CHAPTER 6

EMPLOYMENT AND LABOUR POLICY

I Employment Problems and Objectives in a Developing Economy

"Unemployment is a complex phenomenon and its definition and measurement give rise to considerable difficulties .... The conceptual and practical problems of defining and measuring unemployment pale into insignificance compared with those surrounding the concept of underemployment."1 Broadly speaking, unemployment may be regarded as a situation in which men, though willing to be employed at a certain minimum subsistence real wage rate, are unemployed. Alternatively, it is a situation in which "aggregate employment is inelastic in response to an increase in the effective demand for its output,"2 even when there are men willing to be employed at a certain minimum real wage rate. This may be called structural involuntary unemployment. Men who are thus unemployed fall back on the farm land owned by their relatives and thus increase the number of people engaged in agriculture. This gives rise to the phenomenon of underemployment.

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In India, unemployment and underemployment present serious immediate and longer-term problems: (i) In the absence of sufficiently rapid expansion of employment opportunities outside agriculture, the rapid growth of population has led to excessive pressure on land. (ii) Unemployment is concentrated primarily in urban areas. According to recent surveys the rate of urban unemployment was 7 per cent. (iii) Rural areas are generally characterised by underemployment. (iv) Another problem is that of technological unemployment. Technological changes are taking place not only in manufacturing but in agriculture, transport and other economic sectors. These changes sometimes result in displacement of labour. (v) A sizeable proportion of workers wanting a job or additional work are persons who work full time or nearly so but earn exceedingly low incomes. These are some characteristics of the immediate problem of providing work for the existing labour force. The need to absorb the annual increase in the labour force is the longer-term aspect of the problem.

India began to pay attention to the need for employment expansion in development planning early in the post-war period. But she has not been able to reduce unemployment. The following observations deserve consideration in
evolving an employment policy: (i) The employment targets are quite low. Therefore, it has not been possible to reduce unemployment, let alone underemployment. (ii) Planned investment, though in many cases appreciably above that of the pre-plan period, is small in relation to the amount that would be required to bring about full employment within a short time. (iii) Geared to long-term development needs, the investment plans tend to include many capital-intensive projects. While large amounts of initial capital are required for these projects the immediate employment effect is, for technological reasons, relatively small. (iv) Employment, though recognised as important, has so far been given a more or less residual role in the actual process of development planning.

What appear to be the more significant current lines of thought and policy in the field of employment may be briefly analysed as follows: (i) There is a growing belief that employment-creation can be positive means to accelerate economic development instead of being its by-product. (ii) Another significant feature of current thinking on employment planning is to be found in an increasing shift in emphasis from urban employment to rural employment. (iii) A third line of thought stresses the scope for fuller utilization of existing
production capacity as a means to increase both employment and output without awaiting the fruition of new investment projects.

It is in the context of the seriousness of the problem of unemployment and underemployment that is facing the country that the tea industry, which is labour-intensive, is assuming great importance. Given a sympathetic and favourable public policy, the industry, which is now employing nearly a million workers, is likely to grow and with the growth of the industry the labour force in tea plantations is also likely to grow, the scope for the mechanization of field operations being somewhat limited. At present, most of the tea plants are over-aged and, therefore, replantation on an extensive scale is urgently called for. To reach the target of production fixed by the Fourth Five Year Plan, there will have to be extension and replacement on a large scale.\(^3\) These are activities which will surely increase employment opportunities, even if some of the operations in the field are mechanized in the years to come.

\(^3\) The Fourth Five Year Plan has fixed a target of 460 million kgs. by 1973-74.
II Tea Industry as an Employer of Labour

According to the International Labour Organisation, the active population of India is around 43 per cent of the total population. Of the active population nearly three-quarters are agriculturally employed. The tea industry gives employment to less than one per cent (i.e., about a million people) of the total agricultural population. The tea industry is by far the largest employer in the private sector with a labour force of 777,060 in 1967. Table 30 shows the area, production and labour employed in tea plantations in India during 1951-52 to 1965-66:

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The total area under tea recorded a rise from 316,870 hectares in 1951-52 to 341,762 hectares in 1965-66 i.e., an increase of 24,892 hectares or 7.86 per cent. Over the 15 years, the output of tea increased from 285.4 million kgs. to 366.4 million kgs. i.e., an increase of 81 million kgs., thereby recording a 29.11 per cent increase in the level of production.

A study of the yield per hectare from the figures in Table 30 (columns 6 and 7) shows that during the 15 years the yield per hectare improved significantly. The average yield per hectare which stood at 901 kgs. in 1951-52 rose to 1,072 kgs. in 1965-66 i.e., a rise of 171 kgs. per hectare or about 19 per cent.

It will be observed that while the percentage increase in area over the 15 years was only 7.86 per cent, the rise in the yield per hectare was of the order 19 per cent. The rise in the total output of tea in India was, therefore, the result of a combined increase in area and productivity. The factors responsible for the remarkable increase in productivity were as follows:

(i) more intensive cultivation through larger application of better manures and fertilizers,
(ii) coming into bearing of new planted areas,
(iii) replantings of previous years, and
(iv) introduction of high-yielding varieties of plants.

It is interesting to note at this stage the trends of employment of labour in the tea industry as given in Table 30 (column 8). The figures reveal that despite a steady rise in acreage and production, the quantum of labour employed in tea plantations decreased significantly during the fifteen years i.e., 1951-52 to 1965-66. In 1951-52 the labour force in tea plantations was of the order of 1,017,989 whereas by 1965-66 it had declined to 807,169.

The average number of workers employed per hectare of planted area, measuring labour intensity per unit of land, also recorded a fall during the period 1951-52 to 1965-66. The decline in the number of workers employed per hectare declined from 3.21 to 2.35 i.e., a fall of about 26 per cent.

It, therefore, appears that the increase in productivity in tea plantations was not wholly due to the adoption of improved cultural practices and increase in the planted area. The association of increase in productivity with a significant decrease in labour-land
ratio in the tea plantations tends to suggest that the improvement in productivity might have been achieved partly through the introduction of tools and machinery of the labour-saving type.

Financial statistics of 139 non-government public limited tea plantation companies are given in Table 31:

**TABLE 31**

TOTAL WAGE BILL AND INVESTMENT ON CAPITAL EQUIPMENTS IN 139 NON-GOVERNMENT PUBLIC LIMITED TEA PLANTATION COMPANIES 1960-61 — 1965-66

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<tbody>
<tr>
<td>Plants and Machinery (in million Rs.)</td>
<td>92.1</td>
<td>99.5</td>
<td>109.5</td>
<td>118.7</td>
<td>127.2</td>
<td>137.2</td>
</tr>
<tr>
<td>Index of Investment in Capital Equipments (Base: 1960-61 = 100)</td>
<td>100.00</td>
<td>108.04</td>
<td>118.89</td>
<td>128.88</td>
<td>133.11</td>
<td>148.97</td>
</tr>
<tr>
<td>Total Wage Bill (including salaries wages and bonus) (in million Rs.)</td>
<td>114.9</td>
<td>118.0</td>
<td>122.1</td>
<td>122.1</td>
<td>123.5</td>
<td>133.5</td>
</tr>
<tr>
<td>Index of Wage Bill (Base: 1960-61 = 100)</td>
<td>100.00</td>
<td>100.09</td>
<td>106.27</td>
<td>106.27</td>
<td>112.53</td>
<td>116.19</td>
</tr>
</tbody>
</table>

The figures in Table 31 show that investment on capital equipments (plants and machinery), during the period 1960-61 to 1965-66, increased at a rate which was three times more than the rate of increase in the total wage bill. It will be seen that total investment on plants and machinery increased by more than 48 per cent while the total wage bill increased by 16 per cent only during 1960-61 to 1965-66. If we assume that the price of capital equipments did not increase at a rate faster than the increase in wage rates, this would suggest an increase in capital intensity i.e., a decrease in the labour-capital ratio in Indian tea plantations.

Thus, despite a steady increase in the area under tea and yield per hectare, the volume of employment has been falling. Therefore, it is necessary that gainful employment to the displaced labour force must be found outside the industry, preferably through the development of ancillary undertakings, after imparting to the retrenched workers the necessary training.

III Labour Productivity in Tea Industry

Productivity of labour may be defined as the ratio
According to Ragnar Nurkse, "Productivity — or output per man-hour — depends largely, though by no means entirely, on the degree to which capital is employed in production. It is largely a matter of using machinery and other equipment. It is a function, in technical terms, of the capital-intensity of production." 7

Labour productivity in the Indian tea industry is demonstrably poorer than that in the tea plantations of the developing East African countries. 8 For example, the yield per hectare in Kenya is not very much below the South Indian average. But the plucking average is 25 kgs. per day as against 15 kgs. in comparable estates in South India. The plucking norm in Kenya is 20 kgs. as

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6 Output is the result of the cumulative influence of a large number of separate, though interrelated factors such as technological improvements, rate of operation, degree of efficiency achieved in different processes, availability of supplies and the flow of materials and components, employer-employee relations, skill and effort of workers, efficiency of management, etc.


against 10 kgs. in South India. In Kenya the rule limiting unauthorised absence is vigorously applied with the result that absenteeism is held around 6 per cent as against 18 to 21 per cent in India. The land-labour ratio of Kenya plantations is 1.38 workers per hectare as against 2.4 per hectare in South India. The South Indian producer supports nearly twice the labour force of his counterpart in Kenya in order to obtain nearly the same output. Work organisation is oriented towards efficient and economic production and changes in man-power utilization are better tolerated in East Africa than in India. The costs of these rigidities go into the working cost and add to the disadvantages of the Indian producer. Thus, though the direct East African wages are higher than those in India, the labour costs are higher in the latter.

The reason for the low productivity of Indian tea labour is not the human material. The Indian worker is intelligent, capable of absorbing instructions and ideas and working efficiently and he can well equal the performance standards of workers in any other country engaged in similar activities. But his potential cannot

9 The crux of the problem of modernization of tea plantations, namely, mechanization of plucking constitutes the most expensive operation for a tea enterprise everywhere in the world.
be fully realised because of the peculiar philosophy and objectives which seem to motivate his actions. The following are some of the important causes of low productivity of plantation labour in India:

(i) In a number of cases, fixed equipments are not adequate. This applies not only to manufacturing machinery in the tea factories but to the actual size of the factories, particularly in respect of withering accommodation.

(ii) Attachment to traditional methods does not allow the workers to accept changes and, in fact, in a large number of cases changes are resisted. Rationalization of the work force is opposed by the labour unions.

If the green leaves are not properly plucked, the plant will suffer. But, on account of their eagerness to increase their earnings, workers take to coarse plucking not infrequently. If the green leaves are not properly handled, deterioration in the quality of liquor sets in. Dumping the leaves on factory floor and picking them again spoils the quality of tea and results in waste of labour. The operations associated with transport of leaves from the withering shed to the rolling machine, rolling and firing can all be integrated and much time and
labour saved. In the field, most of the operations are today being performed by manual labour and the introduction of improved equipments will surely increase the productivity of labour. But attachment of the workers to traditional methods does not permit such changes. However, it is heartening to note that some of the progressive tea estates are now making use of spraying equipments, rotary hoes, tractors and winches for uprooting old tea bushes and clearing jungles.

(iii) If absenteeism cannot be checked and individual output cannot be increased and the employment level is not pitched to actual needs, the increased efficiency required to run the estate profitably cannot be achieved and Indian tea will not only be losing ground in the export market but estates will find it difficult to extend or develop.

To give but one example, the percentages of absenteeism as reported in 1964, 1965 and 1966 by the Government of West Bengal were as follows:

1964 .. 24.8
1965 .. 16.2
1966 .. 17.5

Workers are absent for reasons of sickness, maternity or social or religious functions on an average for less than one day in the month and for four days without any proper reasons. That amounts to 16 per cent of absenteeism as compared with the total number of working days. Needless to say that such a high percentage of absenteeism is neither good for the worker nor the employer. Absenteeism is a reflection of the socio-economic condition of labour as also of the conditions of the industry.

Anaemia on account of lack of balanced diet is one of the reasons for absenting from work every now and then. Excessive consumption of alcohol is another reason. According to the Indian Tea Association: 10

"A recent case has been brought to the Association's notice in which 24,000 lbs. of tea was lost in one garden in one day because all the factory staff were completely drunk and, therefore, no work could be done at all. This type of absenteeism is of course most marked after holidays and is revealed by the marked increase in the consumption of alcohol."

Plantation workers are drawn mostly from the uneducated aboriginal and scheduled classes who may be honest in the

work that they perform but who can hardly visualise the extent of damage they are causing to the industry by absenting themselves from work. Absenteeism is also due to the fact that some of the estates do not work all the year round.

(iv) Years ago, the problem of tea plantations in India was to secure adequate number of workers. The problem, today, is how to get rid of the surplus labour. The increase in the labour force is due to many reasons, important among which are the following: (a) high birth-rate; (c) 'go-slow' tactics of the workers in order to get work for their dependants; (d) availability of labour from "bustis" located near the estates; (e) unwillingness of labour to move to other places because of the availability of a house and, sometimes, even paddy fields to cultivate; (f) the need to have supplementary labour during the peak seasons; and (g) the unwillingness of the aged workers to move out of the estates leaving behind their kith and kin.

Suggestions to Increase Labour Productivity

(i) For improving the quality and output of their

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11 'Bustis' are slums, where workers who are not on the pay-roll of the estates, live.
work and for making them realise their rights and responsibilities, workers' education is essential. The Central Board for Workers' Education, a semi-autonomous body, is responsible for implementing the Workers' Education Scheme in India. The scheme may be extended to tea plantations.

(ii) As regards the problem of surplus labour a series of remedies are available: (a) The entry of emigrant labour may be restricted, as has been done by the Government of Assam. (b) Employment exchanges working in close co-operation with the managements of estates can solve the problem to a certain extent. (c) To the extent supplementary occupations, like agriculture and animal husbandry, are available in the estates surplus labour can be absorbed in them. Where the estates have vast spare lands, allotting some land for cultivation by surplus labour may not be harmful. It is possible that too much of spare land is a disadvantage. (d) Family planning can solve the problem of surplus labour to a large extent. A lot more of propaganda than what is being done now is necessary in order to carry the message of family planning to every home in the plantations. (e) Workers who contribute to provident fund may be required to retire after a fixed age, for that will solve the problem of surplus labour to some extent.
(iii) Rules relating to unauthorised absenteeism need to be vigorously enforced by the management. Trade unions of workers and the government should co-operate with the management in this endeavour.

(iv) That the productivity of labour also depends on the efficiency of the managerial staff needs no emphasis. Where the managerial staff is in close personal contact with the workers, labour troubles occur but rarely. Intimate relationship is rendered difficult, if not impossible, by frequent transfers of managers and their assistants. Such relationship is rendered difficult also because in certain cases managers are required to take prior advice of the Agency Houses. In quite a few cases, spot decisions would have saved a lot of trouble. Responsibility should be delegated upto the lowest rung of the ladder. The executive, by shifting the emphasis of controls towards the development of co-operative relations, will enable the people down the line do a more effective production job.

(v) Labour productivity can be improved also by keeping proper records of the output of work and careful analysis of the results. Careful study is required to

find out whether the right tools were made available for the various operations connected with the cultivation of tea. Study is required also to detect the extent to which time was wasted in reaching the work spot, whether the day's work was properly organised and how much time was taken to perform the different tasks.

Many difficulties are likely to arise in the endeavour to improve the productivity of labour. It calls for the fullest co-operation between labour and management. Again, Government and labour should be willing to face the problem that is bound to arise in the wake of a substantial increase in the productivity of labour viz., retrenchment. Lack of adequate financial resources is the main difficulty for improvement of the fixed equipments and for maintaining them in proper condition. Another difficulty is the non-availability of many items of essential machinery, equipment and their spares and the denial to the Indian producer the performance standards available to his competitors abroad. Estate supplies play a very important role in efficient production; and the industry's requirements in the matter of import allocation and supplies and spares stocking and the stringent policy now being followed by the Government deserve urgent consideration if productivity is not to be affected adversely in the years to come.
IV Wage Structure

Principles governing the protection of wages are laid down in the Payment of Wages Act, No. 4 of 1936. (Principal legislation applying to plantation labour is given in Appendix 3). This Act covered prior to April 1, 1958, employees earning less than Rs.200 per month. With the enforcement of the Payment of Wages (Amendment) Act of 1957 with effect from April 1, 1958, the scope of the Act has been extended to cover persons earning Rs.200 or more but less than Rs.400 per month also.

Minimum wages are laid down in the Minimum Wages Act, 1948. The "fair wage" is determined by the tripartite Wage Boards. The factors that must be taken into account while fixing the minimum wages must include not only the special conditions in each zone and branch of activity, but also the fact that the resulting wage must be adequate to meet the needs of the worker and his family. The term "fair" has not been defined, but in determining the rate for each industry, the Board must pay special regard to the following:

(a) the minimum wage rate payable to the workers in the industry,

(b) the workers' productivity,

(c) the prevailing wage rates for similar work in other establishments in the area,
(d) the competitive position in the international market of the class of establishment to which the products relate, and

(e) the level of wages such classes of establishment are able to pay.

Nevertheless, there is a proviso that the fair wage shall not be less than the minimum wage.

There is a statutory Wage Board to fix the fair wage for tea plantations. The minimum rates of daily wages for tea plantation labour in the various States in India during the year 1966 on the basis of the recommendations of the Central Wage Board for Tea and accepted by the Government are given in Appendix 4.13 The wage rates (basic) differ for men, women and children. For some of the States different wages have been fixed depending upon the size of the estate. In Kerala, guaranteed time rates have been fixed. In Tamil Nadu and Mysore, incentives are provided for plucking green leaves.

In addition, from April 1, of each year, commencing

13 Refer Appendix 4 for rates of daily wages for tea plantation labour in various States in India during the year 1966 (on the basis of the recommendations of the Central Wage Board accepted by the Government).
1966, dearness allowance is payable at 3/4 paisa per day per point of increase (over 170 points) in the Average All-India Consumer Price Index Number in the previous calendar year subject to a maximum increase of 16 points. Any excess over this limit up to the level of 200 points in the index number is to be carried over to the following year. For the year from April 1, 1966, the dearness allowance is based on the Average All-India Consumer Price Index for the period July/December, 1965, and accordingly dearness allowance for the period per day of work will be 3/4 paisa.

Besides their daily wages, workers in the tea plantations get the following benefits:

(i) Rent-free houses
(ii) Medical facilities
(iii) Facilities for the education of children
(iv) Maternity benefits
(v) Holidays with wages
(vi) Provident fund contributions
(vii) Gratuity
(viii) Travelling allowance
According to an analysis of the financial records of a sample of above-average South Indian tea companies made by the United Planters' Association of Southern India, on one hectare the total labour cost in 1965 was Rs. 2,926.03 and the total expenditure was Rs. 6,974.39, although there were inter-farm cost differences. In other words, labour cost accounted for about 42 per cent of the total expenditure. It constituted the single major item of expenditure. Labour cost in 1950 was Rs. 1,141.09. That is, labour cost rose between 1950 and 1965 by about 156 per cent.

14 Workers in Indian tea plantations receive an annual bonus based on profits if the plantation concerned is a member of the Indian Tea Association. In 1959, the bonus amounted to between 1.12 and 11.49 per cent of the annual wage, depending on the district i.e., an overall average of 8.76 per cent. It is interesting that the relative value of the bonus dropped considerably between 1954 and 1958, namely from 27.9 per cent of the total annual wages for all districts of India in 1954 to 10.4 per cent in 1955 and, after a rise to 12.6 per cent in 1956, to 7.8 per cent in 1957, followed by an increase to 8.8 per cent in 1958. (I.L.O., Plantation Workers, Geneva, 1966, p. 110).

While the prices of tea machinery have gone up as a part of the general rise in price level, it has been presumably swamped by a more rapid rise in wage rates. This has given a stimulus to the replacement of labour by machinery in the field and in the factory. In physical terms i.e., adjusting for cost-price changes, the industry has been using progressively more machinery and equipment with a steady rise in capital-labour ratio.16

While the labour costs have been rising year after year, the price of tea has remained more or less stationary, with the result that the retained profits have diminished considerably. Increase in labour cost is not the only cause for the diminution of profits, for all other costs have also risen. But it cannot be denied that it is one of the major reasons.

The tea industry in North-East India is required to supply foodgrains to workers at concessional rates. But the Government issue of foodgrains to the estates has been inadequate or irregular. Besides, the estates are required to issue foodgrains to the workers at rates

which have remained pegged for many years and which are far lower than what the rest of the population of the country has to pay. The losses incurred by the industry on account of this work out up to one-half of the wages. "No industry can be expected to carry such a burden as a normal and permanent feature of its cost structure."17 "It would appear in the final analysis, that much of what the industry is being asked to do should devolve on State Governments or municipalities."18

Another cause of the rise in labour cost is the strikes and 'go-slow' tactics adopted by labour. Says the Chairman of the Indian Tea Association,19 "I regret to record that the number of strikes during the year (1966) increased to 23 compared to 7 in 1964 and 15 in 1965. These strikes resulted in 4,32,969 man-days being lost, while consequent loss in wages and product amounted to Rs. 9,70,166 and 16,73,893 kgs. respectively. In terms of rupees, at the present Dooars leaf sale prices, the latter amounts to the fantastic figure of Rs. 84,15,681."

While it is agreed on all hands that labour must get decent remuneration and must be provided with decent working and living conditions, it is necessary that such increases in labour costs must be accompanied by corresponding increases in labour productivity. Higher wages and better working conditions have to be earned. While it should be the desire of the industry that labour should share in the fruits of national economic development and enjoy a rising standard of material well-being, labour must realise that a full day's work for a full day's pay is expected from the workers. Increase in wage rates and labour welfare expenses, unrelated to labour productivity, will only undermine the economic strength and stability of a major export industry like tea. Rising wages in tea plantations have been mostly due to trade union agitation.20

It may be noted here that the question of labour policy is viewed in the Labour Ministry in isolation from the industry's commercial and production problems.

This process requires to be changed and the administering Ministry (Labour Ministry) must take responsibility for the consequences of the totality of Government policies applicable to the industry. At present, the industry is left to cope with the consequences of labour policies enunciated by the Labour Ministry without any appearance of understanding or attempt at co-ordination from the Ministry of Commerce.

Labour demands higher wage rates because of the spiralling price level of consumer goods. Though the money wage rate has risen, real wage rate has not risen in many tea-growing regions. Since the policy of the Government is need-based wage rates, the Wages Board has no alternative but to fix a higher wage rate when prices rise. Government is unable to hold the price line because of the policy of deficit financing which it has been following all these years without corresponding increase in the production of consumer goods. Effective enforcement of anti-inflationary measures to arrest the continuous rise in price level is an urgent necessity.

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if the Indian economy in general and the tea economy in particular are not to go out of gear. Says Prof. P.R. Brahmananda, "Stability in the level of prices under the current Indian situation is a necessary condition of higher growth...... One may therefore doubt the wisdom of the reliance upon deficit financing whose extent ex-post turns out to be greater than what is hoped for ex-ante."22

V Labour-Management Relations

Cordial relationship between labour and management is of utmost importance for improving the productivity of labour. Addressing the Seventy-Fifth Annual Conference of the United Planters' Association of Southern India in September 1968, Dr. D.R. Gadgil, Deputy Chairman, Planning Commission of India, rightly observed as follows: "It is the total product that gets distributed among the various factors. Therefore, all efforts have to be made by all parties contributing to the productive efforts to increase the product continuously. In fact, all planned

effort at economic development of the nation are directed mainly towards increasing the size of the per capita product."

Discontent among the workers culminates in strikes. But discontent may find expression in many other forms too. Wrongful restraint and confinement of managers, wrongful confinement of police followed by riots, wrongful confinement of Labour Officers, disturbances and assaults, riots of a serious character including attack on the police are sometimes resorted to by estate labour in order to wrest concessions, demand higher wages, etc. In the process the main demand recedes to the background and problems of law and order come to the forefront. While employers complain of light punishments to labour, workers complain with equal vehemence of unjustified prosecutions by the police at the instance of the employers. There have been quite a few cases in which the help of the police was called by both the parties. Without apportioning blame, it may be stated that productivity can hardly be expected to increase in such an atmosphere.

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Strikes

The Industrial Disputes Act of 1947 provides for two main types of procedures in cases of dispute between the employers and the workers: conciliation and adjudication. Before taking a dispute to court the parties may also submit it to arbitration. While the proceedings are in progress strikes and lock-outs are prohibited. In spite of the prohibition, illegal strikes have not been uncommon.

Answering a questionnaire by the Plantation Inquiry Commission, the United Planters' Association of Southern India replied as follows:

"Plantation workers in the State of Madras have more than once resorted to illegal strikes .... There is no known instance where Government has prosecuted any worker or union leader for participating in or instigating an illegal strike although this is an offence punishable under Sections 26 to 28 of the Industrial Disputes Act."

To the same questionnaire the Indian Tea Association replied as follows:

"There has been a strong tendency to engage in strikes to call attention to an illegal grievance which could have been brought to notice and its merits considered had the union concerned been registered and prescribed

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procedure been followed. Strike ballots are never taken and strikes are called not on the demand of the workers themselves but at the instigation of self-chosen leaders from outside the industry."

The Indian Tea Planters' Association, Jalpaiguri, replied as follows:

"For the last three years, it has become a feature of the Union to call for a general strike during the peak production months of the year."

Widespread strikes at the peak production season result in tremendous loss not only to the employers and the nation but, in the long-run, to the workers themselves. If leaves are not plucked when they are ready for plucking, they become useless for manufacture. This is an additional reason which calls for mechanization of tea plucking. The recent strike in West Bengal (last quarter of 1969) was responsible for the loss of several millions of rupees. So was the case in the strike in Kerala in November, 1968.

It is gratifying to note that in India, unlike in Ceylon and East African countries, strikes have, for some years, been rare. Besides, they are localised.25

The Royal Commission on Labour reporting in the early thirties considered that the legal provision governing the relations of the planters and labourers were unsatisfactory and found it necessary to make a number of recommendations relating to basic conditions of employment. It would not be unfair to say that during the British regime the dice, for the major part, was heavily loaded in favour of the employers. Even a hardened critic of plantation managements will agree that there has been a radical change in the situation ever since India achieved independence. In fact, in Kerala, and West Bengal it is labour which has the upper hand now, aided to some extent by the policy of appeasement followed by Government for political reasons. The Marxist Communist-led United Front Ministry in Kerala used the plantation areas as the staging grounds for revolutionary rehearsals. For example, in November 1968, there was a twenty-one day strike of plantation workers in Kerala involving more than 100,000 workers. Not only did the strike represent an estimated loss of about Rs. 40 million in production as well as foreign exchange but greater loss indirectly. Tea bushes became overgrown without getting

plucked for 21 days and had to be trimmed and pruned and the subsequent production of tea in these estates was of a poorer quality. The strike came about as a result of a charter of demands by the unions of plantation workers in Kerala asking for higher wages and dearness allowance. The wages of plantation workers are covered by an award of the all-India Wage Board which had been accepted by the Union and the employers. Hence, the wage rate could be changed only through a bi-partite process, and not through a strike. Therefore, when the strike was unleashed, the estate unions must have done so only in the full know of a political strategy behind this strike. The political strategy became clear subsequently when on behalf of the Government of Kerala, the Labour Minister, used his "good offices" in the settlement of the strike. During the discussions held by the Labour Minister with the employers and unions, it was suggested that the strike could be called off if the managements agreed to make advance payments on bonus account for two years. The managements of estates agreed and the strike was called off. The managements were under the impression that the strike had been called off on the basis of the advance on bonus payment issue. With the swiftness of a surprise, the Government of Kerala issued a notification on the very day of the settlement and calling off of the strike, proposing
new rates for plantation workers under the Minimum Wages Act. The most significant aspect of the Kerala Government notification on wages was that the amount of wages proposed amounted to an almost overnight doubling of the existing wages!

There was a 17-day strike in the tea plantations of West Bengal in the last quarter of 1969. It caused a substantial loss of crop. The loss has been estimated by Mr. Sankar Ghosh as follows: The direct loss in production due to the strike will be of the order of Rs. 6 crores (60 millions) while the extra annual cost involved in fulfilling the terms of settlement will be about Rs. 2 crores (20 millions). This means that the cost per kg. of tea will go up by about 30 paise in the Dooars and Terai and by about 70 paise in Darjeeling. The settlement terms envisage a further increase in wages next year which is also bound to have an impact on cost of production. The wage rise in West Bengal led to a similar demand in Assam and the industry had to assume an additional burden of Rs. 6.5 crores (65 millions) in that State which will add some 30 paise per kg. to the price.

cost of Assam teas...... There have been 82 gheraos
between February and October 1969 in the gardens under
the Dooars Branch of the Indian Tea Association......
It is stated that the Marxist Unions have proved to be
the most troublesome." It is significant that United
Front Ministry in West Bengal is dominated by Marxists.

Trade Unions

There exists in the tea plantation districts of
India a multitude of small unions whose influence on
the mass of the workers is not much, as the rivalries
which rend them apart, mainly political in origin, are
greatly damaging to their prestige. The one large
organisation which stands above the others is the
Indian National Plantation Workers' Federation to which
are affiliated 29 tea plantation workers' unions. Many
of the federations of plantation workers are not working
properly. Their membership is doubtful; their representative
character is questionable; and sometimes, they make
representations totally opposed to the interests of the
workers. In most of the federations and unions, there is
an unduly large number of outsiders. While illiteracy
and ignorance among workers do justify to a certain extent
the existence of outsiders, their number is too large and
needs to be reduced.
The three East African tea-producing countries (Kenya, Uganda and Malawi) have a common approach in the area of labour policy in so far as no more than one union is allowed in the entire field of agriculture including plantations. As a result of this, rival unions do not bid up competitively to make a reasonable settlement nearly impossible as in India.

The following are some of the important defects of trade unions in tea plantations which need to be rectified:

(i) At present, there is no proper machinery to check and find out whether the estate unions of workers conform to the provisions of the Indian Trade Unions Act of 1926 (amended in 1964) in regard to the safe custody of funds, submission of returns, maintenance of registers, etc.

(ii) Figures relating to membership are not reliable. Proper receipts are not always given for subscriptions received. Accounts are not properly maintained.

(iii) The provision that any seven workers can form a union has been encouraging the formation of rival unions even at the slightest provocation.
The relationship between labour and management can be greatly improved if the trade unions undertake to follow a democratic procedure and if only a single union is permitted to function in a State. Writing about British trade unions B.C. Roberts of the London School of Economics observes as follows: "If employers were called upon to recognise only one union, the multiplicity of bodies now representing work-people in most plants or firms would be eliminated and the structure of collective bargaining greatly simplified. Inter-union conflict would then be avoided and it would be possible, in exchange for the advantages of being the sole representative, to insist on the union accepting a proper responsibility for the behaviour of its members." This is true of India too. Whole-time trained secretaries should be appointed for every primary union. Outsiders should not be allowed except in the case of federations. It is important that employers should not make themselves inaccessible, for to remain inaccessible is the surest way of inviting antagonism from labour.

VI Labour Welfare

The tea industry, unlike other industries, has the

bulk of its labour force resident in the estate itself. It is the consequence of having located the tea estates in remote places where labour was not available. Hence, housing and other amenities had to be provided for labour by the management of the estate. In the absence of any statutory obligations, the provision of housing and other amenities devolved on the management. The Plantation Labour Act (1951) and the Amendment Act (1960) lay down standards in the matter of housing, sanitation, medical aid, provision for the education of children of the workers, etc.

**Housing**

Housing conditions form one of the criteria by which the actual level of living may most easily be judged. Today, they remain unsatisfactory on many tea plantations, though efforts are being made to improve them. The Plantation Convention of the I.L.O. (1958) places no express obligations on employers to provide housing for their workers. Article 85, however, provides that "the appropriate authorities shall, in consultation with the representatives of the employers' and workers' organisations concerned, where such exist, encourage the provision of adequate housing accommodation for plantation workers." Legislation in India lays down that
it shall be the employers' responsibility to provide suitable housing for plantation labour. The power to adopt measures ensuring fulfilment of the obligation, for example, through establishing minimum standards (in particular, sanitary standards) to be met by housing, rests with State Governments. In several States, including West Bengal, Madras, and Uttar Pradesh, standards for workers' housing have been established under the Plantation Labour Act. These standards apply in particular to location, the development of roads, and the maintenance of houses in good condition of hygiene.

In the States of West Bengal and Uttar Pradesh (under West Bengal Plantations Labour Rules 1956 and Uttar Pradesh Plantations Labour Rules 1957 respectively) workers have to vacate the houses in which they live within two months of the end of the contract of employment. In the event of the worker's retirement or leaving, the period is reduced to one month.

Building Programmes

In Madras State (now known as Tamil Nadu) the Chief Inspector of Plantations approved 84 plans submitted by planters for the building of houses for workers or for
the improvement of the existing houses. The Government of India gives financial assistance for building houses for tea plantation labour. By the end of the Second Five Year Plan period (1961) loans had been granted to ten Madras (Tamil Nadu) planters to enable them to build 191 dwellings for their workers. Most of the houses have been built.

Also in Madras State (Tamil Nadu), employers of about 290 plantations coming under the Plantations Labour Act had by the end of 1962 provided their workers with 23,048 new or renovated houses conforming to the established standards. They had still 11,459 houses to build.

In Uttar Pradesh and the Punjab the tea plantations are small in size and few workers live on them. In the Punjab there were in 1961 only 16 plantations coming under the Plantations Labour Act. No new dwelling was built in 1961, although during the previous year 220 had been built and made available to the workers without any charge.

In 1960, the number of dwellings built in Assam was 12,114, in West Bengal 2,769 and in Kerala 4,048. In 1963, 

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there were 4,392 new dwellings built on 227 tea plantations in West Bengal. In the same year, 3,001 dwellings were built in Kerala, where 28,812 dwellings for plantation workers were still to be built. In 1963 there was little progress in housing. This was mainly due to the imposition of new standards raising the cost of building a dwelling from Rs. 3,000 to Rs. 5,000. No employer built dwellings conforming to the new standards, but dwellings of the "pukka", "semi-pukka" or "kutcha" type were provided for the workers. 30

In Bihar and Uttar Pradesh where conditions are different from the other tea-growing regions, there has been little change. In Bihar, in particular, nearly all the plantation workers live in their own villages and it is not considered necessary to house them on the estates.

An Assessment of Building Programmes

The Plantation Inquiry Commission (1956) estimated that for the industry as a whole covering an area of 0.32 million hectares, the cost of labour housing would be of the order of Rs. 600 million. As has already been observed, the progress in respect of construction of houses

for the labour force in tea plantations has not been satisfactory so far, the reasons being lack of adequate financial resources and building materials. According to the Consultative Committee of the Plantations Association, the number of houses still to be constructed and the cost involved per annum in respect of North-East India are as follows: 31

<table>
<thead>
<tr>
<th></th>
<th>Assam</th>
<th>West Bengal</th>
<th>Tripura</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) No. of Houses (per annum)</td>
<td>18,217</td>
<td>10,275</td>
<td>469</td>
<td>28,961</td>
</tr>
<tr>
<td>(2) Total Cost (in million Rs.)</td>
<td>69.2</td>
<td>39.0</td>
<td>1.8</td>
<td>110.0</td>
</tr>
</tbody>
</table>

Under the Plantation Labour Housing Subsidy Scheme, the Government undertakes to subsidise 25 per cent of the cost of construction, subject to a ceiling of Rs.3,000 per hectare and another 50 per cent of the cost will be provided in the form of loan. The balance of 25 per cent has to be met by the employer. Thus, of the total annual expenditure of Rs.110 million in North-East India alone (the proportion of subsidy, if made available to the industry) Rs.27.5 million will have to be met by the employers. Although 50 per cent of the cost is supposed

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to be available in the form of loan from the State Governments concerned, it is of no great advantage because it has to be repaid. Thus, the industry will have to meet 75 per cent of the expenditure i.e., Rs.62.5 million out of its own resources.

In South India from the data available with the Tea Board (based on statistics provided by State Governments) 5,471 houses per annum are to be built in Madras (Tamil Nadu) and 2,920 have to be constructed per annum in Kerala. The cost of construction in these two States is Rs.20.7 million and Rs.11.1 million respectively. The total for Madras (Tamil Nadu) and Kerala is Rs.31.8 million of which Rs.7.9 million may be available in the form of subsidy. The balance will have to be met by the employers.

The following is an analysis of the total outlay for India as a whole:

<table>
<thead>
<tr>
<th></th>
<th>Total Expenditure</th>
<th>Subsidy</th>
<th>Loan</th>
<th>Industry's Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>North India</td>
<td>110.0</td>
<td>27.5</td>
<td>55.0</td>
<td>27.5</td>
</tr>
<tr>
<td>South India</td>
<td>31.8</td>
<td>7.9</td>
<td>16.9</td>
<td>8.0</td>
</tr>
<tr>
<td>Total</td>
<td>141.8</td>
<td>35.4</td>
<td>70.9</td>
<td>35.5</td>
</tr>
</tbody>
</table>
It will be seen from the above that the industry will have to meet the cost of construction to extent of £108.4 million annually while the Government may be expected to subsidise to the extent of £35.4 million per annum.

Under the existing system the Government of India is to provide the Governments of the tea-growing States with requisite funds to enable them to finance the loans as well as the subsidy to which the plantations are entitled. However, in practice, it is seen that only a few plantations have been able to obtain either the subsidy or the loan. For instance, against the total annual requirement of £69.2 million in Assam, the State Government has made a provision of only £0.5 million for the scheme in 1967-68.

Briefly, the housing subsidy scheme has been of very little practical help to the industry. Unless the Government makes funds for these loans and subsidies available immediately, it will not be proper to expect the industry to fulfil the statutory obligations imposed by the Plantation Labour Act in regard to housing.

Housing of labour in tea plantations is distinct from that in other sectors because tea estate workers pay
no house rent. The expenditure on construction of houses for labour in tea estates is a recurring liability and, therefore, the cost of construction of such houses should be allowed as a revenue expenditure for purpose of income tax. It is also necessary that the statutory rate of building should be reduced from 8 per cent to 4 per cent and the Government of India should persuade the Governments of tea-growing States not to institute prosecutions against the defaulting estates unless subsidies and loans are made available to all. The State Governments should also be persuaded not to effect any further changes in the specifications already laid down.

Water-Supply and Sanitary Facilities

For water-supply and sanitary provisions on plantations there are statutory provisions. In West Bengal and Uttar Pradesh, for example, tea estates are required to provide the workers with healthy drinking water. Besides, there must be one latrine for every 50 acres (20.25 hectares) of cultivated land. Separate latrines are to be provided for each sex.

Clothing

The Government of each State may, by virtue of the powers vested in it by the Plantations Labour Act, make
rules requiring the provision of means of protection from rain and cold. These consist of blankets, raincoats and umbrellas. Woman pluckers are issued with aprons to protect their clothing because they have to move among the tea bushes. When it rains they cannot use umbrellas as it is impossible to hold one working. If the rain is light, the pluckers fold sacks over their heads to form hoods. When it rains heavily, work is temporarily halted.

**Education**

Though no exact figures are available, it can be confidently said that illiteracy is a common feature among tea plantation workers in India. 32

The Plantations Labour Act (1951) specifies that in all cases where there are at least 26 children between 6 and 12 years of age, the employers must provide educational facilities for them in accordance with the regulations prescribed by the Government of each State.

The legal provisions regarding education are usually complied with in the tea plantations, but that is so only

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in the matter of primary education. In Assam, for example, there were 724 schools in 621 plantations catering to 36,524 children in 1963, this figure representing 25 per cent of the children of school-going age. In other States primary schools for the children of tea estate workers have been established in most cases (in Kerala in about 100 plantations and in Tripura in nearly all the estates). In Punjab, however, the plantations have no schools. Hence the children attend Government schools in the nearest villages. The Tea Board gives scholarships to the most gifted children of tea plantation workers to enable them to benefit from more advanced schooling.

Despite the regulations concerning compulsory schooling, the percentage of illiterates in tea plantations is still high. The children do not attend the schools regularly or for the length of time laid down by law.

Health

In India the incidence of diseases is much less than in the tea plantations of other countries. For many years past, anti-malarial measures have been undertaken in the tea estates. The methods initially employed, which mainly

involved spraying stagnant water with a special oil, or draining marshes, were found to be very expensive and not always effective. Before the Second World War, the principal anti-malarial drug was quinine, but since then more effective drugs and the widespread use of D.D.T.-based insecticides have reduced the incidence of the disease to negligible proportions. Respiratory diseases still occur, usually among workers on estates at high altitudes. B.C.G. vaccinations are given as a part of the campaign against tuberculosis.

Under the Plantations Labour Act employers must organise and operate medical services which are easily accessible to their workers. Implementation of the Act is left to the Government of each State. Most tea estates have their own dispensaries, the equipments and facilities of which vary from estate to estate.

Hospitals in tea estates are of two types — estate and group hospitals. Each plantation employing 100 or more workers must make arrangements for hospital facilities at the rate of 15 beds for every 1,000 workers. An estate hospital must contain a consultation room, dispensary, operation theatre and general, surgical and maternity wards. A group hospital must contain a minimum of 100 beds and
must be equipped for all forms of medical or surgical treatment. The consent of the State Government is necessary for the construction of a group hospital. Only patients referred by a doctor of an estate hospital are accepted.

Thus, out of a total of 623 plantations in 1963 in Assam, 445 had their own hospitals, 120 had dispensaries, 9 had made arrangements for their workers to be treated elsewhere and 40 had taken no steps to provide medical care. In other States medical services were provided either by the plantations themselves or by public hospitals or dispensaries. In some cases, however, these medical facilities were not satisfactory.34 It is gratifying to note that medical care in the tea plantations of India is of a higher standard than that of other tea-producing countries.

According to Plantation Inquiry Commission Report (1956), the additional expenditure to be provided for tea plantation hospitals would be of the order of Rs.40 million. This figure is now out of date. According to the Borooah

Committee (1968), a sum of Rs. 41.5 million will have to be spent on hospitals. 35

**Summing Up**

High wages, low productivity of labour, the increasing cost of labour welfare measures and a proliferation of taxes have all combined to lower the profitability of the tea industry.

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