CHAPTER - V

INDUSTRIAL RELATION DURING THE PERIOD OF WAGE BOARD AWARD IN THE RUBBER PLANTATIONS

5.1. INTRODUCTION

“Work-Safe, productive and environmentally sound – is the key economic and social progress everywhere,”¹. The wages and employment conditions determined by labour market profoundly affect the quality of life of workers and their families. Before Independence, the only specific legislature enactment covering plantations was the Tea District Emigrant Labour Act, 1932. Though workman’s compensation Act, 1923, was applied to plantations workers, it did not confer any substantial benefit on them as accidents were recurrent in plantations. The payment of wages Act 1936, though applied to plantations, was concerned with mode of payment of wages. The labour Investigation Committee (Rege Committee) noted that the conditions of life and employment on plantations were different from those in other industries and recommended the creation of a Plantation Labour Code (PLC). The Plantation Labour act (PLA) 1951 was enacted on the recommendations of the committee. The Royal

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commission\textsuperscript{2} on labour as early as in 1931, made specific recommendations for establishing tripartite wage boards in the Indian industrial context to resolve the problem of wage determination. The committee on fair wages in its tabled report advocated the reed for the constitution of wage boards on priority basis.\textsuperscript{3} Later, it was realised that the improvement in the industrial relations could be successful only when both the workers and the employers together participated in the wage issue and other matters. Representatives of both the employers and the workers unanimously supported the view on establishing ‘Wage Boards’ is preference to tribunals. Further, the view was strengthened by the recommendation of the International Labour Organization.\textsuperscript{4} These facts have prompted the Govt.of India to set up Wage Boards, is 22 industries including tea, rubber and coffee plantations.

5.2. ESTABLISHMENT OF THE CENTRAL WAGE BOARD FOR RUBBER PLANTATION INDUSTRY

The Govt.of India constituted a wage board committee for the rubber plantation industry in July 1961, it was asked to look into the following factors,

\begin{footnotesize}
\begin{itemize}
  \item Govt. of India, \textit{“Report of the Royal commission non Labour in India”} 1931, p. 395
  \item Govt. of India, \textit{“Report of the committee on Fair wages”}, 1949, pp 28-33.
  \item International Labour Organization, \textit{“Report to the Govt. of India on Labour Management Relation”}, 1956, p-5.
\end{itemize}
\end{footnotesize}
(i) The felt-needs of the industry and its developing economy
(ii) The system of payment by results
(iii) The special features of the industry is various regions and localities
(iv) The target group of workers
(v) The determination of hours of workers in the industry

The terms of reference show that the wage board was expected to evolve a relational wage structure for all aspects of the rubber plantation industry. Wage Board had taken a favourable decision regarding interim wage increase with effect from December 1961.\(^5\)

**5.3. SALIENT RECOMMENDATIONS OF THE RUBBER WAGE BOARD**

The followings were the five important recommendation made by the wage board.

(i) Only on the basis of piece rate system tapping work should be carried out

(ii) No discrimination should be shown in the matter of wages among the tappers.

\(^5\) Govt. of India, Resolution No. WB-3 (33) /61/2 dated 30.03.1962.
(iii) In accordance with the Plantation Labour Act, accommodation and medical facilities should be given.

(iv) At no cost, the workers’ wages should not be affected, if rubber estates are split into smaller units.

(v) No contract labour is to be employed.

An important feature is the wage board recommendation of wage structure is that there was no wage differences in both Tamil Nadu and Kerala states. It had recommended uniform wage rates for the states of Tamil Nadu and Kerala.

5.3.1. All inclusive wage rate

The labour members of the wage boards strongly demanded a separate basic wage and dearness allowance connected based as cost of living index from time to time. But the planters totally opposed the demand and ultimately a compromise was achieved to accept all inclusive wage rate with an escalation clause.

The followings are the three reasons for fixing an all inclusive wage rate.

(i) Only the consolidated wage had remained in force during the earlier time.
(ii) If variable dearness allowance was adopted a local index would be preferred because an all – India index would not be suitable on a long term basis.

(iii) Due to the presence of a large number of small holdings, a variable dearness allowance would not be understood and therefore the workers might suffer ultimately because the basic wage alone would be counted as the total wage in most of the smaller plantations. Therefore, for practical purposes, the wage board decided to adopt an all – inclusive wage rate with annual increments to compensate the rise in the cost of living in future.

5.3.2. Recommendations on annual increments

The wage board’s recommendation on annual increments under all inclusive wage rates were not uniform and as years went by, the increments were reduced. When wage board fixed initial increments at the rate of 10 paise for men and women workers, in subsequent years; the increments were reduced for all categories of workers. The main reason for reduction the rate is that wage board had recommended the increments without any concrete idea about change in cost of living index.
5.4. WAGE STRUCTURE RECOMMENDED BY THE WAGE BOARD

(i) Daily time rate wages

The wage board recommended an all inclusive wage rate for the time rated workers with provision for annual increments to compensate the rise in the cost of living in future.

(ii) Classification of field and piece rate wages for Tappers

The wage board gave much consideration to the piece rate wages in the light of the existing practices on the rapid replanting work undertaken by several rubber plantation with high yielding clones.

(iii) Fall back wage rates for the Tappers

The wage board had recommended fall back rates for the tappers. The tapping blocks recommended were

(i) In ladding 250 trees where the number of trees per acre is 100 or below and up to 300 trees in other cases.

(ii) In ladder tapping 135 trees and

(iii) In assisted collection tappings 375 trees in the first year and 400 trees in the second and subsequent year.
5.5. CAUSES FOR DISPUTES, STRIKES AND SETTLEMENT IN THE PERIOD OF WAGE BOARD AWARD

It is necessary to understand the various disputes and strikes held during the period of wage board awards. The details of disputes in the rubber plantation in Kanyakumari district during 1961-68 are given in Table 5.1.

Table 5.1
Details of disputes in the rubber plantation’s during 1966-68

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Causes for Disputes</th>
<th>Period strikes</th>
<th>Number of Mondays loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Enhancement of wages</td>
<td>Dispute settled without any strike</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Demanding Bonus</td>
<td>Dispute settled without any strike</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Refixation of wages, granting of increment, Dearness allowances</td>
<td>Dispute settled without any strike</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>HRA, increase in wages, dearness allowances, Making field workers permanent</td>
<td>11.11.1968 to 19.11.1968</td>
<td>9</td>
</tr>
</tbody>
</table>


The first dispute was raised by the workmen of the Palkulam Estates, Thadikkarancanom Workers Union. Due to amicable settlement,
wage rates have been raised from Rs.2.88 to 3.25 for Tapping maistries, Rs.2.10 to Rs.2.25 for Tapping men, Rs. 1.81 to Rs.2.00 for Tapping women and Rs.2.30 to Rs.2.45 for factory men from 1st April 1965.

During the second disputes, management agree to pay their workers bonus, 12 percent for the year 1964-65, and 1965-66 and 12.5 percent for the year 1966-67 of the total earnings of the workers in respect of that particular year.

Third dispute was due to reasons for re-fixation of wages, Grant of increments, Dearness allowance. The issues were taken up before the labour officer, Nagercoil and settled amicably.

Fourth dispute was arisen due to reasons for increasing wages, payment of House rent allowance, Dearness allowance, making field workers permanent. Large number of workers belong to 33 private rubber estates in Kanyakumari district had demanded the above said demands. After detailed deliberations on the various issues pending, both the parties in the dispute came to an agreeable settlement in above said demands.

During their period, by threats and agitation, through a PLC settlement dated 10th May, 1969, wages in rubber plantation were revised from 1st January, 1969. Accordingly, wage was revised to Rs.3.18 per day with the same D.A. formula as under the wage board awards. During the
pending of the wage board award, certain local settlements were entered into in the case of rubber. The wage rates under these settlements ranged from Rs.2.50 to Rs.3.60.

In the case of rubber plantations, the D.A. formula followed was that recommended by the wage boards. There was a demand in 1971 from workers for the adoption of the CPI members under the state series in place of the labour Bureau series. To satisfy them, the state government appointed an Expert committee to suggest a basis for the conversion of the D.A. from the all India Index to the state index.

Subsequently, on 2\textsuperscript{nd} February, 1972, the Government published draft proposals for revision of minimum wages. The basic wages under the 1969 settlement which was then in force were retained; the D.A. structure was proposed to be changed by de-linking from the All India Index and linking to the state series (1939=100).

The wage for rubber plantation workers underwent a revision from 1\textsuperscript{st} April, 1972. These through the PLC settlement dated 12\textsuperscript{th} July 1972, the basic wages were raised to Rs.3.37. The D.A. scheme, as contained in the draft minimum wage notification was also incorporated in the settlement. Again, the wages for rubber plantation workers were revised from 1\textsuperscript{st} April 1977. Changes in the basic wages and D.A. were also
effected. Plantations were the first industry where Equal Remuneration Act, 1976 was enforced. With it the differentiation in wage rates which existed until then between male and female workers was abolished.

The tea / coffee / cardamom wages wave revised from 1\textsuperscript{st} April, 1980 through three settlements dated 26 June, 11\textsuperscript{th} July and 15\textsuperscript{th} November, 1980. While is rubber they were not due for revision until 5\textsuperscript{th} December, 1981. But the rubber plantation workers in Kanyakumari district agitated and on 4\textsuperscript{th} July, 1981 only their basic wages were enhanced.

Wages in all crops underwent revision 6mn 1\textsuperscript{st} April, 1986 and the settlement has valid until March 31\textsuperscript{st} 1989. After its expiry wages in all the crops were revised by the settlements is 1990, 1992 and 1995. Again, it has been revised and valid for four years ending 31\textsuperscript{st} March, 1999.

\textbf{5.5.1. Requirements of wage increase}

Aromid 900 rubber plantation workers, demanding an increase in wages, continued their indefinite strike in Kanyakumari district represented by Kanyakumari district Estate worker’s Union. Worker’s union said that the private rubber plantation workers were being paid Rs.150 a day. The last wage agreement was made three years ago between the plantation owners and worker’s union before the labour officers and the agreement ended on June 30, 2010.
Six months ago, the Union (CITU) gave a petition to the owners’ association to fix the wage at Rs.350 in the new agreement to be followed from July 30. Three rounds of talk were also held between Kanyakumari district planters association and representatives of workers on April, 13, May 10 and June 6 to arrive at an amicable solution to the wage increase issue.

In order to agree to the new wage, the plantation owners wanted to increase the work load by increasing the amount of tapping. Therefore, all the three round of talks failed. Another two rounds of talks on June 16 and 22. Were held between the union and the district labour officer’s but there talks also failed.

A final round of talks was held between the workers union and labour officers in the presence of Assistant labour commissaries, Tirunelveli, on June 30. As this talks also ended in failure, the private rubber plantation workers had no other choice fact to resort to indefinite strike.

5.6. ELEVENTH FIVE YEAR PLAN (2007-2012) FINANCIAL ASSISTANCE TO RUBBER PLANTATION WORKERS

A detailed activity and financial assistance under 11th plant to rubber plantation workers are given in Table 5.2.
Table 5.2

Financial Assistance under 11\textsuperscript{th} Five year plan (2007-2012) to rubber plantation workers under Human resource development scheme

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Activity</th>
<th>Financial assistance under 11\textsuperscript{th} plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>TRAINING</td>
<td>Rs.1775 lakh (Excluding the component of Overseas Training of Scientist, which has been diverted to the Research Scheme)</td>
</tr>
<tr>
<td>2.</td>
<td>LABOUR WELFARE</td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>Educational stipend</td>
<td>Rs. 500/- to Rs. 2500/- per year per student. Hostel fee Rs.200/- to Rs. 300/- per month per student for a maximum period of 8 months in an academic year.</td>
</tr>
<tr>
<td>b.</td>
<td>Merit award</td>
<td>Rs. 1000/- to Rs.5000/- per student</td>
</tr>
<tr>
<td>c.</td>
<td>Housing Subsidy</td>
<td>25% of estimated construction cost subject to maximum of Rs. 12500/- only</td>
</tr>
<tr>
<td>d.</td>
<td>Housing and sanitary subsidy to SC/ST Workers</td>
<td>25% of estimated construction cost subject to maximum of Rs. 15000/- for housing and 75% of estimated construction cost subject to maximum of Rs. 6000/- for latrine.</td>
</tr>
<tr>
<td>e.</td>
<td>Sanitary subsidy</td>
<td>75% of estimated construction cost of latrine subject to maximum of Rs. 5000/- only.</td>
</tr>
<tr>
<td>f.</td>
<td>Medical attendance</td>
<td>Reimbursement up to Rs.2000/- per annum per tapper. Maximum Rs.500/- for absence from work due to illness. Maximum Rs. 10000/- for major illness as one time benefit.</td>
</tr>
<tr>
<td>g.</td>
<td>Group insurance cum deposit</td>
<td>Rs. 150/- per worker per year</td>
</tr>
<tr>
<td></td>
<td>Labour Welfare – total assistance</td>
<td>Rs. 1466 lakh</td>
</tr>
<tr>
<td>3.</td>
<td>INFRASTRUCTURE DEVELOPMENT</td>
<td>Rs. 1050 lakh (Excluding the civil works exclusively for RRII.)</td>
</tr>
<tr>
<td></td>
<td>GRAND TOTAL</td>
<td>Rs. 4291 lakh</td>
</tr>
</tbody>
</table>
5.7. COLLECTIVE BARGAINING

Disputes and settlement during wage board award

5.7.1. Disputes and settlement during 2007

The wage settlement dated 22.12.2003 under 12 (3) of the Industrial dispute act, 1947 relating to wages, Dearness allowance, piece rates, over kilo payment and the like expired on 30.06.2006. In this regard, unions served their chanter of demands on the managements for revision for wages and other allowances. The parties held a number of discussions and conciliation before the Assistant Commissioner of Labour, Nagercoil with a view to reaching an understanding on the issues in dispute amicably. The final conciliation was held on 08.09.2007 and the following settlement has been agreed to.

The wage rate has been enhanced to Rs.94.15 for general workers and Rs.101.15 for all time Rated tapers. The wage differential for Factory worker will be Rs.5/- (ie. 94.15+5=Rs.99.15)

Piece rated tapping has been revised as follows
Table 5.3

Classification of Rubber field and revised standard output

<table>
<thead>
<tr>
<th>Classification of field</th>
<th>Standard output in Kgs</th>
<th>Rupees per ½ kilo of standard output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>2</td>
<td>10.15</td>
</tr>
<tr>
<td>II</td>
<td>4</td>
<td>5.08</td>
</tr>
<tr>
<td>III</td>
<td>6.5</td>
<td>3.12</td>
</tr>
<tr>
<td>IV</td>
<td>8</td>
<td>2.53</td>
</tr>
</tbody>
</table>

For the purpose of classification of fields 150 yielding trees will be reckoned as one are.

The following revised piece rate has come into force from 01.07.2006.

Guaranteed time rate Rs. 60.55 and standard output Rs.40.60 for estimate 100 acres and above. The existed D.A. formula was continued and paid.

Over kilo rates was also revised from 01.07.2006 as follows.

01.07.2006 to 31.12.2007-  
Rs.3.70 per kg drc for latex

Rs. 1.10 per kg drc for scrap
01.01.2008 to 30.06.2010 - Rs.4 per kg drc for latex

Rs.1.20 per kg drc for scrap

Festival advance has also been revised to Rs.2500 per annum.

House rent allowance was revised by the plantation housing advisory board. It is agreed that this settlement will supersede the 18 (1) settlement dated 01.09.2007.

Supervisor of rubber estates in Kanayakumari district were paid wages as per 12 (3) settlement signed by the management of rubber plantations. This settlement expired on 30\textsuperscript{th} June 2007. The unions have served a charter of demands for revision of wages and their allowances. Final settlement was over and implemented period was four years from 01.07.2007 to 30.06.2011.

5.7.2. Disputes and settlement during 2008

Tamil Nadu Government had published G.O.No.34 on 15.05.2008 regarding revised wage and dearness allowances with effect from date of publication as schedule given below.
Table 5.4

Minimum rates of wages in plantations

<table>
<thead>
<tr>
<th>Classes of employees</th>
<th>Rubber plantation in Kanyakumari district</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults</td>
<td>Rs. 81.50</td>
</tr>
<tr>
<td>Adolescents</td>
<td>Rs. 55.50</td>
</tr>
</tbody>
</table>

The above minimum rates of wages are linked to average consumer price index for the year 2000 for Chennai namely 475 points with base 1982=100 for rise of one point over above 475 points.

The unions have served a charter demands on the managements for revision of wages and their allowances after the settlement expired on 30th June 2007.

The final conciliation was held before Assistant labour commissioner and reached the conciliation on 23.06.2008.

The period of settlement was 3 years and six months from 01.07.2007 to 31.12.2010. The revised scale of pay was existing rates merged with dearness allowance upto 2360 points on the average All India consumer Index number 1960=100.
Supervisors shall be fitted to the existing scale by adding 19% of the basic salary inclusive of personal pay if any and dearness allowance drawn by him on 30\textsuperscript{th} June 2007 to his basic pay inclusive of personal pay and Rs.900/- towards merged Dearness allowance upto 2360 points. Any increase or decrease from 2360 points will adjusted at the existing rate of 90 pais a per point per month. The dearness allowances paid for the periods are indicated below.

<table>
<thead>
<tr>
<th>Period</th>
<th>Dearness Allowance paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.07.2007 to 31.08.2007</td>
<td>Rs.495/-</td>
</tr>
<tr>
<td>01.09.2007 to 31.12.2007</td>
<td>Rs.567/-</td>
</tr>
<tr>
<td>01.01.2008 to 30.04.2008</td>
<td>Rs.616.50/-</td>
</tr>
</tbody>
</table>

**House rent allowance**

The existing house rent allowance was revised from Rs.120/- to Rs.160 from 01.07.2007.

Negotiating committee meeting was held twice on 06.10.2008 and 23.09.2009 to discuss about fresh labour demands. Settlement was
arrived regarding variable dearness allowance (VDA). The amounts of the VDA payable for the quarters Jan/March 2008, April / June 2008 and July / Sept. 2008 had been given.

5.7.3. Disputes and settlement during 2009

The dearness allowance payable to a general worker for the period from 1st August 2009 to 30th November 2009 had been revised as follows.

Table 5.5

Revised basic and D.A. during new settlement during 2009

<table>
<thead>
<tr>
<th>Adults</th>
<th>Basic Rs.</th>
<th>D.A. Rs</th>
<th>Total Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>General worker</td>
<td>94.15</td>
<td>43.50</td>
<td>137.65</td>
</tr>
<tr>
<td>Tapper</td>
<td>101.15</td>
<td>43.50</td>
<td>144.65</td>
</tr>
</tbody>
</table>

5.7.4. Disputes and settlement during 2010

According to staff settlement during 2010, the amount of VDA payable for the quarters during 2010 as under.
As per new settlement from 1\textsuperscript{st} August 2010, dearness allowance has been revised and it was increased Rs.3.30. The new pay scale with D.A. is given under.

<table>
<thead>
<tr>
<th>Adults</th>
<th>April/July 2010</th>
<th>August- November 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic</td>
<td>D.A</td>
</tr>
<tr>
<td>General workers</td>
<td>94.15</td>
<td>54.15</td>
</tr>
<tr>
<td>Tapper</td>
<td>101.15</td>
<td>54.15</td>
</tr>
</tbody>
</table>

The existing practice of lower wage differential will continue to apply for smaller estates. The wage differential for factor worker was Rs.7.20 (ie. Rs.163.85+7.20 = Rs.171.05).