity (D) keeping constant C.P.I (B) and unionisation (C) is the minimum, or 0.2855. Thus, the results of partial correlation coefficients are not different from that of regression that the Money Wages in tea industry are more related to the C.P.I than the unionisation, and labour productivity seems to have no influence over the determination of Money Wages.

9.5 Bonus

The payment of bonus to tea workers out of profit took place after a widespread industrywise movement by the workers in 1955. Since then the tea workers were getting bonus. But the amount of bonus was fixed at the garden level and it varied from garden to garden. After the Left Front Govt., led by CPI(M) was voted into power the trade unions with the support of the state government started widespread agitation for higher rate of bonus for the workers. After three years continuous bonus agitation ultimately the issue was settled by a tripartite negotiation in 1980. According to this negotiation the tea gardens of Terai, Dooars and Darjeeling hills have been divided into four categories, viz. A, B, C and D, on the basis of area of land under tea. The annual rate of bonus of all these categories in the Terai and Dooars is given in Table 9.12.

Table 9.12

Annual rate of bonus in Terai Tea Gardens 1980-1990

Year	Annual rate of bonus			
	Group A	Group B	Group C	Group D
1980	12.50	11.00	10.00	9.00
1981	12.50	11.00	10.00	9.00
1982	14.75	12.50	11.50	10.00
1983	20.00	17.00	15.00	11.00
1984	20.00	19.00	17.00	11.50
1985	18.25	17.00	15.00	10.00
1986	18.25	17.00	15.00	10.00
1987	19.25	18.00	16.00	10.00
1988	20.00	19.00	17.00	11.00
1989	20.00	20.00	20.00	13.00
1990	20.00	20.00	20.00	18.00

Note : 1) Rate of bonus includes minimum bonus of 8.33 per cent and balance adhoc ex-gratia.

Source : Data personally collected from the office of the Terai Indian Planters Association (TIPA), Siliguri.

In 1980, the tea garden fallen under the categories of A, B, C and D paid bonus at the rate of 12.50%, 11%, 10% and 9% respectively to their workers. Since 1980, the trade unions have been pressurising on the management to pay higher rate of bonus for the workers. By 1990, trade unions have been successful to get 20% bonus for the workers of A, B and C category of

gardens and 18% for the workers of D category of garden. Thus, we see that the rate of bonus has almost doubled in the Terai tea gardens during the last 10 years.

9.6 Summary

Money wage rate of the workers of Terai increased at a very slow rate. Between the period 1952 to 1976, the daily wage of a male worker increased by 12 paise annually, on an average. Money wage increased at a faster rate only after 1977. Between the period 1977 to 1992 the daily wage of a male worker increased 93 paise annually, on an average. But during this period the Consumer Price Index (CPI) for plantation workers increased at a very faster rate. As a result the extra increment to money wage could not increase the real wage rate.

We have seen in Regression analysis that the money wage in tea industry is more related to C.P.I. than the unionisation. Labour productivity seems to have no influence over the determination of money wages.

At present a tea garden worker is getting wage less than an agricultural worker in north east India. This is inspite of organized trade union in the tea industry for the last 40 years. The surplus population in tea gardens is the prime cause of low wage rate in tea industry. Due to backwardness of tea garden areas other employment opportunity could not

generate near the vicinity of tea garden areas. As a result the fourth generation of tea workers are also depended in the tea industry. This surplus population kept the wage rate low. Moreover, a large number of dependents of tea workers are working as casual labour in the tea gardens. Thus, when C.C.T.P.W forced the employers to increase the wages of workers at the time of tripartite negotiation, the employers threatened to reduce the number of casual labourers. But a reduction of casual labourers will reduce the family income of workers.

Notes & References

1. Ghosh, B.C., Jalpaiguri District Centenary Souvenir - 1869-1968, p.303.
2. Report of the Central Wage Board for Tea Plantation Industry, New Delhi, 1966, p.68.
3. Memorandum of Settlements, 1966 to 1991, Published by Tea Association of India (North Bengal Branch, Siliguri), p.10.
4. ibid., p.25.
5. ibid., p.45.
6. ibid., p.62.
7. Bhowmik Sharit, "Wages of Tea Garden Workers in West Bengal" in Economic and Political Weekly, Vol.XVIII, No.40, p.1600.
8. Bhowmik Sharit, Class Formation in The Plantation System, Published by People's Publishing House, New Delhi, 1981, p.94.