

Paradigm Shift on Labour and Employment in Plantation Sector: An Indian Scenario

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Abstract: *The plantation sector employs both organized and unorganized laborers. The Plantation Labour Act makes it mandatory for every plantation with 50 or more women workers to afford crèche amenities. Business activity model were slightly changed under open market economy. Planters aim to produce larger quantities as compared to competitive countries like China, Kenya, Sri Lanka, Indonesia, Vietnam, Malaysia etc. This resulted in high cost of production mainly because of climatically and soil condition of our local (indigenous) plantation products, like tea, coffee, cardamom. In the current day of labour promotion, the elimination of contractual work in the plantation is prescribed by the Act. But, it is practiced in the way of indirect method. The labourer who wants to do more work on the basis of additional quantity is producing. They are engaged only the work based additional remuneration is paid. There is no time limit for regularize to the labourers. The outline of wage purpose is reasonably uniform in the plantation sector throughout the South Asian region.*

Keywords: Plantation, Wages, Labourers, Market.

I. INTRODUCTION

In India's oldest industry in the organized manufacturing sector and has retained its position as the single largest employer in plantation sector. Indian Labour Force is divided into two chief sectors that is, organized and unorganized sectors. The organized sector enjoys the existing provisions made by the law, whereas the unorganized sector is not able to enjoy the benefits mentioned in the various acts for the welfare of the laborers. The plantation sector employs both organized and unorganized laborers. Tea plantation only supplies the employment of nearly 8.67 lakh workers directly and indirectly. For most of the plantation crops, the labor requirement is 5 to 6 times more as compared to other agricultural crops. At the beginning plantation labour market system was followed by British colonialism. Tea and Coffee Plantation is the chief employment resource for estate laborers.

Governmental approaches to plantation workers in the post- Independence epoch have been more positive and the Indian state has forced binding rules on the tea planters while ensuring protection to tea workers. Subsequent to the resolution at the Indian Labour Conference in 1951 to fix least wages for each industry, constitutional minimum wages were prescribed for tea employees for the initial point in 1952. The planters therefore had to acknowledge the idea of a 'living wage', with any infringement attracting the penal provisions of the Minimum Wages Act 1948. Legislations such as the Minimum Wages Act, Payment of Bonus Act, Industrial Dispute Act 1947 and Factories Act 1948 which were initially unnoticed by the planters became enforceable after the setting up of state machinery to manage them in the early 1950s. Labour Tribunals were also constituted to adjudicate labour quarrels. These legislative capitals enabled the reformulation of relationships amid planters and tea workers as those between employer and employees, rather than between master and servants (Mukherjee, 1976).

The PLA (Plantation Labour Act year “1951 ”) makes it mandatory for every plantation with 50 or more women workers to afford crèche amenities. This has not been complied with except in Tamil Nadu. Medical facilities through the provision of doctors, medicines and hospitals, etc. as per terms of the PLA have also not been complied with by plantation managements and the tea companies are reported to frequently curtail their budgetary allocation for such labour amenities. In terms of the educational facilities permissible to plantation families, the need of qualified teachers and of facilities for post-primary education is a general crisis. Thus at the post-primary stage, children of plantation workers have to saunter great distances to attend schools. Consequently the enrolment of children at secondary schools is low and dropout rates are high. The lack of proper education affects the occupational prospects and upward mobility of the children of plantation workers. Because of the weaknesses in its punitive provisions, it has been felt that collective bargaining is a more effective method of getting the PLA implemented. Whatsoever slight has been achieved in terms of legal transformation of laws, or improvement of labour facilities like drinking water supply and canteen facilities on the plantations has been the outcome of collective bargaining. But although the PLA provides comprehensively for the provision of enhanced living and working conditions for plantation labour, there is still not a single tea plantation wherein all the provisions of the Act have been fully implemented, in spite of the high degree of unionization in the tea industry and the great influence wielded by trade unions on tea workers (Bhowmik 2002)

II. CHANGES OF LABOUR MARKET IN PLANTATION

Before 1991, the export and sales activities were favorable to owners. Plantation constituted about 17 per cent of total agricultural export. In the light of, business performance by planters, small growers sold their goods by way of auction, export (tea, coffee, cardamom, pepper). The tendency towards labour environment, labour practice, wage agreement, involvement of trade unionism (collective bargaining, tripartite resolution) planters association and their cordial relationship were flexible according to their expectation level.

Business activity model were slightly changed under open market economy. Planters aim to produce larger quantities as compared to competitive countries like China, Kenya, Sri Lanka, Indonesia, Vietnam, Malaysia etc. This resulted in high cost of production mainly because of climatically and soil condition of our local (indigenous) plantation products, like tea, coffee, cardamom.

In this context, the liberalization policy had emerges a major changes of Plantation sector, especially the small growers and labourers. The exigency of business transaction of plantation sector had shifted to U.K and Vietnam buyers instead of Soviet Russia (Tea, Coffee). In the meanwhile, Indonesia & Kenya Tea, Brazil Coffee, Malaysian Rubber had entered into our country. Therefore, indigenous market had suffered loss, in the way of cost of production (maintaining for quality) protection of small growers. The large size estate owners who tried to drastically reduced the labourers provision (wage, additional work force). At the same time, they are unable to promote the local consumption of Tea, Coffee. Despite, the prevalence of PLA, the policy of globalization is not favorable to labourers, either directly or indirectly. If the plantation workers have skill about the particular work, they must have work based on the market trend with negotiation expectation of the owners otherwise, nothing can be done and compete by them. In this regard, a number of cases were pending in labour court till now. Simply says, “The owners who already suffered. Therefore, the workers are adjusting with the owner of the Estates”.

In this context, the trade unions are also unable to take proper decision as well as collective bargaining for wage agreement and settlement of dispute. A large size companies adopted the approach of multinational companies. It means, the nature of work is specified by the owners. There is no provision about the favorites of labourers. The practice of labour-lay out was adopted. Most preferably, they had trying to minimum number of workers based on their willingness and contractual basis. A few large size Tea Estates are sharing their cultivation and processing units to labour co operatives. They have concentrated much more only the part of marketing, export activities. Here, the structure of existing labour practice has changed in the way of collective forming approach. Besides, the features of Plantation Labour Act and its provisions are diversified

In the current day of labour promotion, the elimination of contractual work in the plantation is prescribed by the Act. But, it is practiced in the way of indirect method. The labourer who wants to do more work on the basis of additional

quantity is producing. They are engaged only the work based additional remuneration is paid. There is no time limit for regularize to the labourers. The Employment trend in the tea plantations is that the number of labourers in company estates has thinned down to almost 1/3 in the past 5 to 7 years. As the price (Tea) in auction centers either fell down and too fluctuating trend drastically, the plantation companies resorted to cost reduction strategies in all possible ways.

At present, it has almost stopped recruiting new labourers in the place of one who retire. The companies have seek extra task (output) from the existing labourers and resort to recruiting casual labourers (temporary regular wage labourers, whenever they engaged the work they can collect the full day wage from the Estate , their work environment is not count for the Estate) . Therefore the company does not have to take responsibilities such as PF, gratuity, and medical allowance and so on. The holidays and week days after extracting the legitimate amount of work, the labourers are shifted to other plantations of the same group of Company to work for an extra payment of Rs 2 per Kg of leaves plucked. Employment is shrinking in the estates. Where as in Coffee estates, if the labourer who plucked coffee berries which is fixed the actual target, (additional berries of 10 kgs), they (labour) paid additional amount of Rs.5. It has practiced only large size estate of coffee plantation in TN, Karnataka. Sometimes it is vary from estates where belong to the owners. Finally the engagement of labour is only negotiable wage based, not for the norms of Plantation Labour Act . Moreover, In coffee plantation, the work is engaged for large number of seasonal workers during the harvesting of coffee nut. The remaining days the workers who engaged other horticulture and orchard farm worker. The maximum work is done at coffee plantation is only contract basis (Quantity of work produced and getting high remuneration work) when compare than daily wage, permanent work wage earning, if the work availability is properly. The involvement of Trade Union in Coffee Estate is not effective because of preferential engaged contractual work by the owners.

During peak season of coffee or Tea demand the owners who extract the work from labourer. But their (owner) point of view, maximization of profit is the major component of protecting and retaining strategies for global competition. On contrary, If the labour standard will go down, the maintenance of quality of product may affected. In Tea Plantation of Tamilnadu and Kerala, some of the North Eastern agricultural and Plantation Labourers who migrated and engaged the work at any amount would provide by the owners, because their local wage is very lower than TN and Kerala State. This much of issues are not covered in the terms of Plantation Labour Act 1951, and convention by ILO.

III. WAGE PROVISIONS BY PLANTATION LABOURERS

3.1 Wage Determination

The outline of wage purpose is reasonably uniform in the plantation sector throughout the South Asian region. In Bangladesh, this is done on the basis of bilateral negotiations that take place every two years to review agreements on wages and allowances for workers. Mutual deliberations between trade unions and planters' associations also figure the basis of three-year wage settlements in the north Indian states of Assam and West Bengal. This feature is also seen in the southern Indian state of Tamil Nadu, with the additional provision that the understanding so arrived at is formally ratified under the Industrial Disputes Act to give it state-wide recognition. A major departure exists in another southern state of Kerala where a Plantation Labour Committee (PLC) is operative. Apart from determining wages, this tripartite body also deliberates on other worker-related issues. In Sri Lanka, the post-privatisation regime has seen the revival of bipartite wage settlements in respect of the corporate sector but wages for workers in private estates and small holdings are periodically notified by the government. It is an important feature of South Asia that wages have been higher and working/living conditions better where trade union involvement is more active.

3.2 Wage Components

By and large, plantation wage within the region is a combination of time and piece rates. The former has two components - basic wage and cost of living allowance (or food subsidy). Whereas workers in south India are entitled to a dearness allowance that is linked to the cost of living index and revise every quarter, the practice in Bangladesh and north India is to provide them and their dependents food grains at a subsidized rate. Workers in Sri Lanka are given a composite wage and a price share supplement, besides an attendance incentive on the number of days worked. The

piece rate is applicable to harvesting and is thus available only to those (mostly women) who are engaged in this activity.

3.3 Non-Wage Benefits

In addition to wages and incentives, most plantation workers are entitled to a package of wage-related allowance and non-wage benefits. In the former category are provident fund, bonus, gratuity, holiday pay, etc. while the latter incorporates the cost incurred by the management on housing, welfare benefits, medical care, education of children, recreation facilities, care of pregnant mothers and children, tea issues, etc. According to tabulations obtained from employer organisations, they add up to 20 to 25 per cent of the wage. Particularly in Sri Lanka, government initiative has also taken the form of closely interacting with overseas donor agencies and voluntary organisations towards obtaining grants and other forms of financial support for fostering social development activities on tea estates.

3.4 Recommendations of Second Labour Commission

A national wage policy must bring within its purview problems of workers in the unorganised sectors that are not unionized. Therefore who have no bargaining strength. Actually the total importance of Government wage policy should be on fixing minimum wages and executing them for the workers in the unorganised sector. Fixing a national Minimum Wages for different jobs in the unorganised sector, revising these wages periodically, linking them to dearness allowance in order to prevent erosion in real wages and the assume much significance in this context. Government has to set up proper machinery for fixing these wages and also ensuring that they are paid.

The average daily earnings of male workers were highest at Rs. 95.51 in Rubber Plantations followed by Rs. 73.90 in Coffee Plantations and the lowest at Rs. 64.17 in Tea Plantations. Similarly, the average daily earnings of women workers were highest at Rs. 91.86 in Rubber Plantations followed by Rs. 72.25 in Coffee Plantations and the lowest at Rs. 63.05 in Tea Plantations. (occupational wage round survey 2006)

The maximum average daily earnings were reported for 'Supervisor' at Rs. 90.79 in Coffee Plantations and Rs. 149.32 in Rubber Plantations. In Tea Plantations, however, the highest average daily earnings were reported at Rs. 109.48 for 'Driver'. On the other hand, the lowest average daily earnings were reported for occupation 'Plantation Labour' at the rate of Rs. 62.01 in Tea Plantations and Rs. 71.99 in Coffee Plantations. The least paid worker in Rubber Plantations was the 'Field Worker' (Rs. 90.27). Majority of 80.79 per cent of the workers was employed on piece-rate scheme of wage disbursement; whereas the left over 19.21 per cent of the workers were employed on time-rate source. The employment of piece-rated workers was observed in all the three Plantations. (Tea, Coffee, Rubber). (occupational wage round survey 2006)

IV. CONCLUSION

In present scenario of Plantation sector labour's work environment is interchangeable and contractual based. Initially it was the proper channel of labour market set up such as, Permanent, contract (only for provisionally marketing and processing pattern by large estates) and regular wage earners and seasonal workers. Due to the market fluctuation and imposed by open market economy the structure has been drastically changed, despite a number of provisions and scheme by Ministry of Labour and Plantation Labour Act. As a consequence the friendly associations by Trade Union and Planters and owners have been away from the exact pathway. Consequently, the system and pattern of work environment by Plantation is deviated. This situation should be rejuvenated by the Ministry of Labour and Tripartite association by Trade Union and Planters in India.

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