CHAPTER IV

HRM STRUCTURES AND PRACTICES
IN TEA PLANTATION

4.1 Plantations

Plantations refer to large-scale agricultural enterprises, mostly specialized in one particular crop, grown for distant markets, employing a large number of wage labourers working under the close supervision in a strict hierarchical organization. Specifically, a plantation can be defined as an establishment for production of cash crops for export purposes.¹

ILO defines plantations as an agricultural undertaking, employing hired workers, situated in the tropical or subtropical regions which are mainly concerned with the cultivation or production for commercial purposes of rubber, coffee, tea, sugarcane, bananas, cocoa, coconuts, groundnuts, cotton, tobacco, citrus, cinchona etc. It does not include family or small-scale holdings producing for local consumption and not regularly employing hired workers.² In terms of global coverage ILO recognizes 15 commodities as belonging to the plantation category.
Uma Devi Classifies plantation crops in Kerala into two groups viz., traditional and modern plantation crops. Traditional crops consist of coconut, pepper, cashew etc. Modern plantation crops are tea, coffee, and rubber. A major difference between these two groups is that the former was produced by the natives while the latter was introduced by foreigners who settled here to cultivate these crops. Generally plantation production refers to a ‘large centrally operated estate which is usually mono cultivated and is operated by hired workers.’

4.1.2 Characteristics of Plantations

Unlike other agricultural sectors, the plantation sector has necessarily to continue with the same crop for a long period. Plantation crops have a long gestation period ranging from 4 to 7 years before returns flow in. Once the gestation is over, production may take place for decades, even up to a 100 years, as in the case of tea. This necessitates the maintenance of a permanent labour force and providing them with housing facilities, medical care, education and other welfare measures. The plantations have a perennial nature of operations, which impose long term commitment of land resources and financial investment. Another feature is that it is a labour intensive agro-industry with land as the largest resource input in the production process. Each plantation has self-contained units of production and processing also. Corporate structure of holdings with managerial and technical expertise is yet another specific feature of the plantation sector. In the Indian situation the plantation industry is mainly export oriented. Hence fluctuations in international price, supply and demand affect the industry’s
prospects. In view of all these factors plantations are akin to an industry rather than agriculture.

The plantation locations are remote places not conducive to mechanization. Unlike other industrial sectors plantations have little scope for expansion area-wise as there are restrictive land laws. Plantations are characterized by a closely demarcated territory, an isolated labour force which live on plantation land and a market abroad. Manufacturing, transport and marketing of the plantation crops are handled by the plantation companies themselves. They tend to develop their own economic, social, cultural and political characteristics.

Plantation production has certain peculiarities in terms of its origin, the use of labour, the type of labour used, the crops produced, its effects on the native society and native economy. In peasant farming unlike the plantations, the crop raised is usually a substance crop-which forms the main food item of the peasant raising it. The peasant sells the surplus or at times part of his reserves to fulfil his cash requirements. Use of hired labour is not very characteristic of peasant farming. In commercial farming both hired labour and modern technology may be used but they differ from those of plantations.

4.1.3 Plantations in India

The plantation concept is restrictively conceived in India as being applicable to tea, coffee, rubber and cardamom. Among these cardamom is the oldest and of indigenous origin. References to the medical properties of cardamom are found in Ayurveda treatment as far back as 1000 B.C. Next in historical reference comes coffee in the 17th century.
The plantation of Tea, Rubber and Cardamom has been declared as such under Constitutional provisions following which the commodity Acts of Coffee, Rubber Tea and Cardamom (spices) have been enacted to promote their development. This has been done because of the importance of these crops as major foreign exchange earners and of they being national industries spread over different states. In India the major plantation crops were indigo in Bihar, tea in Assam Nilgiri and Wynad, jute in West Bengal, cotton in Maharashtra, coffee in Karnataka, Tamil Nadu and Kerala, rubber in Kerala and tobacco in Andhra Pradesh as late as the 19th and early 20th centuries. Then came other modern plantation crops. At one time or another or in one region or another sugar, cardamom, cotton and pepper were produced in plantations.

4.1.4 Plantation System

Plantation system as opposed to plantation production refers to the totality of institutional arrangements surrounding the production and marketing of plantation crops. It was in the sixteenth century that the plantation form of production emerged in most regions of the Third World. Uma Devi says that crops were usually introduced by the foreigners who had an imperialistic relation with the natives of the region and the plantation institution best suited the metropolitan needs in colonies of exploitation.

The increased demand for Tea by the British consumers and the strained trade relations between China and Britain were two major reasons for Britain’s pioneering efforts in the tea industry of India. China, the home of tea, was the sole supplier of tea to the European market. The East India Company was the
agent for this trade. But the trade relation between China and Britain weakened during the period of 1780. This compelled Britain to turn their attention to India, one of their colonies for cultivation of tea on a commercial scale. ix

It was the British residents who played the leading role in re-organizing export oriented agriculture in the first half of the 19th century. x They were responsible for the creation of a new, imperialist order reshaping state and society in such a way that the individual agriculturist, preferably the British, could begin to cultivate those crops which were highly profitable in the markets controlled by British trading firms. The transfer of political power to British East India Companies marked the beginning of the new agricultural policy.

A plantation sector emerged in South India in the second half of the nineteenth century. The European plantation sector (predominantly British) emerged here setting the political agenda to ensure growth and profitability. xi They demanded regulations intended to facilitate acquisition of fertile soil, recruitment of workers and export of estate products. xii The development of an estate sector was largely a phenomenon of the late 1850’s and early 1860’s. In the early years P.D Devasahayam and some European planters started plantation production in South Travancore. In 1862 Daniel Munro opened Hope Estate in Peermedu range of hills. In 1877 J.D. Munro and others started plantations in Kannan Devan Hills. Gradually there emerged a planter’s lobby in the 70’s, 80’s and 90’s of the 19th century. xiii

At first coffee was the only crop to register steady growth in this state. However in the late 1860’s coffee cultivation was threatened by steam borers and
in 1870’s by leaf diseases. This resulted in the deterioration of vast numbers of coffee plants. There was also a decline in the price of coffee caused by the introduction of relatively cheap Brazilian coffee into the world market. Therefore during the late 1870’s the planters began to consider alternatives. Initially the cultivation of cinchona appeared profitable. By the early 1890’s tea became the most important plantation crop. Tea proved the most suitable crop for the Peermedu Vandiperiyar elevation. Tea took over as the most prominent crop in Kannan Devan Hills, too.

4.2 Plantation Labour Compared to Other Agricultural Labour

Unlike in other industries, plantation labour requires open air work and constitutes a special kind of agricultural employment. It is for this reason that women are employed in large numbers in the estates rather than in factories. The work is unskilled and women from villages are far more used to this form of employment than working as skilled hands in other industries.

A peculiar feature of plantation labour, especially in tea, coffee and cardamom plantations, is that it is recruited on a family basis from distant villages as most of the estates are situated in remote places of high attitudes where workers are not easily available. As a settled labour force is essential, whole families are usually employed. As wages are lower than in other agricultural jobs, every member of the family seeks work for economic reasons. Women are also paid less than men and are therefore employed in large numbers.

A distinguishing feature of plantations workers, compared to other agricultural workers, is that they earn a regular income to support the family. They
are among the most organized labour force of the economy. Moreover, the mechanization of plantation work does not pause a threat of unemployment to these women workers, as the scope of mechanization is limited in this area. The socio-economic background of plantation workers also differs from that of their counterparts in other crops. They come from different social, racial and cultural groups and are keen on preserving their traditions.

4.2.1 Recruitment System

During the pre-independent period, recruitment in the plantations of South India was through intermediaries called Kankanis, who work regular employees in the estates. Because of their wide contacts or ability to work or get work done, they were engaged to bring labour for which they received a commission from the workers they brought. A distinct feature of recruitment was that the unit of recruitment was the family and not the individual.

Though the system of recruitment through Kankanis was abolished during the post-independent period, it still continues in certain estates. Many estates have settled labour of a generation or more, and on that account, local labour is available for recruitment. A large number of workers are employed as casual labour or through contractors. Trade unions and their leaders have a say in recruiting new labourers. Casual labourers are given preference.

In the early days of plantation development, the only means of getting about was on foot or horseback or with bullock carts. The planters faced enormous difficulty in moving up with the newly recruited workforce from the plains. They had to provide shelter for themselves and their workforce. Hence
the provision of accommodation for imported workforce became a necessity at the inception of the plantation industry.

Facilities were also required for workers’ health care, education of their children and supply of food and clothes. Housing, medical aid, water supply, and sanitation facilities were to be set up.

4.2.2 Emigrant Labour

As most plantations are situated in secluded uninhabited hilly areas, workers had to be recruited from far away places. Even as early as 1865, four fifths of the coolies in estates in the Nilgiris came from Mysore. According to the Report of the South Indian Planters Inquiry Committee of 1986, in 1877 thirty thousand Mysore coolies were employed in the Malabar-Wyanad area.\textsuperscript{xvi} When supply of labour from Mysore ceased planters recruited people form the densely populated Madras districts of Salem, Madura and Thinnnelveli. At the time of the Inquiry it was observed that south India plantations depended on an annual immigration for four-sevenths of their labour force.\textsuperscript{xvii} The situation was aggravated in 1895 when around 1,24,000 workers from south India went to Ceylon to work on the Plantations there.\textsuperscript{xviii} The planters had to compete with their counterparts in Malaya and Sri Lanka for labourers.\textsuperscript{xix} In North Eastern regions of Assam and Bengal the planters imported labour from Chotta Nagapur area in Bihar and from villages mostly inhabited by tribals as well as the tribal belt of Madhya Pradesh and Orissa. In most cases families were brought and settled in tea plantations. The pioneering planters went themselves in person to nearby villages and made forcible recruitment. People were reluctant to leave their
family for long periods and hence family members were also taken along with workers. Thus family employment developed as a natural corollary of such a system of recruitment. The phenomenon of migrant labour is a common feature of the development of plantations all over the world. Land most suited for plantations are usually uninhabited hill tracts or densely wooded areas. Hence planters had to depend on migrant labour.

4.2.3 Contract Labour

The shortage of labourers and the competition for labourers from Ceylon gave rise to the Kangani system of recruitment. The kanganies were given a cash advance in return for which they undertook to recruit an agreed number of workers. A maistrie’s gang usually involved 20 to 40 workers. The maisteries in turn advanced money to the workers for their livelihood and for their family members and dependents. Later, the system proved to be detrimental to the workers’ well-being as the kanganies were only interested in increased rates of commission; so the Government of India abolished the system.

In course of time labour became available locally as more and more people joined the work force from migrant families who had decided not to return home and had settled down in planting districts after expiration of their contracts. By mid-twentieth century, the plantations witnessed a period of surplus labour; the industry was unable to offer work to the children of the workers but nevertheless had to assume economic responsibility for the increasing number of dependents.
4.2.4 Seasonal Workers

In India, approximately 20-25% of the workers on plantations work only seasonally. This is an inherent feature of most plantation agriculture in India. In North East India, 200 million kg. of tea is produced in the 3 months from July to September accounting for 40% of the annual output. During winter Tea bushes do not produce any pluckable shoot. Hence arises the need for employing temporary workers during the boom period. The dependents of the permanent workforce resident on the estate are usually recruited whenever the need arises on a regular basis. In course of time they became absorbed into the permanent category. When the dependents of the permanent workforce could not fill all vacancies, unskilled and unemployed labour residing outside the plantations or people residing in the neighbourhood of the plantations were recruited. Lack of opportunities of employment in the vicinity of the plantations created in large number of unemployed job seekers in the families of plantation workers. These people served as seasonal workers.

4.2.5 Women Workers

Plantation offers maximum employment opportunities to unskilled women labour. Of the total workers 56% are women employed in Tea plantations. Their services are mostly used for harvesting which is an exacting and delicate operation. Women are preferred for their manual dexterity and the care they take in plucking. Women in plantations often take primary economic responsibility to support their families. In certain cases women workers could earn more wages than men could because they were paid on piece-rate for plucking. The role
A conflict of woman as wife, mother and worker is applicable to the plantation sector, also. Usually these women are self managed due to economic independence obtained through their direct participation in Tea production. Yet the chances of their upward mobility are nil. No women are appointed to supervising posts though TATA Company has appointed a few women as Assistant Managers. The hierarchical and patriarchal structure created through recruitment and organization of labour has in return promoted a semi-feudal attitude towards women. Therefore women are considered to be inferior to men. The prevailing gender prejudice and the role conflict mentioned above have tied women down as ordinary workers. Moreover, women begin their work at 8 am and stop at 4.30 pm whereas men stopped their work by 2 pm. Plucking is paid on peace-rate while other field work is paid on time rate though a minimum quantity of work is fixed for both.

4.2.6 Unionisation

Griffiths observes that trade union movements in Tea plantations really began with the formation of the Estate Staff Association of South India in 1929.\textsuperscript{xxii} Technically it may not be considered a union as it was registered under the Societies Act. In 1947 a new association viz. Estates Staff Union of South India registered as a trade union was established and the majority of staff members have been well-organised under this union. The terms and conditions of service are negotiated and long-term settlement reached for the entire South India through collective bargaining between UPASI and its affiliate state level association on the one hand and the Estate Staff Union of South India on the other hand.
Labour unions in South India Tea districts are of comparatively recent origin. It was in 1947 that the Waynad Estate workers Union submitted a written demand for this purpose. A number of other unions came into being about this time and in the course of the next few years unions multiplied rapidly. In 1961 there were about fifty five unions working in the tea plantation sector.

In the beginning trade unions did make positive contribution towards improvement of workers’ lives. The collective bargaining system helped to increase the wage level of workers. It created an awareness among workers regarding their rights and the need to fight for their rights. However, the political affiliations of unions and the petty interests of union leaders in fact, made the unions ineffective in improving the standard of living of workers. In many cases the trade unions failed to force the employers to implement the provisions of Plantation Labour Act. As tea plantation workers are by and large isolated they are not aware of the legal protection they are entitled to.

4.3 Legislative Enactment on Labour Welfare in Plantations

Before independence, the only specific legislative enactment covering plantations was the Tea District Emigrant Labour Act, 1932. It was intended to regulate employment of labour in the tea gardens of Assam. Though Workman’s Compensation Act, 1923, was applied to plantation workers, it did not confer any substantial benefit on them as accidents were recurrent in plantations. The Payment of Wages Act, 1936, though it applied to plantations, was concerned with the mode of payment of wages only. The Labour Investigation Committee (Rege Committee) noted that 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 Plantations Labour Act (PLA) 1951 was enacted on the recommendations of the Committee.

4.3.1 The Plantations Labour Act, 1951

The living and working conditions of plantation workers are statutorily governed by the Plantations Labour Act, 1951, as also a host of other labour enactments. This Act is a Central legislation administered by State Governments through rules framed by them. The Plantations Labour Act covers both conditions of work and living in plantations. Provisions in the Plantations Labour Act (to be provided free of cost) are the following:

<table>
<thead>
<tr>
<th>Conditions of work</th>
<th>Conditions of living</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration of work</td>
<td>Housing</td>
</tr>
<tr>
<td>Weekly rest days</td>
<td>Medical care</td>
</tr>
<tr>
<td>Employment of women and children</td>
<td>Crèche</td>
</tr>
<tr>
<td>Annual and sickness leave</td>
<td>Canteen</td>
</tr>
<tr>
<td>Overtime</td>
<td>Education of children</td>
</tr>
<tr>
<td></td>
<td>Protective clothing</td>
</tr>
<tr>
<td></td>
<td>Conservancy</td>
</tr>
<tr>
<td></td>
<td>Drinking water</td>
</tr>
<tr>
<td></td>
<td>Recreation facilities</td>
</tr>
</tbody>
</table>

Although the original Act applies only to tea, coffee, rubber and cinchona plantations, the State Government has extended it to cardamom, cocoa and oil
palm. The pattern of coverage outlined in Table 4.1 reflects the size distribution of plantations in each crop.

Table IV-1

Area Covered under the Plantations Labour Act in Kerala (1999-2000)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Crop</th>
<th>Total Area (Hectare)</th>
<th>Area covered under Act (Hectare)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tea</td>
<td>34,656</td>
<td>30,501</td>
<td>88</td>
</tr>
<tr>
<td>2</td>
<td>Coffee</td>
<td>82,348</td>
<td>8,070</td>
<td>9.8</td>
</tr>
<tr>
<td>3</td>
<td>Rubber</td>
<td>4,43,300</td>
<td>93,093</td>
<td>21</td>
</tr>
<tr>
<td>4</td>
<td>Cardamom</td>
<td>43,320</td>
<td>28,312</td>
<td>65</td>
</tr>
</tbody>
</table>

Source: (a) Directorate of Economics and Statistics, (b) State Planning Board.

4.3.2 Other Legislations

In addition to the Plantations Labour Act, 1951, conditions of work are covered by a number of other legislations. They can be divided into five categories.

1. Wage-related
   b. The Payment of Wages Act, 1936.
   d. The Payment of Bonus Act, 1965.

2. Job security-related
   b. The Industrial Employment (Standing Orders) Act, 1946.

3. Employment, injury or death-related

4. Social- security-related

5. Miscellaneous
b. the Maternity Benefit Act, 1961.
d. The Kerala Payment of Subsistence Allowance Act, 1972.

Thus, a host of statutory legislations besides the specific Plantations Labour Act, regulate conditions of work as well as life of plantation workers.

4.3.3 Other Statutory Benefits

Apart from the provisions of Plantations Labour Act, all labour enactments applicable to industrial workers are also applicable to plantation labour force.

**Maternity Benefits:** The Royal Commission on labour had recommended that maternity benefits should be provided to women workers in plantation by legislation. Women workers are entitled to maternity benefit for a total of Twelve weeks’ wages.

**Provident Fund:** Employer and worker have to contribute at the rate of 10% of the wages.

**Gratuity:** Employer has to pay 15 days’ wages for every completed year of service subject to a ceiling of Rs.50,000/- at the rate of last drawn wages.

**Bonus:** Minimum bonus is 5.33. Maximum is 20%

4.4 The Indian Tea Plantations

Tradition ascribes the discovery of Tea to Chinese people. The word tea is derived from T’e- in Amoy language. The use of tea was known to the Chinese as early as 2737 BC.xxv It was used as a medicine in China in the 4th Century. A Chinese scholar of eighth century, Lu Yu, describes the beneficial effect of tea as
follows: “The effect of tea is cooling. When feeling hot, thirsty, depressed, suffering from headache, eye ache, pain in the joints, one should drink tea only, four or five times.”

Dutch trade introduced tea to Europe in 1660. It became the popular drink in England in 1664. By 1700 tea had become one of the great non-alcoholic drinks in many countries.

The Tea plant belongs to the botanical family of Camelliaceae. There are 30 genera and 500 species in it. It belongs to the genus Camellia of which there are 82 species which are mostly indigenous to the high lands of South-East India. Tea is the most important of all camellia spp. both commercially and taxonomically. The camellia was named in honour of a Moravian Jesuit called ‘Came’ (Camellus in Latin) who lived from 1660 to 1706 and wrote about plants in Asia. Tea plant is generally placed in the polymorphic species ‘Camellia sinensis’. Recent findings show that this plant of commerce in India is derived from two species viz. a. Small leaved China variety (Camellia sinensis) b. Large leaved Assam variety (Camellia assamica)

However it is observed that more than one or two species are involved in the evolution of the present day tea plant of commerce in India. Considerable interspecific hybridization has taken place in nature. Hence the taxonomy of tea is compounded. However Tea today is botanically referred to as Camellia sinensis (L) O. Kuntze irrespective of species - specific differences.

The tea plant camellia sinensis is indigenous to Assam and it was discovered there in the 1820’s. In 1823 Major Robert Bruce, who had been posted
to the province of Assam, was told of the existence of tea plants in north-east Assam adjacent to Burma. Authors differ on the process of development of tea plantation in North India. The development of Tea Industry in South India actually started with the experimentation of Dr. Christie in Nilgiris in 1832. Commercial planting started in the South Indian region in 1853. In central Travancore tea planting started in 1864 and by 1906 there were 8000 acres of tea around Peermedu. At first tea was very much a subsidiary crop and in many areas it was started when coffee plantations declined because of a disease affecting leaves which appeared in the 1870’s. In the Kannan Devan Hills, large scale planting started in the 1880’s and by 1896 six thousand acres were under plantation crop. In the Waynad area tea planting started in 1986 as an alternative or supplementary crop.

4.4.1 Development over the Years

The credit of establishing tea plantations in India largely goes to Britain. North east India was the pioneering area; where the government’s first experiments in the cultivation of tea plant were conducted with both Chinese and Assam indigenous plants. As superintendent of Tea culture Bruce established nurseries and manufactured tea with the help of Chinese tea makers. In the early years of jungle clearance and planting the first generation planters had to undergo many hardships living in primitive mud huts and fighting with wild animals and diseases. The government, having ascertained that cultivation of tea plant in India was a feasible proposition, started handing over all its experimental tea lands to private enterprise. Early in 1840 two thirds of the East India Company’s tea lands
were handed over to the newly formed Assam company rent-free for a ten-year period. The Assam Tea Company also took out leases on various other wild tea tracts. This can be said to be the beginning of tea plantation system in India. During the early 1850’s there were many new arrivals and private planters acquired land on their own account and started tea plantation. The present day Assam companies are part of the earliest plantations which spread to the Brahmaputra valley, Cachar in Assam, Doors region of west Bengal and finally to Nilgiris, Anamalai, Munnar and Peermedu in South India. After independence many tea gardens changed hands and today most are Indian owned. Below is given the present tea plantation profile in India.

**Table No.IV-2**

**Tea Plantation Profile in India**

<table>
<thead>
<tr>
<th></th>
<th>1999-2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (hect.)</td>
<td>437,857</td>
</tr>
<tr>
<td>Production (tonnes)</td>
<td>798,900</td>
</tr>
<tr>
<td>Value of output (Rs in crores)</td>
<td>5820</td>
</tr>
<tr>
<td>Average exports (tonnes)</td>
<td>190,200</td>
</tr>
<tr>
<td>% in productions)</td>
<td>24%</td>
</tr>
<tr>
<td>Domestic consumption(tonnes)</td>
<td>608,725</td>
</tr>
<tr>
<td>Labour employed (lakhs)</td>
<td>11.38</td>
</tr>
<tr>
<td>Contribution towards taxes (Rs. in million)</td>
<td>2,500</td>
</tr>
<tr>
<td>Average productivity(Kg/Hect)</td>
<td>1,700</td>
</tr>
<tr>
<td>Normal gestation period (years)</td>
<td>3-4</td>
</tr>
<tr>
<td>Normal economic life (years)</td>
<td>60</td>
</tr>
<tr>
<td>No. of growers</td>
<td>54,000</td>
</tr>
</tbody>
</table>

Source: Compiled from Statistics kept in APK 2001
4.5 Human Resource Structures in Tea Plantations

Plantations are the largest single employer in the private sector of labour in the country. Among all plantations tea is the most labour intensive industry and the largest employer of organized labour. The peculiar nature of the industry, round the year harvesting etc. necessitate this. In tea industry labour cost forms about 50% of the total cost of production.\textsuperscript{xl}

The most important job on a tea estate is plucking of tea leaves. The harvesting of tea leaves from the bushes in plantation goes by the name of plucking. This is done by carefully snapping off the tender shoot between the thumb and first finger. Basically, the harvest is of a bud and the two tender leaves below it because this is where the highest concentration of flavour producing chemical is. The timing of plucking operation has therefore to be geared to the rate of growth of the new shoots, which if course varies from season to season. Plucking, although an apparently simple job, requires a certain degree of skill and great attention.

Two-thirds of the total number of labour-days in tea plantation are ordinarily devoted to plucking. Women are usually employed in plucking tea leaves, because they are considered cleverer than men in this job. In fact, the plucking of tea leaves is the exclusive occupation of women because a skilled leaf picker is usually a woman, needing little supervision in her work. More over, some facts stand out which favours the employment of women. Women are obviously more steady workers and they are also more regular. The maternal instinct also seems to be exploited. For the sake of keeping their children fed, they
are less likely to risk their jobs by absenteeism. Again by making the wife a permanent worker, her husband is kept permanently available for work as and when there is demand. The children can also be drawn upon for cheap labour.

Employees in tea plantations can be classified as below:

4. 5.1 Workers

The term ‘workmen’ covers all employees in an estate, male and female except persons who are members of the supervisory, medical and welfare establishment or clerks or motor vehicle drivers who are employed on a monthly rates of pay. Both skilled and unskilled workers are included in the term. According to standing orders of March 1951 there are only two classes of workmen.

i) **Permanent worker.** A permanent worker is one who has been passed by the employer as fit for work and has been registered on the check roll for the period of contract.

ii) **Casual workers.** Casual workers are those who are engaged for work of a purely casual or temporary character.

The permanent or casual workers may be classified into three categories.

i) **Field workers:** These people work in the estate as pruners, weeding and spraying workers or workers employed in the houses of managers, assistant managers etc. They are usually paid on time rate.

ii) **Pluckers:** These are people plucking tender leaves. Usually women are employed for this type of work. It is often a piece-rated work.
iii) **Factory workers.** Both skilled and unskilled workers working in the tea factory are included in this category. The wage rate is slightly different from the field wage rate.

### 4.5.2 Staff

The term staff refers to members of the supervisory, medical and welfare establishment or clerks or motor vehicle drivers employed on monthly rates of pay and are not covered by individual contracts. The staff work under the managerial personnel at administrative and supervisory levels at different departments of a plantation such as office, field, factory, medical etc. The staff members are classified as permanent, probationary and temporary.

There is another category of people especially with regard to wage settlement viz. special category. Mechanics, electricians, wiremen, laboratory technicians, fitters, drivers, carpenters, masons, blacksmiths, midwives, balsevikas, teachers in unaided schools, medical orderlies, plumbers, pump operators and others doing similar work come under this category.

### 4.5.3 Managers and Assistant Managers

Managers and Assistant Managers are generally classified under the management cadre. Their terms and conditions of work are determined through individual contracts. In many North Indian plantations human resources are categorised into four strata viz. the management, staff, sub-staff and workers. The management comprises the manager, assistant manager and factory supervisor. The staff consists of white-collar workers. The sub-staff consists of
lower level supervisors and other monthly-rated workers. All others are included in the category of workers.

4.6 Plantations in Kerala’s Economy

Plantations and homestead farms merge and mingle in Kerala. Plantations as a system differs not so much in the nature of crops grown as on the scale of operation, the systematic way the production is organised and carried on, the standardisation of the procedure and marketing proceedings and its access to the world market.

Kerala is one of the most important plantation states in India. It accounts for nearly half of the total area under plantation crop in the country. Kerala has the unique distinction of being the only state having a substantial stake in all the four plantation crops coming under the plantation industry in the Indian context. viz. Tea, Rubber, Coffee and Cardamom. This is depicted in Table No. IV-3

<table>
<thead>
<tr>
<th>Type of Crops</th>
<th>Area (in hectares)</th>
<th>Production (in tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kerala (in %)</td>
<td>India (in %)</td>
</tr>
<tr>
<td>Tea (1999)</td>
<td>36,877 (8%)</td>
<td>4,37,857</td>
</tr>
<tr>
<td>Rubber (1999-2000)</td>
<td>472900 (85%)</td>
<td>5,58,584</td>
</tr>
<tr>
<td>Coffee (1999-2000)</td>
<td>84,139 (25%)</td>
<td>3,40,306</td>
</tr>
<tr>
<td>Cardamom (1999-2000)</td>
<td>40,867 (56%)</td>
<td>72444</td>
</tr>
<tr>
<td>All plantation crops</td>
<td>634783 (45%)</td>
<td>1,409,191</td>
</tr>
</tbody>
</table>

Figures in bracket indicate Kerala’s percentage share in India.
Source: Compiled and computed from UPASI/Commodity Board / APK Statistics 2000.
Plantations in Kerala account for 24% of the net cropped area. However this sector contributes 25% of the gross value of income from primary industries.\textsuperscript{xliii} It provides direct employment to over 4.5 lakh workers. It also covers a considerable number of persons under secondary employment. The four plantation crops together contribute about Rs.53.5 crore to the state exchequer by way of agricultural income tax, land tax, plantation tax and duties levied by the state.\textsuperscript{xliv}

Plantation crops on an average account for about 8% of state’s SDP. Crop-wise, rubber accounts for 60% followed by tea 24% coffee 10% and cardamom 6% in the SDP emanating from the plantation sector.\textsuperscript{xlv} All plantation crops except rubber earn sizable foreign exchange. Moreover there is hardly any import content in the production of plantation crops. This is significant in the view of an import content of 42% in the exports of manufactured industrial products. Thus, the plantation crops’ net foreign exchange earning is almost 100 per cent.

The plantations pay taxes and duties to the central and state governments on land, production, income, sales etc. The Government of Kerala gets state-sales tax/purchase tax, agricultural income tax and plantation tax. On an average the plantation crops together contribute 8% of the state’s revenue, that is, under Rs. 100 crore.\textsuperscript{xlvii} Plantations are labour intensive industries. On an average plantations provide employment to 3,60,000 workers around the year. The four crops account for as much as 18% of the agricultural employment in the state.

\textbf{4.7 Kerala Tea Industry}
Tea industry has a greater role to play in the state’s economy than other plantation crops. As Tea is cultivated in the hilly tracts of the state, it prevents soil erosion of these areas and maintains ecological balance. Promotion of the industry enables government to maintain regional balance in development planning. The development of Peermedu, Munnar, Vagamon and other places in the eastern part of Kerala owes much to Tea industry. As tea is a highly labour intensive enterprise it provides better employment potential. Tea alone gives direct employment on an average to 83,000 workers in auxiliary units. In view of the fact that Kerala is facing acute unemployment, the importance of this industry should be obvious. It is only in tea that 50% of the cost of production is related to labour wages and benefits. Another distinguishing feature is that urban concentration and environment pollution are non-existent in Tea Industry.

**4.7.1 Tea Production**

Kerala accounts for 36% of the Tea output in South India. Table No. IV-4 explains this.

**Table No.IV-4**

*Tea Production (Tonnes)*

<table>
<thead>
<tr>
<th>Year</th>
<th>All India</th>
<th>South India</th>
<th>Kerala</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>3,54,394</td>
<td>81,092</td>
<td>39,545 (48.76%)</td>
</tr>
<tr>
<td>1971</td>
<td>4,35,468</td>
<td>1,03,137</td>
<td>42.729 (41.43%)</td>
</tr>
<tr>
<td>1981</td>
<td>5,60,427</td>
<td>1,22,637</td>
<td>47.631 (38.84%)</td>
</tr>
<tr>
<td>1991</td>
<td>7,41,719</td>
<td>1,85,046</td>
<td>67.110 (36.20%)</td>
</tr>
</tbody>
</table>
Figures in brackets indicate Kerala’s share in South Indian production.

The per capita tea consumption in the state is 1.30 kg. per annum, the highest in the country. Yet 40% of the state’s tea production is marketed outside the country. A total of 35,000 hectares is under tea cultivation in the state. It accounts for 47% of the area under tea in South India. 67% of the area is in Idukki district and 16% in Waynad. Kerala accounts for 45% of the total area of plantation crops in the country and 25% of the production from all plantation crops.

### Table IV-5
Area under Plantation Crops vis-a-vis Total Cultivated Area in Kerala
Area in ‘000 Hectares

<table>
<thead>
<tr>
<th>Year</th>
<th>Rubber</th>
<th>Coffee</th>
<th>Tea</th>
<th>Cardamom</th>
<th>Total for plantations in Kerala</th>
<th>Total cultivated area in Kerala</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985-86</td>
<td>328 (15.0)</td>
<td>66 (2.8)</td>
<td>61 (2.8)</td>
<td>35 (1.6)</td>
<td>490 (2.4)</td>
<td>2191</td>
</tr>
<tr>
<td>86-87</td>
<td>343 (15.5)</td>
<td>66 (3.0)</td>
<td>61 (2.8)</td>
<td>35 (1.6)</td>
<td>504 (22.96)</td>
<td>2209</td>
</tr>
<tr>
<td>88-89</td>
<td>367 (16.5)</td>
<td>75 (3.4)</td>
<td>64 (2.9)</td>
<td>35 (1.6)</td>
<td>540 (24.4)</td>
<td>2213</td>
</tr>
<tr>
<td>89-90</td>
<td>377 (16.7)</td>
<td>75 (3.3)</td>
<td>44 (2.0)</td>
<td>35 (1.6)</td>
<td>531 (23.6)</td>
<td>2252</td>
</tr>
<tr>
<td>90-91</td>
<td>3874</td>
<td>75</td>
<td>44</td>
<td>35</td>
<td>538</td>
<td>2252</td>
</tr>
</tbody>
</table>

4.8 Organisational Structure in the Early Days

During the pioneering phase, plantations were often opened up, managed by the individual owner himself. Many of these planters were either missionaries, their sons, or government servants. They were doubtless and adventurous persevering men. Those who opened up an agro-enterprise in the midst of forest areas risked financial loss and isolation from family and fellow countrymen. They lacked even the most basic facilities, including shelter and health. They were working and living side by side with their labourers, while clearing the jungle. The social distance between the planter and the labourers was relatively small in this early period.

Initially, individuals and family firms were engaged in tea production. But as expenses soared, limited companies with salaried managers came into existence. The passing of the Companies Act encouraged this. The first joint stock company appeared in Peermedu/ Vandiperiyar in the 1890’s. Around this time James Finlay and Company floated the Kannan Devan Hill Produce Company in 1897.

4.8.1 Pattern of Ownership

In Kerala the Dewans and other administrators gave wholehearted support to the British pioneers as the government could raise more revenue from the land by taxation. In 1879 J.D Munro and the Turner brothers got leased land from Poonjar Rajah. They transferred this to north Travancore Land planting and agricultural society. Later this was ratified by the government of Travancore and the tax to be paid was ½ a British rupee per acre.
The proprietary ownership did not last long. Lack of sufficient working capital for paying wages and commodity advances was one of the reasons for early disappearance of proprietary ownership. Competition from new areas induced technological changes to keep costs down. This involved substitution of capital for labour. Further, the individual planters were not able to withstand the recurring fluctuations in the price of tea in the world market. All these factors contributed to the growth of Corporate Capital in the tea plantations of South India.

4.8.2 Emergence of the Corporate Firm

The Companies Act of 1862 in Britain encouraged large undertakings in the corporate sector. Hence, old family firms tended to be replaced by limited liability companies run by salaried managers. These developments were reflected in the changing conditions of the tea plantation industry in South India where proprietary planters continued to be in the majority. This process accelerated the shift towards better financial resource mobilisation and more stable professional management of plantation enterprise.

4.8.3 Size of Estates

An estate is a standard unit of production in tea plantations. An estate includes the place where tea is grown and the factory where it is processed. They can be broadly classified into three types: a) Small growers b) Medium and marginal estate c) Big estates.

Small growers: Generally estates having less than 50 hectares and no separate factory of its own are regarded as small growers. Generally estate rules are not
applicable to these estates. In Kerala there are a good many tea growers owing up to 5 hectares.

**Medium and Marginal Estates:** Estates having less than 200 hectares, with or without a factory of their own are treated as medium estates. Their yield is much less compared to the big units because of poor cultivation techniques or infertile soil or bad weather so on. Yet, they are bound by all estate regulations.

**Big Estates:** Estates having an area above 200 hectares are classified in this group. These are mostly owned by big companies. One main characteristic of these companies is that they are producers, exporters and retailers of tea in India and abroad. In South India this group accounts for 64.58% of the total area.

**Economic Size**

The size of an economic holding is determined by various agro-economic factors such as climate, elevation, soil availability and cost of labour, transport facilities, capital, management and equipment. Costs and yields vary very much according to geographical location. Hence an economic unit on the basis of acreage in one location may not be economic in another. Management also is a varying factor. The price factor may covert an economic unit into an uneconomic unit.

The Plantation Inquiry Commission (1956) on tea points out that an estate of at least 300 acres would be required to feed a factory of the smallest size throughout the year. Larger Estates facilitate the adoption of improved cultivation techniques and thereby lead to increased productivity. A small estate cannot raise
adequate green leaf to economically justify the construction and operation of a factory of the smallest size and has to depend on bought leaves. An analysis of size-cost relationship becomes imperative in this connection. The survey conducted by the Tea Board in this regard covering 135 single-estate tea companies in India over the years 1958-1962 revealed that estates between 3000 and 4000 hectares had the highest productivity per unit area as also the lowest unit costs of production. Neither the area nor the yield per unit represents a valid criterion to determine, whether an estate of a given size could achieve an adequate economic return. However, they are generally adopted as such for want of a better criterion. For the purpose of licensing new plantations, the Tea Board considers as uneconomic estates below 150 acres if owned by an individual and estates below 300 acres if owned by a company.

4.9 Estate Management

An average estate having 400 hectares will have a manager. The estate will be usually divided into 3 divisions. Each division may have one assistant manager depending on managerial compulsions. Under each Asst. Manager there will be 3 to 4 field officers. The field officer will have his own assistant field officer. Under the assistant field officers there will be 15 to 25 supervisors. Each supervisor will have 30 to 40 pluckers or 10-20 field workers under him. In some cases there will also be a visiting agent (V.A) under the general manager. He will be an experienced manager and will be acting as a super manager. The supervisor will be in charge of 20-30 workers in the case of plucking and 10-12 in the case of other workers.
Figure 4-1

Organization Chart of an Estate
4.9.1 Origin and Growth

Unlike other agricultural or industrial enterprises, plantation management has evolved certain distinctive features. Management in tea plantation owes much to the British and other pioneers for its style and functioning. The pioneers developed the style from their experience and from the specific needs of the industry. The management system largely evolved before the emergence of organised labour and the enactment of different legislative measures. This was not in tune with the developments in management science, as we understand it today. In the recent past considerable research on management practices has been carried out and many new techniques of management have been developed for application in industrial organisations. But this has had little impact on the plantation industry.

In the beginning, the forms of organisation in the tea industry were mainly of proprietary and partnership nature. Later joint stock companies came on the scene with large holdings of estates. These joint stock companies altered the form and style of management.

4.9.2 Role of Managing Agencies

Managing agency was a business firm developed to provide managerial, financial and technical services to estates whose owners were away from the properties. These agents provided services in budgetary control, cultivation and manufacturing advice, taxation advice, exchange control and staff recruitment. Many of the functions of the present estate manager were transferred to the managing agents. They were giving orders virtually to the managers. The managing agencies were organised very much in the form of a Company. As
owners of small estates could not afford to have these services these estates were consolidated for their services and thus had access to the developed capital market of London.

In the beginning the typical unit of the tea industry in South India took the shape of a Sterling Company in Britain owning tea plantation in South India. The agency houses, many of which were situated in Britain, started their own ventures and took over some of the sterling estates to look after the interests of Sterling Companies. In course of time, the early individual planters became associated with agency houses that managed several tea plantations, and thus incorporated into the firm structure of managing agency System. Thus the capital of managing agents and the managerial experience of the proprietary planters provided a sound foundation to the growth of tea industry in South India. Messers Harrison & Crosfield, James Finley, Brook Bond Ltd. Peirce Leslie etc. were some of the leading managing agents in the field till the system was abolished.

The link between the agency firm and the estate manager was the visiting agent (V.A). The visiting agent was an experienced practising planter holding a fairly senior position. He used to visit the estate and give report to the managing agents. He was expected to give advice to the manager. Gradually he got more power and authority in the managing agency system.

With the passing of the managing agency system the visiting agents’ position was assumed by the Managing Director of the Companies. However, the functions of Managing Director were quite different from those of the V.A. He
was more concerned with general Administration of the Company as in any other industrial concerns.

4.9.3 The Manager

A manager in an estate is a full-time manager. He is manager for 24 hours. The peculiar situation in tea plantations warrants this. Since all the labourers are residential labourers the manager is responsible for every minute case in the estate. The Plantation Labour Act prescribes a lot of facilities like housing, electricity, drinking water, hospital etc. to be arranged for the workers. Very often a plantation is a closed community away from urban and rural contacts. Hence the workers are compelled to depend on the estate manager for a variety of services. This has led to a paternalistic style of management in some cases and a dictatorial style in some others.

Unlike other manufacturing concerns, plantations generally employ more workers per unit of investment. The workers are disposed over a wide area ranging from 400 to 600 hectares. In the manufacturing industry the workforce is located generally on a small area. Hence supervision and control of workers is of especial significance in plantation industry. Levels of management and span of control are also distinct from those of other concerns. As a result, an efficient network of transport and communication and regular inspection is required in this area.

Manager, an Agriculturist
The management of an estate necessarily involves the management of agricultural process. The manager is expected to have a thorough knowledge of it right from breeding the plants, nurturing, manuring, weeding, and leaf collection, down to the factory process. Knowledge of different varieties of plants, their culture, the soil composition, better methods of harvesting, pest management, disease management, weed management, nursery management, shade for tea and its management a sine qua non of efficient management. Therefore, tea companies prefer people who have basic knowledge of the plant and agriculture for the managerial cadre. In the manufacturing field, on the other hand, the manager is more concerned with man and machinery. Hence, the method and practices in the field of manufacturing concerns cannot be applied with equal efficiency level in the plantation field. And so, while we maintain that management principles are of universal application both in business and in non-business concerns, it is important to take account of the quite peculiar work environment of the plantation industry. With this proviso it must now be considered whether the benefits of modern technology, method and practices in management functions could be applied to the plantation sector also.

**Factory Manager**

A profitable estate will have a factory of its own. The manager of the estate will be in charge of the factory, too. Unlike fieldwork this work will have to be done with more precision. Some kind of technical competence needs to be acquired in this line. In these days when computerisation is the order of the day, a tea factory needs also to be computerised. The manager should also be well
acquainted with the characteristics of different varieties of black tea, their marketing opportunities, promotion methods etc. The workers in the factory are treated as a separate group and the manager must know the various Acts and rules that govern their work and their service conditions.

4.10 Planters’ Association and Management

There are powerful employers association in the tea industry which exert great influence on policy making, wage negotiation and industrial legislations. One special feature of planters’ association is that it was not formed as a counterpart of labour unions. The association had its origin way back in 1860 long before labour unions were organized in the plantations. However Ramachandran Nair argues that associations of employers have acquired the character of a trade union as the majority of associations are registered under the Trade Union Act.

Planters’ associations took their start at the socialization get-togethers at the planter’s houses. From these gatherings the district planters’ associations emerged as they were occasions for discussion on planting business. All planters, irrespective of the nature of their crops, take out membership in the association. The whole of Kerala is divided into different planting districts depending on geographical features and each district has an association of its own. Major district associations are

1. The South Travancore Planters’ Association
2. The Central Travancore Planters’ Association
3. The Mundakayam Planters’ Association
4. The Kannan Devan Planters’ Association

5. The Nelliampathy Planters’ Association

At the apex level in the state there is Association of Planters of Kerala (APK) and for South India as a whole there is United Planters Association of South India (UPASI). At all India level, there is the Tea Board under the Ministry of Commerce involved in target setting for production, exports, regulating the auction system, providing various incentives and imports for the industry. Below the Tea Board there are various other associations. The oldest and biggest among them are Indian Tea Association (ITA) and Tea Association of India (TAI). These two largely represent the North Indian Tea growers. South India is represented by UPASI which, apart from tea, represents coffee, rubber and cardamom planters.

4.10.1 Participative Management

Unlike in any other industry, planters association plays a very important role in the management issues of planters. The associations make representation to the government on various matters like taxation, land availability, wage fixation etc. They also deal with various unions in the fixation of wages on a state wide basis or in some cases on district basis. The government for their part consult the association on important matters and the representatives of the association are appointed to different committees and Boards.

The association of planters of Kerala now deals with labour problems on association basis and not on estate basis. There are sub-committees to deal with labour problems, liaison work with Apex bodies and district associations. The association played an important role in resolving labour unrest in matters of
scarcity of food, clothing and inadequacy of wages. The member estates were advised to raise the wages of workers in proportion to the cost of living. The association is a member of the tripartite labour conference (PLC) where the government and labour unions make up the other members. These labour conferences recommended formation of works committee in plantations. The PLC played major role in adopting the gratuity scheme, abolition of kangany system in 1962 and periodic wage settlement. The decisions made at APK are binding on all plantations in Kerala. The association also participates in discussions with the Estate Staff Union of South India (ESUSI) and the minimum wages advisory board of the government. Unlike workers, the terms and conditions of service are negotiated long term agreement reached through negotiations on a South India basis between UPASI and its affiliate state level association on the one had and ESUSI on the other. The wage boards simply incorporate these settlements as their recommendations. These settlements are reached with a true sense of give and take as the Unions have never had recourse to agitation or third party intervention to redress their grievances. Differences of opinion arising from the implementation of the provisions of settlements are resolved at bipartite level.
Notes


v Kotharies Directory of Tea Industry, 13

vi S. Uma Devi, 6.

vii S. Uma Devi, 16.


x Paul Erik Beak, 43.

xi Uma Devi, 35-36.

xii S Ambirajan, *Classical Political Economy and British Policy in India* (New Delhi: Cambridge University Press, 1978)
Kanganies were agents who recruited workers for planters on commission basis. As they make contract with the planters and workers they were also known as contractors. They correspond to garden sardars in North India. In some places they were also known as maistries. In course of time the kanganies were gradually absorbed into the new category of supervisory staff towards the end of 1960’s. It was abolished in Tamil Nadu in 1958 and in Kerala in 1962. It was not widespread in Karnataka.
Years before in 1788 there had been reports from Sir Joseph Banks of tea plants growing wild in the hills of Nepals. Some of these plants were sent to Botanical gardens in Calcutta, but they went unrecognized. Griffiths reports that there was rivalry in 1841 between C.H. Bruce- brother of Robert Bruce and Lieutenant Charlton before the Agricultural and Horticultural society of India for the honour of having first reported to the world that tea was indigenous to Assam. After going through the correspondence regarding the discovery of tea plant of Assam in the India office collection of pamphlets, designated Treat 320, Griffith concludes that C. A . Bruce who adventured into the forest was the person who discovered indigenous Assam Tea in 1823. In those days East India company had complete monopoly of tea trade with China. In 1833 the Parliament abolished the company’s monopoly with China. In 1834 the company set up a tea committee to investigate and make recommendations as to the most suitable areas in which to grow tea. The tea committee appointed a scientific panel consisting of Wallish, M’celland, Griffith, C.A. Bruce and Charlton for this. Griffiths reports that this Committee after systematic searching of Tea Jungles, analysing soil and collecting seeds found that Tea was more widely scattered in Assam than had been realized and the new discoveries were set forth in the Asiatic journal in 1836. Arnold Wright in his book Southern India, Its History, People, Commerce and Industrial Resources states that tea was discovered in Assam in 1821. K. C. Wilson and Clifford states that commercial planting in the North started in 1835 with China seeds brought by C.J. Gordan, the Secretary of Tea Committee. This was not successful, indigenous and hybrid teas of various kinds under a number of local names have proved more successful. Of the seeds bought from China some 2000 plants were
planted in South Indian hill districts of Nilgiris and Wayanad. They also did not fare well.


xxxv K.C. Wilson and M.N. Clifford, 8.

xxxvi Griffith, 158.

xxxvii Griffith, 159.


xli The Association of Planters of Kerala, *Standing Orders* (Cochin: 1989)1

These orders came into force in 1951 March. This was recognised and certified by the Certifying Officer of Travancore Cochin Government according to standing orders of 1124 of Travancore Cochin.

xlii Standing Orders 1


xliv K.M. Ganapathy, 5.

xl K.M. Ganapathy, 5

xli K.M. Ganapathy, 6.


xlv Amirita Beig, 6.

1 APK Golden Jubilee Souvenir 1.


iii APK Golden Jubilee Souvenir xii