

PDL. 467 (N)  
5,000

**REPORT**  
**OF THE**  
**STUDY GROUP FOR**  
**PLANTATIONS (TEA)**



**AL COMMISSION ON LABOUR**

In India at the Samrat Press, Delhi in 1969.  
Published by Manager of Publications, Civil Lines, Delhi-6.

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## FOREWORD

The National Commission on Labour appointed the Study Group for Plantations (Tea) in its attempt to understand the changes in conditions of Labour in that industry since Independence. This was one of the series of Study Groups set up for different industries. The Study Group was required to analyse available information and project its thinking on labour problems in the industry for the years to come taking into account the possible developments in the industry.

The views expressed in the report are the views of the Study Group. In examining them for framing its final recommendations, the Commission will attach due importance to these views coming as they do from knowledgeable persons in the Plantations (Tea). In the meanwhile, the report is being published by the Commission with a view to seeking comments on it from persons/institutions interested in the development of that industry.

The Commission is grateful to the Chairman and members of the Study Group individually for completing their work within the time limit fixed for them. The Commission is also grateful to all persons/institutions who may have helped the Study Group in reaching conclusions.

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## CONTENTS

<i>Chapter</i>	<i>Page</i>
I. The Tea Plantation Industry	1
II. Recruitment and Employment	12
III. System of Wage Payment and Wage Fixation.	23
IV. Plantations Labour Act, 1951	47
V. Labour Welfare	57
VI. Social Security	60
VII. Legal and Administrative Arrangements	62
VIII. Organisation of Employers and Workers	64
IX. Industrial Relations	67
X. Conclusions	72
<i>Appendix</i>	
Bibliography of Reports on Tea Plantation Labour	77
<i>Annexure I</i>	
Notes from the Workers' Representatives	79
<i>Annexure II</i>	
Notes Submitted by Members Representing Employers	91

## CHAPTER I

### THE TEA PLANTATION INDUSTRY

#### General background and main features

1.1 "The term 'plantation' was originally used to designate a plot of land set with plants. In a figurative sense it was early applied to the settlement of people, and particularly to the colonisation of North America in the early part of the 17th Century.....the rapid expansion of the economic interests of certain European powers in the tropical regions of Asia, Africa and America marked a turning point in the use of the term which has since come to denote large-scale agricultural units and the development of certain agricultural resources of tropical countries in accordance with the methods of Western industry."

"The development of these large-scale agricultural undertakings implied in practice five conditions (i) the acquisition of fairly extensive areas in those regions suitable for the cultivation of the particular crops; (ii) the application of considerable amounts of foreign capital; (iii) the employment of large number of labourers; (iv) foreign supervision and management in the majority of cases; and (v) crop specialisation."

*(Basic problems of plantation labour : ILO-1950)*

1.2 Thus plantations developed during a certain phase of western industrialism primarily to serve the needs of the metropolitan countries. They not only provided attractive openings for capital investment, but also served to meet the demand for certain plantation crops in those countries. The plantation system continues to be largely dependent on foreign capital even after the territories concerned have ceased to be colonies. It has been aptly said that the 'plantation economy is primarily a function of capital investment and technology in the agriculture of certain under-developed countries whose climate and soil are suitable for the growth of plantation crops'. Due to the high degree of specialisation

of production for the purpose of export, the economic life of plantation communities has come to be dependent on the most sensitive commodity markets.

1.3 Indigenous tea bushes were discovered in Assam as early as 1823 by Major Robert Bruce; but it was after the loss by the East India Company in 1833 of their monopoly in the China's tea trade that real impetus was given to the development of the industry. Tea cultivation was introduced in Assam with Government assistance and the first consignment of eight chests of tea was shipped to London in May 1838 and was sold by auction at prices ranging from 16 s. to 34 s. per pound. The Assam company was formed in the year 1839, and the experimental holdings of the Government were made over to the Company. Extensive areas of uninhabited jungle and forest lands were cleared and developed into tea plantations almost exclusively with British capital. The whole of the upper portion of the Assam Valley was taken up for cultivation of tea. The discovery of indigenous tea in the Surma Valley gave impetus for extending plantations to that Valley as well. Tea was experimentally started in the Darjeeling district as early as 1840. In the latter half of the century, it spread to Terai and the Dooars. Tea plantations were also developed in the South on the Western Ghats and their associated ranges. The growth of the industry can be seen from the following table :

Table showing the area under tea and total production  
(Source : Tea Statistics—1966-67)

Year	Area in hectares	Production in th. Kgs.
1885—1889	1,25,662	41,096
1900—1904	2,11,745	91,321
1910—1914	2,39,044	1,31,522
1920	2,84,922	1,65,645
1930	3,25,177	1,77,393
1940	3,37,034	2,10,415
1950	3,15,656	2,78,212
1960	3,30,738	3,21,077
1965	3,41,762	3,64,374
1966	3,45,256	3,75,893
1967**	3,47,657	3,82,499

\*\* Provisional

1.4 Successful tea cultivation requires a hot, moist climate, with temperature ranging from 55°F to 95°F and an annual rainfall of 80-130 inches, distributed all the year round. Absence of drought, frequent heavy dews, morning fogs, are all highly favourable circumstances. "In India, the tea growing regions are situated in the monsoon belt—Assam, West Bengal and the foot-hills of the Himalayas in the North, and the moist slopes and plateaus of the Western Ghats in the South. The climate and soil of these widely separated regions show great variations, the effect of which are naturally reflected in wide differences in productivity as well as cultural practices"—(Report of the Plantation Inquiry Commission). A brief description of the tea regions in India is given below :

#### North East India

##### Assam Valley

- (i) Almost the whole of the level plain on both sides of the river Brahmaputra, especially the Upper Assam Zone, is ideal for tea cultivation. Here probably is the largest concentration of tea in the whole world.

##### Surma Valley

- (ii) Throughout the whole district of Cachar, tea is grown in 'tilla' land or hillocks and the flat land surrounding them. The climate conditions are less favourable (due to frequent hailstorm and incidence of prolonged droughts).

##### Tripura

- (iii) Tripura—Geographically, the region is almost a continuation of the Surma Valley, but climatic conditions are still more difficult. Tea is grown on hillocks and the surrounding flat land.

##### West Bengal

- (iv) The dooars in the Jalpaiguri district and the Terai in the plains of Darjeeling district and the Siliguri and Kurseong sub-divisions is a narrow strip adjacent to the Himalayan foot-hills. Tea is grown on the hill slopes and flat lands. Though average rainfall is high, droughts are not infrequent.
- (v) Darjeeling district—is famous for its high grown fine flavoured teas. Tea is grown at an elevation ranging from 1000 to 6000 ft. on the mountain slopes with a rainfall between 100 and 120 inches.



**North India :****Bihar**

- (i) Tea is grown in Ranchi on the Chota Nagpur plateau at an elevation of about 2000 ft. The soil is poor and the area is not important.

**U. P.**

- (ii) Dehra Dun, Almora, and Garhwal are tea areas. In Dehra Dun, tea is grown in the Valley between the Himalayas and the Shiwalik hills. Here the conditions for tea cultivation are not favourable.

**Himachal Pradesh**

- (iii) Tea is grown in the Kangra and Mandi districts in the foothills of the Himalayas at an elevation of 2000 to 5000 ft. The soil is poor and the rainfall is not evenly distributed.

**South India:**

The tea plantations are located in the hills and slopes of the Western Ghats and their associated ranges extending over the States of Kerala, Madras, and Mysore. The important tea districts are : Kottayam, Kozhikode, Cannanore, Trivandrum, Palghat and Quilon in Kerala : Nilgiris, Coimbatore, Madurai, Kanyakumari and Tirunelveli in Madras : Chickmagalur, Coorg and Hassan in Mysore.

High grown teas in the South have the distinctive flavour somewhat similar to Darjeeling tea. Rainfall ranges from 50 to 275 inches and as a consequence of there being two monsoons, tea can be plucked throughout the year.

The region-wise distribution of tea is given below :

No. of Estates	Area in Hectares (as on 31-3-67)	Production in kgs. ('000) 1967
<i>North India</i>		
Assam 755	174,134	189,928
W. Bengal 296	86,393	96,584
Bihar 3	476	56
Tripura 55	5,479	2,687
U. P. 31	1,972	676
Mandi & Kangra 1,385	4,183	869
<b>2,525</b>	<b>272,437</b>	<b>290,800</b>
<i>South India</i>		
Madras 5,781	33,943	47,305
Mysore 16	1,836	2,162
Kerala 2,539	39,241	42,232
<b>8,336</b>	<b>75,020</b>	<b>91,699</b>
<i>All India</i> 10,861	347,657	382,499

Source: Tea Statistics-1966-67: brought upto date from Tea Board office.

1.5 The vast majority of the estates are only small holdings and these account for only a small percentage of the total acreage as shown below :

(as on 31-3-67)

Size of Estate	North India			South India		
	No. of Ests.	Area in hectares	% to total area	No. of Ests.	Area in hectares	% to total area
Small holdings upto 5 hectares	25	71.84	.03	7,658	6,827.04	9.10
Above 5 hectares but below 50 hectares	147	4,000.76	1.47	418	5,291.88	7.05
Above 50 hectares but below 100 hectares	146	11,053.12	4.05	51	3,808.65	5.08
<b>Total</b>	<b>318</b>	<b>15,125.72</b>	<b>5.55</b>	<b>8,127</b>	<b>15,927.57</b>	<b>21.23</b>

\*Excluding Kangra and Mandi.  
(Source : Tea Statistics—1966-67)

The position in respect of Kangra and Mandi is indicated below :

Size of Estate	Kangra		Mandi	
	No. of Ests.	Area in Hec.	No. of Ests.	Area in Hec.
Upto 4.05 hec.	1,027	1,095.03	208	241.30
Between 4.05 and 60-70 hec.	123	1,422.30	17 (1960-61)	108.90

(Source : Tea Statistics—1961)

The Plantation Inquiry Commission defines estates below 100 acres as small holdings. The Commission found that the number of such estates was 5,283 out of a total of 6,569 registered tea estates in India in 1953. Their total acreage and estimated production however represented 4.47% and 1.34% respectively. "Some of the small estates are part of the properties of larger tea garden proprietors, either companies or individuals; but most of the small estates are owned by individuals with no other holdings of tea." In Kangra Valley and Mandi in Himachal Pradesh, the small holders mostly make green tea with the help of small 'chulas' and hand implements. Elsewhere, they usually sell their green leaf to tea factories if they have no factories of their

own. Small-scale production of this kind is more akin to the production of food crops on a subsistence basis than to plantation production. The independent producer in this field faces all the problems of the small producer, but he is equally dependent on world economic trends and world prices.

1.6 The tea plantations were developed primarily as a British enterprise and though local capital came to play a part in their later developments, the plantation system continues to be dependent to a very large extent on foreign capital. The predominant position of the corporate sector and the concentration of control in the hands of a small number of Agency Houses are the special features of their organisation. Out of the total acreage in South India, about 73.5% is company managed at present, non-rupee companies constituting 45%. In North India, out of the total area, 85% is company managed, non-rupee companies constituting 41%.

On the basis of average investment per hectare by sterling and rupee companies and assuming proprietary concern investment at 50% of the Rupee Company's investment per hectare, the Tea Board estimated the total capital investment in tea as on 31-12-62 at Rs. 375.17 crores. This estimate

#### .. Footnote

(Employer) 1.6 : The Study Group is not required to review the capital structure and ownership pattern of the tea plantation industry. Most of the observations and particularly the reference to "Concentration of control in the hands of a small number of agency houses" are merely repeating a 15 year old statement which has no relevance to the terms of reference. It has not been suggested that the ownership pattern, capital structure or control of tea companies has any bearing on conditions of labour. It is not unnatural that the tea industry because it is organised on a large scale, unlike most agriculture, has developed in the corporate sector and has utilised the group services of the Managing Agency System for its development as did other industries such as jute, coal etc. It is, therefore, misleading to suggest that the association of tea companies with Agency Houses represents something special in the organisation of the industry or injurious to the interests of the workers. Therefore, the presence of this passage is merely to build a framework of prejudice.

differs considerably from the one made by the Plantation Inquiry Commission which estimated the capital investment at Rs. 113.06 crores as at 30.6.54.

1.7 With a production of 382.5 m. kg. in 1967, India continues to be the largest producer of tea in the world, but in 1965, it lost to Ceylon its position as the largest exporter. The industry increased its production steadily, but in recent years, expanding production in other Asian and African countries has resulted in Indian tea, particularly low-grown-medium teas, meeting with increasingly stronger competition in world markets. World exports of tea have been rising at around 1.7% per annum over the last 17 years, but Indian exports have not maintained their due share of the total. In 1950, India supplied 45.82% of the world export trade, but by 1966 her share had fallen to 31.4%. Tea exports from India fell from 179.2 m. kg. valued at Rs. 115.0 crores in 1965 to 179.2 m.kg. valued at Rs. 137.5 crores (Rs. 98.8 crores. in pre-devaluation terms) in 1966. The devaluation and its aftermath particularly affected shipment of tea and it was not until the middle of December 1966 that there was noticeable improvement in the pace of the shipments. As a result, much of the shortfall in exports during the year 1966 was made up, and total exports from India during the fiscal year 1966-67 stood at 190.4 m.kg. valued at Rs. 102.3 crores (in predevaluation terms) compared to 197.4 m.kg. valued at Rs. 114.8 crores in 1965-66.

It will be seen from the above that the target envisages an increase of 54 m. kg. in production and 40.6 m. kg. in export over the actual performance in 1965.

Internal consumption (Production minus Export) of tea in India has been steadily increasing. It increased from 82.7 m. kg. in 1953-54 to 139.6 m. kg. in 1961-62. The estimated internal consumption of tea in 1966-67 is 182 m. kg..

1.8 The scope for expansion of the tea industry depends upon its prospects in the internal and export markets. The increasing competition from other producing countries in the world market is causing grave anxiety to the industry. It is said that in all important matters like cost, taxation, labour policy, African producers enjoy far more favourable conditions. As a result, inflow of capital into Africa has been steadily increasing; some companies operating in India have invested in African Estates also.

1.9 The Industry is also a very important source of revenue to Government. The export duty on tea which was abolished with effect from 1.3.63 was reimposed on 6.6.66. The revenue earned through Export and Excise duties in 1967-68 is Rs. 29/ crores and Rs. 18/- crores respectively (Budget estimate). Besides, there are direct taxes such as income tax and super tax and agricultural income tax levied by the States. There are other imposts on tea though of much less importance. The industry's importance in the economy of the country also derives from the number of other industries like Plywood, Engineering, Fertiliser, Transport etc. whose products are important inputs absorbed by the industry. The industry has played a vital role in opening up vast areas of hitherto little economic significance and pushing development to what used to be remote and inaccessible jungles.

1.10 A typical tea plantation is both an agricultural and a manufacturing unit. As is well-known, tea is made from the tender leaves and bud (unopened leaf) of the tea plant which are gathered (plucked) in the North and North-East seasonally (approximately from March to early November every year) and throughout the year in the South.

The cultivation work starts from clearing jungles and preparing the land for planting of tea seedlings which are developed separately, and of shade trees, manuring, hoeing, weeding, slashing and pruning of the bushes, spraying of insecticides etc. and ends with the plucking of the new shoots consisting of, as the saying goes "two leaves and a bud". The manufacturing process starts after the leaves are weighed in and taken out for withering. The most important manufacturing methods are the 'orthodox' and CTC, though the latter is becoming rapidly more important. Legg-cut and green tea manufactures account for less than 10% of the tea made; the rest is divided between the other two methods, CTC having become more important in recent years. The processes involved vary according to the type of tea made. Manufacturing ends as soon as the tea is sorted, graded, and packed in cases. It is now ready for dispatch by road, rail, river or air mostly to be sold by auction for distant buyers throughout the world.

1.11 The cultivation and manufacture of tea do not exhaust the activities associated with tea plantations. A typical plantation covers a wide area, having a large resident population in a number of settlements. Management of

plantations involves construction and maintenance of roads and buildings, running of hospitals, schools, creches, and canteens etc. and in a miniature form, transport and public health activities. In short, a plantation is a self-contained unit of organisation.

1.12 There is no standardised classification of workers engaged in tea plantations. They are broadly grouped as i. Labour, ii. Staff and iii. Artisans. Labour includes all manual workers employed in various processes of the field and factory and includes peons, chowkidars, sardars, malis, orderlies and so on; while 'artisans' include all those who are engaged as skilled and semi-skilled workers like drivers, fitters, carpenters, electricians and so on. "Staff" and "Artisans" are ordinarily monthly rated; and according to convention, those among the Labour class like sardars, chowkidars, malis etc. who are also monthly rated, are sometimes described as 'sub-staff'. The Labour class numerically predominates over the rest, constituting about 95% of the total and all general enquiries so far conducted have been exclusively devoted to them.

1.13 The following table indicates the size of the labour force employed in the field and factory. It will be noted that outside labour constitutes only a small proportion of the total. Secondly, the vast majority of the labourers are employed in field operations, thus emphasising the agricultural character of tea plantations. One special feature is that labour used to be recruited family-wise and all able bodied members (including minors) used to be employed. Hence it follows that a little less than 50% of the working force is female.

Average daily number of labour employed in field and factory in 1964, classified as Resident and Outside.

(Source : Tea Statistics 1966-67)

	<i>Field</i>	<i>Factory</i>	<i>Total</i>
<i>North India</i>			
Resident	475,314	69,313	544,627
Outside	98,864	6,543	105,407
<b>Total</b>	<b>574,178</b>	<b>75,856</b>	<b>650,034</b>
<i>South India</i>			
Resident	143,381	10,741	154,122
Outside	13,433	1,194	14,627
<b>Total</b>	<b>156,814</b>	<b>11,935</b>	<b>168,749</b>
<b>Total All India</b>	<b>730,992</b>	<b>87,791</b>	<b>818,783</b>

1.14 As has been noted before, the development of the plantation system implies the employment of an extensive

labour force. In the areas where tea plantations developed in the nineteenth century, such labour was not locally available easily and it was necessary for the plantations to import labour from outside these areas. In the important plantation districts in North East and South India, the labour force was recruited mostly from aboriginal forest dwellers and backward tribes. In Assam and Dooars, many of these people were brought in from South Bihar, Orissa, Andhra etc. They comprise a heterogeneous mass with different ethnic, linguistic and cultural background. Irrespective of their place of origin these workers in general did not belong to a constituted wage-earning class. They were mainly agriculturists or villagers working in their traditional occupations—handicrafts and subsistence production; some had no occupations.

1.15 The employers' efforts were directed to create a nucleus of workers who would be readily available for work on the plantations. This necessity to build up a permanent labour force led to abuses against which there was a great public outcry and sporadic revolts on the part of labour who had no easy means of redress. Both the Central and State Governments of those days had to set up enquiry committees whose reports have drawn pointed attention to the abuses which gave a bad name to the industry. The terms and conditions of service of the labour have undergone radical changes especially since the advent of Independence. But the legacy left behind still continues to colour the outlook of the labour and perhaps hinders their progress.

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#### Footnotes

(Employer) 1.15 : The isolated instances of abuses in the early history of the industry have been used to come to the conclusion that the legacy of the past hinders the progress of the workers. Such instances of abuses, particularly in a less enlightened era can be found in the past of any industry and country. No industry in any country, particularly in a developing country, has started in ideal conditions of service to labour. The conditions in plantations should be judged with contemporaneous social and economic conditions in the country. The Enquiry Committees set up by Govt. were not exclusive to plantations. The Royal Commission on Labour investigated into the whole of the industrial labour in India. The Rege Committee which was called the Labour Investigation Committee also enquired into conditions of labour in a large number of industries and the report that

1.16 The setting up of plantations necessarily involved large scale resettlement of labour and as they came to take up residence on the estates, this created all the problems involved in the establishment of community life in completely new surroundings. New problems of adjustment had to be faced and attention had to be directed to housing, food, education, health and sanitation. Despite the progress made in many respects, the resident worker transplanted from his community has not always found within the framework of the plantation system the institutions and amenities necessary for a satisfactory community life. The establishment of the plantations has not been regarded so much as the creation of a social unit but as an "economic agglomeration for the pursuit of profit".

*(Hancock : Survey of British Commonwealth Affairs).*

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Committee published on plantations was one of many such reports. Besides, reference to these reports go into a past beyond what the terms of reference of the National Commission on Labour is called upon to cover.

Attitude towards labour practices and welfare have developed and become more enlightened with changing times. In the context of the general standards in India—and it is unrealistic to make comparisons with more developed and advanced countries—the tea industry can claim to have provided good standards of employment and labour welfare. Comparison with the conditions of urban industrial workers and general agricultural workers in India in matters of working conditions, housing and medical facilities substantiates this statement.

*Employer 1.16 :* It is unfortunate that reference to "The establishment of the plantations has not been regarded so much as the creation of a social unit, but as an economic agglomeration... pursuit of profit", should be considered germane to the report. Were not other enterprises established with the motive of earning profits? To say that plantations are not serving the country as a social unit, overlooks the most formidable welfare enactments, its role as the largest employer of labour, the second largest foreign exchange earner, its substantial contribution to the Central and States taxes through Central Income tax, Excise Duties, Sales tax, Agricultural Income tax and a host of other taxes. It is probably the only industry on which a number of obligations have been imposed by Parliament which are properly the responsibility of the States to provide.



## CHAPTER II

### RECRUITMENT AND EMPLOYMENT

2.1 Due to the isolated location of the plantations, considerable difficulties were experienced in securing labour to work in those regions in the earlier stages of the industry's development. Special recruiting arrangements, therefore, came to be developed to ensure uninterrupted work. The details of the recruiting systems have been presented in a clear and concise manner in the Rege Committee's report and need not be repeated here.

2.2 In the South, the Kangany system of recruitment came into vogue and most estates were dependent upon the system. The abuses inherent in the system attracted much adverse comment and it was recommended that the system should be abolished gradually in a phased manner so as not to affect the working of the plantations adversely. In October, 1951, the Govt. of India in the Labour Ministry laid down certain criteria for eliminating the abuses in the system and for its gradual total abolition. The process of abolition which started in 1951 was completed in Madras in 1958 and in Kerala in 1962 in pursuance of settlements signed in those States under which working Maistries/Kanganies were either absorbed as labour supervisors or paid cash compensation. For many years now, recruitment of labour has been effected directly by the plantations themselves. There is on all plantations a settled labour population and preference in employment is given to the dependents of permanent workers in almost all cases.

2.3 Until a decade ago, plantation operations in South India were conducted on a seasonal basis and accordingly recruitment was also effected seasonally, the period of contract being the season which extended over a period of 9 to 10 months. There was a "settlement" at the end of the season which meant the closing of the workers' account for the period of the contract. This practice of annual settlement was discontinued in 1953 following the application of the Retrenchment and Lay-off provisions of the Industrial Disputes Act 1947, to plantations.

2.4 Unlike as in the South where the recruiters did not have to go far afield, in North East India, workers used to be recruited through the Tea Districts Labour Association from various parts of India, mainly, Bihar, Orissa, Eastern U.P., Madhya Pradesh and Northern Madras, for work in the tea districts in Assam and West Bengal. Nepali labour were mostly employed in the Darjeeling plantations and to a certain extent in the Dooars and the Terai. The estates requiring labour would send their authorised sirdars to the recruiting areas where they would make contact with the recruiting staff of the T. D. L. A. and select the workers required. Recruitment for work in Assam was regulated by the Tea Districts Emigrant Labour Act which also provided for repatriation after three years.

2.5 The position has changed and a number of estates now have a surplus of labour and as a consequence, recruitment from outside the State is no longer necessary. At present estates recruit labour direct from among the dependents of their existing labour as well as from the adjoining villages. There are, however, still some cases of labour coming from outside the State securing employment in some plantations in Assam. This inflow of labour from outside is frowned upon by trade unions as well as by the State Government.

2.6 Recruitment to the clerical and artisan cadres is sometimes channelled through employment exchange. Some times recourse is also had to advertisements in newspapers. The allegation has been made that the claims of local candidates are often ignored and that employers often fill higher cadres of posts with persons from other parts of India even when suitable local candidates are available.

2.7 The Tea Plantation Industry provides employment to about 8.2 lakh persons of whom slightly less than 50%.

#### Footnote

(Employer) 2.6 : The complaint regarding the claims of the local candidates relates to recruitment in the managerial cadre. Parochial and sectional interests should not be allowed to interfere with the employer's freedom to recruit the best available men for the job. In any case, recruitment to the managerial cadre is outside the purview of the Commission's enquiry.

are accounted for by female workers. The average daily employment is shown in the table below :

**Labour Employed (daily average) in Tea Industry in India.**

1951	...	...	...	10,17,929
1953	...	...	...	9,69,610
1955	...	...	...	9,39,656
1957	...	...	...	10,04,257
1958	...	...	...	9,80,238
1959	...	...	...	9,19,405
1960	...	...	...	8,45,166
1961	...	..	...	8,22,834
1962	...	..	...	8,16,262
1963	...	...	..	8,47,372
1964	..	..	...	8,11,783

(Provisional)

(Source : Tea Statistics 1966-67 & Indian Labour Statistics, 1966)

2.8 The area under tea in 1951 was 3,16,870 hectares which rose to 3,37,874 hectares in 1964. Though there may be some doubts about the completeness of returns, it is an undeniable fact that the size of the labour force has declined over the years. The reasons given for this decline are broadly as follows :

i. Agricultural practices have changed very considerably in the last decade. For example, the system of weeding, shade regulation, transportation of leaf, withering methods, pruning cycles, forking, plucking etc, have changed or some of the operations have been eliminated.

ii. The modernisation of factories and increasing mechanisation and introduction of semi-automatic processes have resulted in much saving in labour.

iii. The employment strength carried on the rolls of the estates prior to the enforcement of the Minimum Wages Act in 1952, did not correctly reflect the effective employment throughout the year. The system of annual settlement in the South and of periodic repatriation in the North-East required carrying a larger labour force than was actually required so as not to be faced with a shortage of labour during any period. The situation has changed completely with the application of lay-off and retrenchment provisions of the Industrial Disputes Act to plantations.

iv. The heavy incidence of malaria and consequent absenteeism through sickness necessitated an additional reserve of labour to draw on in times of need. The situation has changed completely with the gradual elimination of malaria and improved health conditions in the plantations.

2.9 On the other hand, replantation and extension going on side by side must have increased the need for labour. The extra provision of holidays and annual leave with wages, the rise in the period of maternity leave from 8 weeks to 12 weeks, substantial increase in bush productivity requiring additional labour for plucking, are some of the recent developments which would ordinarily tend to increase employment. There appears to be substantial force in the allegation that the process of rationalisation and introduction of labour-saving devices is tied up with the increase in labour wages and in the cost of welfare measures. Secondly, it is admitted on all hands that tea is a seasonal industry and labour requirement throughout the year is not uniform. With increased availability of local labour for casual and temporary employment, it is now possible to carry on the rolls the minimum labour force that may be needed at any time, rather than the maximum that could be employed only during the peak season. As labour has become increasingly more costly, employers are tending more and more to employ labour which they must, and increasingly rely on casual/outside labour which is comparatively somewhat cheaper.

2.10 Over the last few years, labour have been making strong protests against the declining trend in employment and making allegations about increase in workload, casualisation of labour, employment of contract labour on regular jobs, and growing unemployment in plantation areas.

2.11 The problem was discussed at the 9th Session of the Industrial Committee on Plantations held at Calcutta on 23rd and 24th October 1959, in which it was decided that the State Governments would each set up Committees 'to collect detailed information for the purpose of assessing the employment position on the plantations and for determining the number of workers who could be profitably employed in the plantations'.

The matter was again discussed at the 10th session of the said Industrial Committee held on the 21st September

1961 when (i) the question of fixation of a ratio of employment on the basis of acreage in tea plantations; (ii) the necessity of discontinuance of the system of engaging temporary labour; and (iii) the abolition of contract labour, were considered.

2.12. The enquiries made by the State Governments did not prove conclusive; and accordingly, at the 11th Session of the Industrial Committee held on the 30th and 31st October 1964, it was decided that the Govt. of India in the Ministry of Labour and Employment should set up a one-man Fact Finding Committee. Shri N. N. Chatterjee (Joint Secretary) was appointed for the purpose with the following terms of reference :

- (i) to find out how and to what extent the vacancies that have arisen since 1959 due to natural wastage or otherwise have been filled.
- (ii) to find out whether there has been any increase in the ratio of employment of contract/temporary/bigha labour in plantations to permanent labour since 1959.
- (iii) to find out whether there has been a material change in the land-labour ratio since 1959 and if so, to what extent.
- (iv) to find out by means of a sample survey or otherwise whether there has been any significant increase in the workload of plantation workers since 1959 and to assess broadly the extent of such increase.
- (v) to find out whether there has been a sizeable reduction of employment in the plantation industry as a whole since 1959 and if so the reason therefor.
- (vi) Any other related matters that the Committee may deem fit:

2.13 The findings of the Committee can be summarised as follows :

1. In a number of gardens, not all vacancies that arose since 1959 were filled up. Advantage was taken of natural wastage to reduce the labour force. In a number of gardens in North East India, the employers have been found to reduce the labour force by 'inducing' voluntary retirement in a manner which may not be quite fair.

2. There is a tendency to reduce the permanent labour force and to increase the temporary or casual labour force. The existence of a surplus labour population on the plantations and in their immediate vicinity has enabled employers to meet seasonal requirements for extra labour by employing casual/contract labour. There is, however, no evidence that large scale employment of contract labour on regular work is resorted to.

3. Dependents of workers are generally given preference in filling vacancies. This should be the normal practice in North East India at least.

4. There has been a material change in the land-labour ratio since 1959. It might be difficult to fix a rigid land-labour ratio in view of the wide range of variations depending upon factors like climate, soil, productivity, efficiency in bush management, degree of mechanisation etc.

5. There has been slight reduction in employment in tea plantations, the main reasons for which are :

- (a) Adoption of mechanisation and other labour saving devices including improved cultural practices;
- (b) Combining of operations, giving fresh 'thicca' etc;
- (c) Tendency towards casualisation as revealed by provident fund and other data;
- (d) Curtailing or cutting down the wage bill in view of the increase in the cost of production due to factors outside the control of the industry and revisions of the wage structure;
- (e) Speculative habits and short-term objectives of some planters etc;
- (f) Rationalisation mainly by making use of natural wastage, in order to get rid of surplus labour which cannot be 'profitably employed'.

6. There is no evidence that there has been any significant increase in the work-load of plantation workers since 1959.

It appears that the tea industry is passing through a process of rationalisation. Opposition to such a move has sprung from the fact that the labour made surplus in this process have very little scope for alternative employment in the present state of the economy.

2.14 The surplus labour population resident on the estates is growing year by year especially in the North East. This poses a problem which demands very careful consideration. Unless openings are found elsewhere for their gainful employment, the stability of the industry itself is likely to be greatly endangered. Attempts made to move labour from surplus to deficient areas by discouraging outside recruitment have not made any significant contribution in reducing the size of the problem. The employment content of various development projects has not been encouraging; and not much progress has been noticed in the development of feeder or ancillary industries.

#### **Labour Turnover**

2.15 Labour turnover used to be a problem in tea plantations necessitating permanent arrangements for fresh recruitment either locally or from outside. The pressure of unemployment and the natural growth of the resident labour force have both operated to reduce turnover to a minimum. The need for fresh recruitment arising from natural wastage through death and superannuation/old age can be met without much difficulty. As no previous training or experience is called for, employers can meet their normal requirements locally; and many even find it to their advantage to recruit casual or temporary workers, directly or through contractors to meet seasonal needs. Such labour, on the whole, proves to be less costly, though less dependable.

2.16 It is worth noting that there is no fixed age of retirement for labour. How far this practice is socially desirable is questionable. Till recently there were no retirement benefits for labour and ordinarily one would not retire voluntarily until sheer physical incapacity forced one to do so. Now that they are in receipt of provident fund benefits, there should be no inherent difficulty in introducing retirement age provided their own relations are given preference in filling up the resulting vacancies.

#### **Absenteeism**

2.17 No reliable and up-to-date statistics on absenteeism are available. With the eradication of malaria and control of other endemic and epidemic diseases in the plantations, the causes tending to absenteeism are no longer operative with the same force. The normal absenteeism due to sickness, maternity, festival and annual leave, tends to be:

higher in tea plantations due to the nature of work (mostly carried on open doors) and the family basis of employment. Other causes of absenteeism such as private work of cultivation, social and family obligations, indifferent health due to the enervating influence of the climate and poor diet, addiction to intoxicating drinks etc. have been noted.

2.18 Employers now take more serious notice of absenteeism than they used to do before. With a reduced labour force sometimes it may occasion dislocation of normal garden work, especially during plucking which is also the season for cultivation in many areas. In some places, special leave for household cultivation is granted, enabling employers to plan their work ahead.

2.19 A high rate of labour absenteeism used to be a marked feature of tea plantations till the forties. This is no longer so, though there is still some degree of avoidable absenteeism. In some areas in the South, taking into account unauthorised leave only it has been found that absenteeism extends upto 17 to 18%. The Indian Labour Journal (February 1968) gives the following figures of absenteeism for North East India :

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

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### Footnotes

(Employer) 2.17: "Indifferent health due to the enervating influence of climate" is not peculiar to plantations and is not borne out of any particular study. Malaria and other endemic diseases have been completely eradicated from plantations and with the improved standard of sanitar yand medical facilities provided, the health of plantation workers is far better than that of workers in many other industries including agriculture. The climate in plantation areas is, if anything, healthy and salubrious. The diet is not inferior to any available to the people of the same income level in the country and in the majority of cases is better as they cultivate their own vegetables, fruits and grains and keep their own livestock.

(Labour) 2.18 : There is no authoritative evidence that absenteeism in some areas in the South has gone up to 17 to 18%.



On the other hand, the following figures have been furnished by the Indian Tea Association in its reply to the One-Man Committee for its member gardens :

	<i>Assam Branch</i>	<i>Dooars Branch</i>
1959	20.24%	11.9%
1960	19.11%	7.98%
1961	14.06%	9.11%
1962	9.28%	9.24%
1963	7.63%	8.16%
1964	7.45%	8.00%

2.20 It appears that the concept of absenteeism underlying these figures differs. Our own experience is that the absenteeism has declined considerably as a result of stricter supervision and also because of the growing realisation on the part of labour of the importance of cash earnings and their improved outlook on work.

#### Training and Productivity

2.21 It is suggested that the degree of manipulative skill needed in the various operations carried on in tea plantations does not call for any special training, for children brought up on the estate learn by seeing others work and hearing things. Moreover, the rural background of the labour force helps. The little skill needed can thus be easily picked up. However, under the existing system, the only safeguard against bad work is effectiveness of supervision. A more positive approach to training on the job may be expected to eliminate waste of time and effort, increase the crop and improve its quality and make possible the introduction of improved processes. There is also some need to pass on to the lowest or similar level the results of experiments and research in working methods and make labour take more interest in the work by explaining the 'how' and 'why' of things. Training in the lower rungs on the job does not pose any problem if the managerial and supervisory staff possess the required experience and training. It cannot be said that all estates possess such a staff of trained personnel.

#### Footnote

(Employer) 2.21 If it is recognised that most work in plantations is of an unskilled manual nature, the estate labour by itself is incapable of using the fruits of research at that level. The suggestion shows no practical understanding of the class of labour employed in plantations.

2.22 To fill the skilled job of artisans, experienced and often trained personnel are available. In the case of clerical staff, the educational background is considered sufficient for picking up the elements of skill needed. In various jobs, however, on the job training in methods of work may easily lead to increased efficiency. Tradition is often the enemy of innovation; but progress is not possible without a happy combination of both.

It is found that in certain jobs, apprentices are entertained; but generally the system of recruiting to the lowest grade and filling up higher grades through promotion imparts a degree of training in the superior cadres.

2.23 The adoption of improved cultural practices, introduction of selective breeds of plants, more effective pesticides and fertilisers, the regular in-filling of vacancies and improved timing of operations have all gone a long way to raise the crop yield per acre and per bush. The Research Stations in existence of which Tocklai is the most famous have greatly contributed to this progress. Indeed among agricultural commodities, the tea industry's achievements in the field of productivity have been remarkable. The quality of the tea produced depends also on other factors involving organisation of work in the factory, improved lay-out and design, and techniques of manufacture. To this end, older factories and machineries are replaced within the financial means of the employers. In a number of regions the introduction of overhead irrigation has gone a long way in solving the problem created by drought.

2.24 The contribution of labour in the field of productivity cannot be isolated. Better organisation and methods of working and higher capital-labour ratio are primarily responsible for increased productivity; but these are made possible through labour's co-operation. Such co-operation is readily forthcoming so long as the techniques do not prove to be labour-saving and does not lead to intensification of work.

2.25 The benefits of higher productivity have accrued to the workers in the shape of more wages for increased crop, higher rate of bonus and amenities, and stability in employment. It has also been possible to simplify work and make it less arduous, sometimes by mechanising certain operations. Productivity drives need not necessarily involve

intensification of labour. The same input of labour may yield better results, qualitatively and quantitatively, by proper direction and organisation. There is still room for co-ordinated efforts to increase productivity by methods which do not lead to displacement of labour.

In so far as productivity gains are made possible through more effective utilisation of labour and their participation in improved techniques, the contribution made by labour is direct. There should therefore be an equitable basis for sharing the gains in productivity to ensure labour's whole-hearted co-operation, instead of relying on the indirect gains noted above.

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#### Footnotes

*(Labour)* 2.25 : It is not true to say that the benefits of higher productivity have accrued to the workers in the shape of more wages for increased crop, higher rate of bonus and amenities. The earnings from plucking have gone down as a result of introducing fine plucking. As for 'higher' bonus, suffice it to say that the minimum bonus has become to be the maximum irrespective of profit due to the industry having been allowed exceedingly high prior charges.

*(Employer)* 2.25 : It is stated that 'there should be an equitable basis for sharing the gains in productivity..... instead of relying on the indirect gains noted above'. This is a contradiction of the very first statement in this paragraph that benefits of higher productivity have accrued to workers in the shape of more wages. Since the plucking of tea, the major operation on tea estates, is paid for on a piece rate/incentive system, the higher crop yields inevitably result in higher wages apart from the wage increases which have taken place in the industry. How a more direct system of sharing of productivity can be designed is not understood.

*(Employer)* Chapter II : The report makes no mention of the employers' case for fixation of objective and scientific workloads. The existing tasks and workloads were evolved by custom and usage and there is strong resistance by workers and their unions to change the customary tasks even though such changes achieved by reorganising work methods may not result in an increase in the workload. There is an urgent need, by means of work study, to fixing objective norms for a fair day's work, with a view to utilising the manpower resources more effectively. Unfortunately, no attention could be given to such questions which affect the future survival of the industry under increased wage costs.

### CHAPTER III

#### SYSTEM OF WAGE PAYMENT AND WAGE FIXATION

3.1 Ordinary labourers, except those who are included in the category of sub-staff, are engaged on a daily wage basis. In most field operations, the daily wage is paid for the performance of a fixed task irrespective of the number of hours worked. Straight piece-rate with a guaranteed fair wage is the usual mode in plucking, except at the beginning and end of the season when the quantity of leaf is inadequate. Factory work and operations whose job-content is indeterminate are paid for on a time basis, usually for 8 hours' work.

3.2 In Assam, on works other than plucking of leaf, the common system of piece-work is what is known as the 'hazira' and 'ticca' system. The 'hazira' refers to the task as well as to the rate paid and varies from area to area and also from garden to garden, depending on the nature of the terrain, spread of bushes, method of working etc. The size of the task depends on tradition and experience and not on any scientific evaluation, and usually takes about 4 to 5 hours to complete.

3.3 "Ticca" is the task fixed for a day's wage concerning agricultural operations like pruning, hoeing, etc. While one has scope for earning more than the "hazri", the opportunity to do so is limited by the size of the task.

3.4 A variant of the above system in West Bengal plantations was the 'hazri' and 'doubli' system. The 'hazri' referred to was the first task to be performed in the morning which occupied about 4 hours. In the afternoon, workers were free to take up another task, the 'doubli' which though smaller was paid for at the same rate. In the hill plantations of Darjeeling, the 'hazri' alone used to be worked. The dearness allowance was distributed between 'hazri' and 'doubli' in the ratio of 60:40 or 65:35. It is noteworthy that workers were under no compulsion to take up the 'doubli' work. The 'hazri' and 'doubli' system was also prevalent.

in Tripura. The hazri/doubli system has now been abolished by the Wage Board's Award. In the North Indian plantations, wages are paid on a time basis.

3.5 In the South, both time and piece rates prevail. A fixed task is set for the day which the worker is expected to complete. Incentive is offered in the shape of additional work which may be allotted after completion of the task and for which extra remuneration is paid. Time rates are usually fixed for 8 hours.

3.6 Plucking is the most important operation on a tea plantation and it is in plucking that workers earn most. As soon as adequate leaves are available, workers are paid at piece rates which are usually so devised that an ordinary worker will not fail to earn the daily wage. Most pluckers earn substantially higher. In Assam Valley, straight piece rates are the rule at present, but in the Surma Valley, due to lower crop, a basic task is worked out, any excess leaf plucked being paid at the piece-rate. In Dooars and Terai, extra leaf plucked above a fixed task was paid for at piece-rate. In Darjeeling, the daily rate is paid on completion of the fixed task, and extra leaf is paid for at piece-rates. In the South, two systems are followed. In Madras and Mysore, the current minimum time rates are paid on completion of fixed task, and additional payment is made for extra leaf plucked at varying rates. In Kerala, pluckers are paid on piece-rates subject to the guaranteed minimum time rate.

3.7 Workers usually work 8 to 9 hours during plucking and the various systems are designed to give added incentive to work, at the same time ensuring the minimum time rate.

3.8 Factory workers, who are almost invariably on time rate basis, are paid a differential of upto two annas in some places as an incentive. In the South, extra payment to factory workers is made under agreement or award.

3.9 Before Independence, there was no question of wage bargains as labour was wholly unorganised. The planters offered wage rates which just sufficed to meet the minimum requirements of the labour families at the level of subsistence. The entire family (barring the very young children) turned out for work at least five days in a week. The wage system played its part in making labour entirely depe-

dependent on the employers. The low level of cash earnings then prevailing has been the subject of comment in all Enquiries and the Rege Committee remarked, "The monthly cash earnings per labourer on books are undoubtedly low and have to be increased if the industry wishes to get rid of the bad name on this account."

3.10 The planters have consistently held that unlike labour in other industries, plantation labour enjoy certain amenities and opportunities which considerably reduce their minimum requirements, such as :—

- (1) the family basis of employment ;
- (2) land for cultivation, fuel and grazing ;
- (3) cheap foodstuffs and clothing ;
- (4) free housing, medical attendance, and maternity benefit.

These amenities were no doubt a redeeming feature in an otherwise gloomy picture, but they also served to emphasise the economic subservience of labour to their employers.

#### Footnotes

(*Employer*)3.9 : The observations made here are not relevant to the terms of reference of the Study Group. The low level of wages, on which the Rege Committee had occasion to comment, without a direct comparison with the current wages and working conditions is a biased and unbalanced statement. The suggestion that the wage system played its part in making labour entirely dependent on the employer is true of any employment in any industry. The inference here appears to be an accusation against employers. This does not also accord with facts when the industry has a record of statutory fixation of minimum wages, fair wages fixed as a result of collective bargaining and fair wages fixed by Central Wage Boards. What is relevant to be noted for purposes of the report is the existing wage systems, how they were fixed and in what directions improvements are necessary. It is unfortunate that instead, the opportunity is used for insinuation and accusations.

(*Employer*)3.10 : These amenities are available to workers as a matter of right under legislation or as a condition of service and it is not understood how they emphasise their "economic subservience". If they do, it is not understood why more and more welfare benefits are demanded and wrested from

3.11 The war-time rise in the cost of living was sought to be met by issue of foodstuffs and cloth at concessional prices; but nevertheless, at the time of the Rege Committee's investigations, "The cost of living has gone up by at least 200% in the plantation areas in North-East India since 1939, while the total earnings of plantation workers including the value of foodstuffs and cloth concession have been only nearly doubled in them. In South Indian plantations, the cost of living has gone up by 100% while the earnings went up by 50% in the case of men and 70% in the case of women who were getting very low wages before the war". This necessitated detailed cost of living studies on approved statistical lines. At the same time, public health measures to conserve labour's health and efficiency were intensified. In the forties, the cash earnings were gradually increased by successive doses of dearness allowance which were agreed upon in Tripartite Conferences.

#### Wage Fixation under the Minimum Wages Act

3.12 Soon after the passing of the Minimum Wages Act, the different State Governments proceeded to fix minimum wages under the Act, generally by following the Com-

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the industry and any move to curtail or withdraw existing facilities even by converting the value of benefit into cash is resisted by the workers.

#### (Labour) 3.10 :

1. The family basis of employment is not being accepted by the employers as a matter of policy or principle.
2. Land for cultivation is only available to a negligible number of workers.
3. In the South there are no such amenities like (i) land for cultivation, and (ii) cheap foodstuffs and clothing.

#### (Employer) 3.11 :

The details relating to the pre-war level of wages are also unnecessary for the purpose of the Study Group's report. It is admitted that the pre-war wages were low in the industry; but then wages were low in all industries and in line with the general economic conditions in the country. What is not stated is that in addition to cash wages, the plantation worker enjoyed several benefits including concessional supply of foodgrains during this period.

mittee procedure. The minimum wages notifications published in 1952 for the first time introduced uniformity in the wage structure on a State-wise basis.

3.13 In arriving at the minimum rates of wages, the traditional assumptions relating to minimum family requirements, the family basis of employment of labour, and the fringe benefits available, provided the necessary framework and the other important factors like productivity, the value of service rendered etc. were not sufficiently stressed, except to the extent necessary for assessing the paying capacity of the Industry and its future needs. Nevertheless, the wage rates fixed for ordinary labour marked an improvement on those prevailing heretofore.

3.14 In the South, these wage rates were expressed wholly in cash. In the Madras State, the prevalent practice was followed and composite wage-rates were fixed without any separate D. A. In Travancore-Cochin (present Kerala State), a separate D.A. was notified linked to the cost of living index. Besides, a piece-rate system was introduced for tea pluckers providing for a fall-back or guaranteed time rate irrespective of output. It is significant that no rates were laid down for performance above the standard outputs laid down; but an incentive bonus of 4 pies per lb. came to be paid on the recommendation of the State Planters' Association.

3.15 In North-East India, the original notifications expressed the wage rates in two parts, viz., basic wage and dearness allowances; but the latter was not linked to the cost of living index. Besides, the then existing system of issuing foodstuffs at concessional prices was continued. The wage-rates for ordinary labour which came to be established du-

#### Footnote

(Employer)3.13 : A lack of understanding of the method of minimum wage fixation and the factors to be taken into account is evident here. Minimum wages were definitely fixed taking into account minimum family requirements, the family basis of employment and the fringe benefits. A reference to the various Minimum Wages Committee's reports proves this. Factors like productivity, value of service rendered and paying capacity are irrelevant to fixation of minimum wages, as has been repeatedly held by the Supreme Court.



ring 1952 as a result of minimum wage fixation are summarised in the following table :—

**Ordinary Labour—Minimum wage-rates as originally fixed during 1952  
(as expressed in decimal coinage)**

Area	Category of Worker	Basic Wage	Dearness Allowance	Total
		Rs.	Rs.	Rs.
Madras	Grade I	1.31		1.31
	Grade II	1.00		1.00
	Children	0.62		0.62
Travancore				
Cochin : (Present Kerala State)	Field Workers :			
	Men	0.94	0.65	1.59
	Women	0.70	0.50	1.20
	Children	0.47	0.33	0.80
	Adolescents	5/8th adult		
Factory Workers :				
	Men	1.06	0.75	1.81
	Women	0.81	0.56	1.37
Darjeeling	Men	0.50	0.44	0.94
	Women	0.44	0.44	0.88
	Children	0.25	0.25	0.50
Dooars & Terai	Men	0.75	0.44	1.19
	Women	0.62	0.44	1.06
	Children	0.37	0.25	0.62
Assam				
(Kamrup, Nowgong, and North Lakhimpur)	Men	0.75	0.31	1.06
	Women	0.69	0.31	1.00
	Children	0.37	0.16	0.53
Rest of Assam Valley :	Men	0.75	0.37	1.12
	Women	0.69	0.31	1.00
	Children	0.37	0.16	0.53
Cachar :	Men	0.62	0.31	0.93
	Women	0.56	0.31	0.87
	Children	0.37	0.16	0.53

3.16 These wage-rates as originally fixed were substantially modified during the decade that followed. In Madras State, the issue of wage (in respect of 228 estates) was referred to a Special Tribunal simultaneously with the fixation of minimum wages. The final award when it came to be

announced proved unacceptable to the employers and was challenged in an Appeal before the Supreme Court. While the Appeal was still pending, a settlement was effected through the intervention of the Madras Government on the 15th April, 1957. In October, of the same year, a settlement was reached in respect of staff wage-rates also. Existing job differentials were agreed to be maintained above the revised wages. Certain other benefits, such as, provident fund, gratuity, etc. were also introduced. The agreement finally received the approval of the Supreme Court.

A similar settlement was also reached in the Kerala State in January, 1958, following a reference of the wages question to a Special Tribunal.

3.17 In North-East India, wage-rates were raised during 1953-55 as a result of the grant of cash compensation for revision of the prices of cereals and for abolition of issue of some other concessional food items. Wage-rates were again revised during 1959 (for Cachar District in 1961).

3.18 The notifications issued by the West Bengal Government in 1959 linked dearness allowance with the cost of living index in a manner which came to be interpreted differently by the parties involved. In 1965, the Trade Unions claimed 200% compensation for the rise in the cost of living, while the employers maintained that they were paying the correct minimum wage. Ultimately, through the intervention of the Labour Minister, a settlement was reached on the basis of a lumpsum payment of Rs.20/- to all those who had worked for 240 days in 1955, with *pro-rata* payment for those who had worked for less than 240 days and a minimum payment of Rs. 5/-. The 1959 notifications were cancelled. In 1967, it was further agreed that lumpsum payments should also be made to different categories of staff.

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#### Footnote

(Labour) 3.18 : The trade unions did not claim compensation on the basis of any percentage rise, but on the basis of the Notification.

3.19 The wage-rates of ordinary labour after all these changes are summarised in the following table :—

## ORDINARY LABOUR

Area	Category	Basic wage	Dearness Allowance	Foodgrain Concessions
		Rs.	Rs.	
<b>Assam Valley :</b>				
(different rates fixed for diff. zones)	Men	1.45 & 1.52	0.31 & 0.37	Rs. 20.00 and Rs. 17.50 per md. of cereals according to Zones.
	Women	1.39 & 1.45	0.31	
	Children	0.72 & 0.75	0.16	
<b>Surma Valley :</b>				
(Cachar)	Men	1.22	0.31	
	Women	1.16	0.31	
	Children	0.68	0.15	
<b>Dooars &amp; Terai :</b>				
(different rates for gardens above and below 500 acres)	Men	1.24 & 1.25	0.60 & 0.56	Rs. 15.00 per md. of cereals.
	Women & Adolescents	1.12 & 1.13	0.31	
	Children	0.69	0.56 & 0.40	
<b>Darjeeling</b>				
	Men	1.05	0.40	Rs. 17.50 per md. of cereals.
	Women & Adolescents	1.00	0.40	
	Children	0.50	0.30	
<b>Tripura :</b>				
	Male } Adult	0.88	0.37	Rice at Rs. 20.00 per md.
	Female } & adole	0.75	0.37	
	Children	0.50	0.12	
<b>Bihar :</b>				
(Ranchi)	All workers	1.37 all inclusive	...	...
<b>U. P. :</b>				
	Adult over 19 years of age.	1.44 all inclusive in Dehra Dun.	...	...
		1.00 & 0.66 all inclusive in Almora	...	...
<b>Punjab :</b>				
	Men	1.00	...	...
	Women	0.69	...	...
	Children	0.50	...	...
<b>Madras :</b>				
	200 acres and less		Above 200 acres	
	Grade I	1.56		1.72
	Grade II	1.16		1.31
	Adolescents	0.94		1.00
	Children	0.72		0.72
<b>Kerala :</b>				
	Above 100 acres		Others :	
	Men	1.72		1.65
	Women	1.34		1.27
	Adolescents	1.06		1.04
	Children	0.85		0.83

Mysore : Kadamane & Goomenkhan Estates.	Others :		
	Above 600 acres	Between 500 & 600 acres.	Below 50 acres
Men 1.75	1.67	1.62	1.53
Women 1.35	1.28	1.23	1.12
Adolescents 1.15	1.05	1.00	0.95
Children 0.95	0.80	0.80	0.80

3.20 As has been noted above, the estate staff in the South were excluded from the purview of minimum wage fixation in view of the express submission by the Estate Staff's Union of South India. Staff pay-scales in South India were recommended on an industry-wise basis for the first time in 1944 voluntarily by the United Planters' Association of South India. A negotiated salary scale structure and other terms and conditions of employment of staff were arrived at only in March, 1948. The Estate Staff were also covered by the reference for adjudication made to the Special Industrial Tribunal referred to above and in their case also a negotiated settlement was effected. In the Agreement which was finally approved by the Supreme Court, separate scales were laid down for small estates, medium estates, and large estates, both for the general and senior grades. The next revision of staff emoluments was made in 1955 when the issue was pending before the Wage Board.

3.21 A separate D.A. for the Estate Staff was introduced during the Second World War. The UPASI scale of D.A. which came to be introduced later in 1946 as a result of negotiation with the Estate Staff's Union of South India continued until the staff settlement of 1965.

3.22 In North-East India, the I.T.A. introduced pay-scales on a uniform basis in respect of clerical and medical staff for its member gardens in all areas except Darjeeling in the year 1947. The scales were revised in Assam as a result of agreements reached at the Assam Standing Labour Committee in August, 1954. In the meanwhile, pay-scales were also laid down for different categories of artisans. It may be noted in passing that the Assam Minimum Wage Notification of 1952 laid down the minimum basic pay and D.A. for both staff and artisans. The 1947 scales were revised in the Dooars and Terai Districts of West Bengal in January, 1955, following agreements reached at meetings of the Minimum Wages Advisory Committee. The scales of pay

applicable to Darjeeling were at a lower level. These scales were also revised in 1951, in 1955 and finally in 1959.

3.23 Staff pay-scales for estates in the membership of other associations were in general fixed at a lower level on the plea that the paying capacity of these estates was lower and that the staff employed therein were in general not of equivalent standard. The Assam Government referred the issue of staff pay-scales covering the estates in the membership of these associations to the Industrial Tribunal.

The Award recognised the varying paying capacity of estates and prescribed two different pay-scales for staff in the Assam Valley according to the size of estates and two different pay scales also for Cachar District according to the crop yield of the estates.

3.24 In North-East India also separate D.A. rates were laid down which were revised from time to time depending on changes in the cost of living after negotiation with the staff unions.

3.25 Though no clear-cut principles were followed in fixing and revising staff pay-scales, it is noteworthy that collective bargaining has largely proved effective in settling the question of staff pay-scales in a reasonably peaceful manner.

### Wage Fixation—Wage Board

3.26 The decision to set up a Wage Board for the Tea Plantation Industry was taken at the 9th Session of the Industrial Committee on Plantations and an assurance was held out that a scientific examination of the whole wage structure of the Industry, on the basis of capacity to pay, would be undertaken. Accordingly, an all-India Wage Board was set up on the 5th December, 1960, under the Chairmanship of Shri L. P. Dave with the following terms of reference :—

“To work out a wage structure based on the principles of fair wages as set forth in the Report of the Committee on Fair Wages as far as practicable.

In evolving a wage structure, the Board should, in addition to the considerations relating to fair wages, also take into account—

- (i) the needs of the industry in a developing economy;

- (ii) the system of payment by results ;
- (iii) the special characteristics of the industry in various regions and areas ;
- (iv) categories of workers to be covered (this may be according to the definition of workmen in the Industrial Disputes Act) ;
- (v) working hours in the industry.

#### Explanation

Whenever applying the system of payment by results, the Board shall keep in view the need for fixing a minimum (fall-back) wage and also to safeguard against over-work and undue speed."

3.27 The Board issued a detailed questionnaire and collected voluminous statistical and financial data. As the final recommendations took time to be formulated, interim wage increases were recommended which were duly implemented in all estates.

3.28 The Board submitted its report in April, 1966. Its final recommendations were unanimous so far as the wage-structure of labour is concerned. The Govt. of India accepted the Board's recommendations and published them in the Gazette of India on the 4th June, 1966. The recommendations were to be given effect to in two parts, viz., from 1-1-66 and from 1-4-66. The final position is summarised below :—

LABOUR WAGES : BASIC RATES FROM 1-4-66 (in Rs. P.)				
North-East India :	Men	Women	Children	Adolescents
<b>1. Assam :</b>				
Dibrugarh Sub-Division and Sibsagar District :				
Plantations of 150 acres and above ..	2.25	2.07	1.09	
Other Plantations ..	2.22	2.04	1.08	
North Lakhimpur & Tezpur Sub-Division :				
Plantation of 150 acres and above ..	2.18	2.01	1.06	
Other Plantations ...	2.15	1.98	1.05	
Mangaldai Sub-division ..	2.15	1.98	1.05	
United North Cachar & Mikkir Hills, Nowgong, Kamrup & Goalpara ..	2.08	1.97	1.05	
Districts :				
Cachar and Tea Plantations within 10 miles of Dimapur : ..	1.72	1.62	0.92	

**2. West Bengal :**

Dooars :	Men	Women	Children	Adolescents
Plantations of 500 acres and above ...	2.13	1.96	1.15	
Plantations below 500 acres ...	2.10	1.93	1.15	
Terai & Cooch Behar : ...	2.07	1.90	1.13	
Darjeeling : ...	1.75	1.64	0.95	
3. Tripura : ...	1.53	1.34	0.75	

**NORTH INDIA :***From 1. 6. 1966***4. Punjab & Himachal Pradesh (Kangra & Mandi) ...**

1.20 0.94 0.55

**5. Uttar Pradesh :**

Dehra Dun ...	1.60	1.60		
Berinag & Chokorie area of Almora Dist. ...	1.20	1.20		
Other areas of Almora Dist. and Garhwal Dist. ...	0.86	0.86		

6. Bihar : Ranchi : ... 1.55 1.55

**SOUTH INDIA :****7. Madras :**

100 acres and above ...	2.25	1.80	1.13	1.35
Less than 100 acres ...	2.11	1.66	1.13	1.29

**8. Kerala :**

100 acres & above ...	2.25	1.80	1.13	1.35
Less than 100 acres ...	2.18	1.76	1.11	1.33

**9. Mysore :**

100 acres & above ...	2.25	1.80	1.13	1.35
Less than 100 acres ...	2.11	1.64	1.13	1.25

3.29 Factory workers are to receive the existing wage differential over field workers in North-East India, whereas in South India, men, women, and adolescents working in factories are to receive a differential of 20, 15, and 15 paise respectively over the new daily rates for field workers. Corresponding wage increases are also recommended for supervisors/maistries in South India.

3.30 The basic wage rates for field and factory workers correspond to 170 points in the all-India consumer price index number (with 1949 as base). From 1st April, 1967, a variable dearness allowance is to be paid calculated at the rate of 0.4 paise per day per point of increase over 170 of the index in the case of North-East India. The dearness allowance is to vary every year according to the rise in the

cost of living over the average of the preceding year, subject to an increase of 16 points or 6 paise in any one calendar year, any increase over that being carried over to the following year upto the level of 200 points in the average all-India index number. In the case of North India and South India, the allowance is to be calculated @ 0.75 paise per point increase (upto a maximum of 12 points per annum in North India and 16 points in the case of South India).

For increase in the cost of living beyond 200 points, the parties are to negotiate a fresh formula of compensation.

3.31 The Board has not thought fit to interfere with the existing piece-rates (including plucking rates).

3.32 The salary scales for different categories of staff in north-East India have also been recommended by the Board. These are indicated below :—

Grade :	Estates of 300 acres and above :	Other Estates :
<i>A—Clerical Staff :</i>		
I	Rs. 220—8—300—10—400/-	Rs. 150—6—210—7—280/-
II	Rs. 160—6—220—8—300/-	Rs. 110—4—150—5—200/-
III	Rs. 125—4—165—190—6—220/-	Rs. 90—3—120—4—180/-
<i>B—Medical Staff :</i>		
I	Rs. 250—15—400—EB—20—600/-	Rs. 220—8—300—12—480/-
II	Rs. 160—7—230—10—330/-	Rs. 120—4—160—5—235/-
III	Rs. 130—5—180—7—250/-	Rs. 90—3—120—4—180/-
<i>C—Artisan Technicians :</i>		
A	Rs. 210—8—290—10—390/-	Rs. 180—8—260—10—360/-
B	Rs. 150—6—210—7—280/-	Rs. 130—6—190—7—260/-
C	Rs. 100—3—130—4—170/-	Rs. 80—3—110—4—150/-
<i>D—Subordinate &amp; Monthly-Rated Staff :</i>		
I	Rs. 80—3—140/-	Rs. 80—3—140/-
II	Rs. 70—2—110/-	Rs. 70—2—110/-
III	Rs. 60—2—100/-	Rs. 60—2—110/-

#### Footnote

(Employer) 3.30 :

It is incorrect to say that for increase in the cost of living above 200 points, the parties are to negotiate a fresh formula for compensation. What was stated by the Tea Wage Board was that if the average consumer price index rose beyond the level of 200 points, the parties would be at liberty to review the scheme of D. A. and reach a fresh agreement to take effect after the expiry of the operative period of the Board's recommendation, i. e., after 31st December, 1970, for any further period.



Some of the above grades will not apply to estates below 150 acres and also in the depressed areas like Darjeeling, Tripura, Mikkur Hills and Cachar.

3.33 The dearness allowance is to consist of two parts :—

- (i) a fixed d. a. @20% of the new basic pay (after adjusting for existing d.a.); and
- (ii) a variable d.a. from 1st April, 1967, @ 0.4% of the new basic pay per point rise in the index number above 170 for clericals, medical and technical staff and @ 0.3% in the case of subordinate staff, subject to compensation being paid upto 16 points in each calendar year, on the same principle as in the case of ordinary workers. No further increase is to be allowed for increase in the index above 200 points before 31st December, 1970.

3.34 A servant allowance of Rs. 35/-p.m. which should ultimately rise to Rs. 55/-p.m. in the case of estates above 300 acres has been laid down in the case of the eligible categories of staff.

3.35 In the case of North Indian estates, only 2 scales have been laid down as under :—

- (i) Minimum grade for staff— Rs. 90-3-120-4-160/-
- (ii) Minimum grade for sub-staff— Rs. 60-2-100/-

### South India

3.36 In South India the pay scales, dearness allowance, servant allowance, categorisation and fitment are given below :—

#### SCALES OF PAY w. e. f. 1-1-65

##### A. Large Estates in all the three States :

General Grade—Rs. 40/50—3—56—4—80—EB—5—120—EB—6—180/-  
 Senior Grade 'A'—Rs. 90—6—120—EB—7—148—EB—8—196—200/-  
 Senior Grade 'B'—Rs. 150—10—280/-  
 Selection Grade I—Rs. 250—12½—350/-  
 Selection Grade II—Rs. 300—15—420/-

##### B. Medium Estates in Madras & Kerala :

General Grade—Rs. 40—50—3—56—4—80—EB—5—130/-  
 Senior Grade (for Heads of Departments only)—Rs. 90—6—120—EB—7—148—EB—8—180—10—220/-

*C. Medium 'B' Estates in Mysore :*

General Grade—Rs. 40/50—3—60—4—80—EB—5—135/-  
 Senior Grade—Rs. 90—6—120—EB—7—148—EB—8—196/-

*D. Medium 'A' Estates in Mysore :*

General Grade—Rs. 40—3—55—4—75—EB—5—105/-  
 Senior Grade—Rs. 90—5—120—EB—6—156/-

*E. Small Estates in Madras & Kerala :*

General Grade—Rs. 40—3—70—4—90/-  
 Senior Grade—(for Heads of Department only)—Rs. 90—5—120—  
 EB—6—150/-

*F. Small Estates in Mysore :*

- (a) General Grade—Rs. 30—3—45—4—65—5—75/-  
 (b) General Grade—Rs. 35—3—50—4—70—5—80—EB—5—90/-  
 Senior Grade—Rs. 80—5—90—6—120/-

A new scale of dearness allowance was also agreed to under the settlement, which is related to the basic salary. The dearness allowance is Rs. 60.50 for a basic pay of Rs. 30/- and rises to Rs. 143.49 for a basic pay of Rs. 420/-

3.37 As was to be expected, the Board has brought about an upward revision of the wage and salary structure and has also effected a standardisation of staff pay scales in the North and North-East India. No attempt has been made to relate the wage rates to performance and in consequence the normal load of work to which the wage rates are related.

**Footnotes**

(Employer) 3.36 :

Even though South Indian staff terms were settled by agreement, the terms of the settlement were accepted by the Tea Wage Board by a majority and notified by the Government as the recommendation of the Wage Board. The scale of pay and D. A. provided under this agreement should therefore have been given as the new scales recommended by the Wage Board. The reason for its omission is not clear but serves to present a picture which is outdated and one-sided.

(Employer) 3.37 :

It is incorrect to say that the Wage Board made no assessment of the actual needs of the workers. An assessment of the workers' needs was made in paragraphs 3.89 and 3.90 of the Wage Board's Report in respect of 5 plantation centres. The wage recommended by the Wage Board was a fair wage based "as far as practicable" on the principles laid down by the Fair Wages Committee.

remains vague. By recommending a variable dearness allowance, based on increase in the cost of living, the principle of compensation has been conceded within limits. In recommending different wage rates according to the size and location of the plantations, the Board appears to have taken note of the paying capacity of the industry. However, no assessment of the actual needs of the workers appears to have been made. In short, the Tea Wage Board failed to fix wages on a scientific basis and functioned merely as a forum for revision of wages by collective bargaining.

### Incentive Wage : Plucking Rate

#### South India :

3.38 The Tea Wage Board did not prescribe new piece-rates but recommended that the existing systems should continue and that the rates should be fixed to accord with the increases recommended for daily-rated workers. In Madras and Kerala, demands were soon made for revision of plucking rates which are paid on incentive rate basis. After negotiation, the rates were revised in Madras in August 1967. The new rates which came into effect from 1.4.1967 are :—

<i>District</i>	<i>Basic Output</i>	<i>Rates per kg. above base output</i>
Anamallais	10 kgs.	6.50 paise
Nilgiris	10 „	9.00 „
Nilgiris-Wynaad	10 „	7.50 „
Madurai	10 „	6.50 „
Tirunelveli	10 „	6.50 „

(In case of the Anamallais, Madurai and Tirunelveli, the base output for men shall be 12 kgs.)

The question of revision of piece-rates in Kerala is under discussion.

#### North India :

3.39 In the Assam Valley Districts, the incentive plucking rate was fixed at 0.8 paise per kg. (besides compensatory additives zone-wise). It was contended that if the new wage-rates as recommended by the Wage Board were guaranteed, the plucking rate as such need not be revised. Under strong pressure from the Union, the plucking rate was revised as under :—

0.9 paise per kg. of leaf plucked plus the following daily allowances :—

	Zone 1 & 2	Zone 3 (excluding Nowgong)	Nowgong circle
Male ...	58 p	43 p	37 p
Female ...	56 p	41 p	35 p
Child ...	24 p	17 p	14 p

These came into effect from 29-6-1967.

3.40 In Cachar District, the daily wage is paid for a fixed task, the leaf plucked in excess thereof is paid at rates varying from estate to estate (generally 2 to 3 paise per kg.) In the Dooars, the wage is related to an 8 hours day and a task of 24 kgs. In the Terai, the task is 20 kg. Workers who pluck in excess of the prescribed tasks are paid at the rate of 5.5 paise per kg.

3.41 In Darjeeling, the Manager fixes a task for plucking on the basis of an 8 hr. day for which the daily wage is paid. For leaf plucked in excess of the task, payment is made at the rate of 5.5 to 6.5 paise per kg. depending upon the elevation of the estate and the type of tea grown.

3.42 In all cases, depending upon the availability of leaf, there is scope for augmenting the earnings of he pluckers, but there is not much direct incentive either to pluck more or pluck finer, under the current practice.

#### General Principles : Wage Fixations

3.43 The above account of wage fixation shows that collective bargaining, with or without State intervention, has proved to be a more efficacious method in finding a satisfactory solution of the problem. The tradition of fixing wages through negotiated settlements built up over the years should, therefore, be given all possible encouragement and imposition from outside should be limited to the minimum.

3.44 Too much emphasis on the traditional needs of an average family has coloured all wage discussions hitherto. There is no obvious logic in taking the average needs of an

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#### Footnote

(Labour) 3.40 :

In the Dooars & Terai, the wage is related to an 8 hours' day and a task varying upto 31 kg. depending on the practice prevailing in the tea gardens.

hypothetical average family as the basis for determining what thousands of families above or below the average size should live upon. Gainful employment should provide enough to a worker to maintain himself at a reasonable standard and also to raise a family. What the total family earnings are likely to be is immaterial in this context. To be satisfying, the normal expectation of a worker gradually to improve his economic position should be fulfilled by the wage-rate.

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#### Footnotes

(Employer) 3.44 :

The observations contained in this paragraph are wholly objectionable. It is a fact that family employment is the basis on tea plantations. The average family, hypothetical or not, has, therefore, to be the yardstick in fixing wages. Plantations provide concessional food-grains, free housing, fuel, water, sanitation, medical and recreational facilities, etc., on the basis of the family. These constitute a considerable liability which would have been limited if employment was on an individual basis as in other industries.

Plantation labour consists of more than 50% female workers. No other industry employs anything more than 10 to 12% of female workers. All previous wage fixing authorities in plantations, namely, the Minimum Wages Committee in all the States, Mammen Tharakan Committee in Kerala, the Special Industrial Tribunal in Madras, etc. have accepted family employment in plantations as the basis for wage fixation. The Tea Wage Board has also accepted this basis in principle, though the Board did not express itself in a forthright manner on this. The Minimum Wage Committee of Travancore-Cochin even conducted a Family Budget Survey and Census and on that basis came to the conclusion that the average number of actual consumption units and the actual number of wage earners should be taken for the purpose of wage fixation. Similar surveys were conducted in North-East India.

This industry would be totally unable to pay a wage based on the hypothetical norm of one wage earner for three consumption units. To do so, the wages would have to be trebled and this cannot be done without a massive reduction in labour force and reorganisation of work methods and workloads, which course the report in other parts has opposed. It also shows that a matter which has been considered exhaustively in other Committees and Boards is

3.45 Though in the ultimate analysis, wages should reflect the productivity of the economy as a whole, on a narrower view, the paying capacity of the industry in question normally forms the basis of discussion. In this context, labour opinion has directed a critical look at the cost structure of the industry. The Plantation Inquiry Commission also noted that "high managerial overheads are by no means essential for efficient productivity. They are only an accident of historical circumstances." This necessarily leads to the question of soundness of management and the productive efficiency of the various participants in the industry. The basis for a reasonable wage structure should be laid by socially ensuring all-round high productive efficiency. At the same time, efforts should be directed towards fixing objective norms for assessing the relative contribution made by each of the parties.

disposed of most casually and summarily by a personal opinion of the author without as much as a discussion in the Study Group.

(Employer) 3.45 :

The observations of the Plantation Inquiry Commission made 12 years ago and based on the study of the industry over 15 years ago are not necessarily valid today, even if they were at the time.

The managerial costs are not the same as overheads and the term used here is either due to ignorance or is intended to mislead. Managerial expenditure in tea is not higher than in other organised industries as can be substantiated by a comparison of the expenditure on this account with the total wage bill or cost.

The assumption behind this paragraph is that a reduction in the managerial overheads will be sufficient to pay a higher wage to workers. The weight of managerial expenditure in total cost has been steadily coming down. For South India it was 4.3% in 1947 and 2.7% in 1965.

The so-called high cost of management must be judged in terms of the results achieved in terms of higher production and the greater efficiency of the corporate sector so managed. Unrealistic economy in managerial expenditure can be achieved only at the expense of efficiency. The results of so-called economy in managerial expenditure can be seen in most tea areas in run-down dilapidated tea estates which bring hardship to workers and present Government with chronic problems for their rehabilitation.

## Bonus

### South India :

3.46 The system of payment of bonus was first started in plantations in South India from the year 1947 as a result of a resolution passed by the first Tripartite Labour Conference called by the Dewan of Travancore in 1946. The resolution was to the effect that every worker in all organised industries should be given a lumpsum payment amounting to a minimum of 4% of his total earnings in the year. Subsequently, this practice was followed not only in Travancore State, but also by the State of Madras. Commencing from the year 1948, the final determination of bonus has been on the basis of negotiated settlements reached with the labour unions of each State. A feature of the settlements of labour bonus in the plantation industry is that State-wise agreements are reached and all the Members of the Associations pay a uniform rate of bonus to their members. Such uniformity has considerably helped in maintaining industrial peace. Although the issue of bonus in Madras for the year 1949-50 was referred for adjudication, a bipartite settlement was eventually reached. The industry-wise rates of bonus are discussed and agreed upon each year having regard to the general profit position of the tea industry in the State in the year for which bonus is payable.

3.47 Even after the enactment of the Payment of Bonus Act, 1965, the tea industry has maintained its past practice of industry-wise settlements in each State and for this purpose agreements are entered into under Section 34 of the Payment of Bonus Act. The rates of bonus paid under these settlements have varied from 4 to 13% of the total earnings. Figures for recent years are furnished below :-

		Madras	Kerala	Mysore
1964	...	9½%	9%	6½%
1965	...	10%	9%	"
1966	...	9½%	9%	"
1967	...	8½%	not yet settled.	

3.48 Staff bonus has always been paid on an individual/ employer basis after mutual discussion between the staff union and the management. On an average, the company sector has paid about 33-1/3rd% of the basic wages as bonus.

### North-East India :

3.49 In the North-East Indian Plantations there was no system of payment of bonus to labour. In certain regions, such as Cachar, there was a custom of paying a fixed sum as bonus on the occasion of the Durga Puja Festival. Profit Bonus on individual garden/company basis was paid to salaried staff. Industry-wise settlements were also reached with the Indian Tea Association in respect of certain years. An agreement on Industry-wise bonus payment in respect of North-East Indian tea plantations was reached through the intervention of the Central Government in 1955 covering the years 1953 and 1954 (which were high profit years for the industry).

3.50 Subsequent national agreements provided for bonus payment for later years. The last such agreement reached on 30.11.65 provides for bonus payment for the years 1962 and 1963. Bonus payments for subsequent years are to be made in terms of the Payment of Bonus Act. The requirement to pay a minimum bonus irrespective of profit and loss as laid down in the Act has evoked strong protest from the industry and representations have been made to the State Governments concerned to exempt the tea industry from this liability. The applications made so far have been rejected.

### Supply of Foodgrains—Current Controversy

3.51 In North-East Indian plantations, workers received cereal rations for themselves and their dependants at concessional prices at the following scales :-

Adults	...	...	3.26 kg.	} per week
Adult dependants	...	...	2.10 kg.	
Children	...	...	1.05 kg.	

3.52 The Indian Tea Association has contended that the issue of foodstuffs at concession has placed an ever-increasing burden on the employers, and with the inability of the State Governments to supply rice at controlled prices, employers have had to purchase it at exorbitant rates and when unable to obtain rice, they have had to offer equivalent cash compensation which in many cases workers have refused. The loss in concessional issue of foodstuffs as estimated by the Indian Tea Association for its member garden was:-

Rs. 0.76 crores in 1962	Rs. 1.47 crores in 1964
Rs. 3.50 crores in 1967	



During 1967 the employers in North-East India are said to have incurred a financial loss of some 4½ crores of rupees on this account. Owing to the general shortage of rice, procurement of supplies has been very difficult causing much anxiety to the employers as well as the workers. Delay or shortage in supply has occasionally resulted in grave threats to industrial peace. As open-market purchases are neither always possible, nor even permissible, and the prices ruling are much above the quoted controlled rates, the hardship occasioned by food scarcity can only be imagined. Moreover, the poor quality of ration supplied have frequently led to outbursts of resentment and the employers who in any case have to face the initial onslaughts can only put pressure on Government often with union co-operation and wait for the outcome.

3.53 In the past, paddy grown by workers on garden land used to be partly set off against ration entitlements. With the growth in the number of non-working dependants, complaints began to be voiced against this practice which resulted in depriving non-workers living on the estates of their food and the Assam Govt. stopped 'khet' assessment in the year 1962. Employers have been making strong representations ever since urging reintroduction of the practice and the matter is still receiving consideration.

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**Footnotes**

(Labour) 3.52 :

The alleged 'loss' on the issue of foodstuffs at concessional rates is an expenditure which if the industry had not borne would have been borne by the workers and for which proportionate cash increase would have been paid by the employers. The fact, however, remains that the difficult communication and transport facilities made it imperative for the employers to make foodstuffs available within the means of the worker to maintain the real value of their wages to a certain extent, and preserve their efficiency. It can, therefore, hardly be termed as a 'loss'.

(Labour) 3.53 :

The question of 'khet' assessment was discussed by the Assam Chah Mazdoor Sangh with the employers' association only this year and an agreement was reached whereby the employers agreed to provide facilities for increasing production by way of special leave with wages etc. and the workers agreed to part with a portion of the increased crop. This agreement was withdrawn by the industry before the provision could be worked upon.

3.54 The present system of foodgrain supply, whatever its merits, has failed to give satisfaction to either of the parties and the Wage Board's suggestion that Government should take over the responsibility of feeding labour needs serious consideration. There is a suggestion that modified ration shops should be set up by the State Government throughout the tea districts. The only other alternative is to encourage formation of cooperatives to operate in the plantations. In view of the isolated location of most plantations, the employers cannot be freed from the responsibility of issuing foodstuff unless adequate alternative arrangement is made.

3.55 It may be noted in passing that the present food scarcity encouraged some employers to consider seriously the possibility of growing cereal crops on estate land otherwise not required for immediate use.

3.56 In the South, a different system is followed. The Government of Madras issued directions to open Fair Price Shops in plantations employing 250 or more workers, in pursuance of the Industrial Truce Resolution adopted on the 5th August 1963. Fair Price Shops were opened in most plantations and continued upto September, 1964, when the Govt. of Madras ordered all estates which had such shops to take out retailers' licences and to issue rice and wheat at the controlled prices fixed by the District Collectors. This system still continues. In Anamallais, a centralised system of purchase and distribution of rice under the control of the Anamallais Planters' Association has been in operation for many years and still continues. Permits are issued to the Association for the procurement of rice direct from the millers to be stored and issued to workers at controlled rates.

3.57 As in Madras, in Mysore also, most estates have taken out dealers' licences for the procurement, stocking and

#### Footnotes

(Employer 3.54 :

It is stated that "in view of the isolated location of plantations, employers cannot be freed from the responsibility of issuing foodstuffs unless adequate alternative arrangement is made." This is another instance of reaching conclusions in the most casual and off-hand manner on a matter of grave economic implications to an industry. No discussion had taken place in the Committee to reach this conclusion and it reflects the ease with which matters of consequence are disposed by drafting into a report.

issue of foodgrains to their labour force. In Kerala State, the problem is not so much that of distribution as of availability of foodgrains. The employers have opposed the obligation to open fair price shops. But there are already fair price shops and ration shops run by the State Government in all plantation areas in the State.

3.58 There is a feeling among employers in the South that the responsibility to open fair price shops should not be imposed on them. In a matter of such vital importance, there should be a sharing of responsibility so that it ceases to be looked upon as a burden.

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**Footnote**

*(Employer)*3.57—3.58 :

It is the duty of the State Government to open Fair Price Shops in the planting areas. There are a number of bazar shops in plantations and it should be easy for Government to license a few of these as Fair Price Shops, as is the practice in most villages. In certain areas, they could also open wholesale co-operative stores with a chain of branch stores under the auspices of the State Co-operative Department.

## CHAPTER IV

### PLANTATIONS LABOUR ACT, 1951

#### Working and Living Conditions

4.1 The Plantations Labour Act was passed in the year 1951, with a view primarily to improve the living and working conditions of the labour employed in plantations.

The Act applies to 'any land used or intended to be used for growing tea, coffee, rubber or cinchona which measures 10.117 hectares or more and in which thirty or more persons are employed or were employed on any day of the preceding twelve months.' The Act applies to the vast majority of tea plantations which are not mere small holdings.

4.2 Besides regulating working hours, weekly holidays, annual leave with wage and employment of women and children, the Act makes it obligatory for the employers to provide a large number of welfare amenities some of which used to be provided voluntarily by the employers from the early years of the industry. In view of the very comprehensive character of this Act, it is well worth paying attention to the various provisions more closely.

#### Working Hours

4.3 The weekly and daily maximum hours of work, the total spreadover and rest interval have been laid down on the lines of other regulatory Acts like the Factories Act. Most out-door operations in tea plantations are carried on by setting tasks which can be completed well within the maximum limits laid down. Overtime work is strictly limited and mostly confined to manufacturing of tea. Weekly holiday is a normal practice in tea plantations.

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#### Footnote :

(Employer) 4.3 : Weekly day of rest is not merely a normal practice as mentioned, but a statutory requirement.

### Regulation of Employment of Women and Children

4.4 Employment of children below 12 years of age has been prohibited by the Act. Employment of such children came to be stopped earlier by agreement. But children and adolescents are now further required to be medically examined and declared fit for employment. Night work for women and children is also prohibited by the Act.

### Housing Accommodation

4.5 The Act has made it obligatory to provide and maintain housing accommodation for all resident workers and their families. The standard of accommodation is laid down under the State Rules on the advice of Tripartite Advisory Boards. Though previously there were no fixed standards laid down, certain norms came to be accepted by the Government of India and some progress towards achieving these norms was made in a number of plantations. However, the progress in all the estates was not uniform and the housing accommodation provided to labour families continued to be unsatisfactory on most estates.

Under the Rules framed by the State Governments, employers are required to construct housing accommodation of the prescribed standards for at least 8% of the resident workers every year. The standard of accommodation prescribed varies from State to State.

4.6 The financial commitment involved in making available housing accommodation according to this phased programme being very high, the housing loans made available by the State Governments proved to be wholly inadequate. As most planters were not in a position to provide acceptable securities, few could avail of this limited loan facility. After a good deal of pressure from all sides, the Central Govt. have extended the subsidised industrial housing scheme to the tea plantation industry. But the limited amounts made actually available to the industry under the scheme have proved

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#### Footnote :

(Employer) 4.5 : It is an unfair and incorrect statement to say that labour housing on most estates is unsatisfactory. The basis for this statement is not given. The author has not consulted the survey conducted by the Ministry of Labour in 1962.

wholly inadequate especially in view of the increase in the cost of construction. Non-availability of funds, high cost of construction, difficulties in procuring building materials etc., have stood in the way of fulfilling the annual target of 8% prescribed under the Rules. The progress made in the construction of houses is far below expectation and much discontentment prevails among the labour on this score. Besides, the houses already constructed are not of uniform standard and various defects of construction have been brought to the notice of the Government.

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**Footnote :**

(Employer) 4.6 : All resident workers on tea estates are provided with houses. The building programme under the Plantations Labour Act is concerned with housing of a particular standard and specification. The Industry's record in the matter of providing houses in spite of the shortage of finance and materials has been extremely satisfactory and it is incorrect to give the impression that because the 8% target laid down under the Plantations Labour Act has not been achieved, it means that the remaining resident workers are deprived of housing and are discontented. The 8% target for housing was fixed over fifteen years ago in a certain set of circumstances and related to Kutcha houses. Since then, wages, taxes and other plantation costs have greatly increased, entailing a decline in the resources of the Tea Companies. Simultaneously, the housing specifications themselves (now exclusively in respect of pucca houses) have been made more elaborated and the costs of construction have risen very appreciably. Even Government has had to increase the ceiling costs for houses under the Industrial Housing Scheme from Rs. 2,400/- to Rs. 4,000/-.

In Assam, the housing programme has been further hampered by the Assam Government introducing in February 1963 new specifications which not only went far beyond their earlier specifications, but also those of other States and those recommended by the Working Group on Plantation Labour Housing.

Despite these circumstances, the industry in North East India has been able upto the end of 1966, to construct 1,87,243 houses out of a total of 3,62,012 houses due to be provided under the Plantations Labour Act. For South India, the figures are 70,379 and 1,09,590.

4.7 Maintenance of houses involved periodical lime-washing of the walls, and oiling/painting of the woodwork, besides repairing. Provision of approach roads and drains, street lighting and water-supply arrangements, sanitary facilities and arrangements for removal of garbage—all these are recognised components of any housing scheme. These have only been partially attended to.

#### Medical Facilities

4.8 The standard of medical facilities available on the plantations varied widely, though from very early times, the employers found it necessary to make some arrangements in this direction on account of the location of plantations in jungle areas in which such tropical diseases as Malaria, Kala-azar, Dysentery, Cholera, etc. were widely prevalent. The steps taken by the organised sector of the industry to fight these menaces have proved to be highly successful.

4.9 Medical aid was organised through garden and group hospitals, the latter being meant for dealing with difficult and major surgical cases. Group hospitals were looked after by Medical Associations of Planters in the Company-managed sector.

The Rules framed under the Act have, in recognition of this practice, provided for Garden and Group hospitals and Dispensaries with detention beds (for smaller plantations). Detailed standards as to the number of beds to be provided, staffs to be maintained, drugs, equipments and diet, have also been laid down. With a few exceptions, these standards have been achieved only partially and that too mostly in the corporate sector. There are complaints about the actual administration of medical facilities, such as, transport, quality of diet, non-availability of facilities in outlying divisions and actual withdrawal of facilities from out-gardens and so on. Moreover, Group hospital facilities have not been made available as required under the Rules.

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#### Footnote :

(Employer) 4.7 : The Study Group has no evidence to say that maintenance of houses is not attended to satisfactorily.

(Employer) 4.9 : As far as the corporate sector is concerned, the conditions and standards of hospitals are far better than in rural areas and in many cases are better than in urban areas.

4.10 In the less organised sector which represents mostly the proprietary and Indian-owned and managed concerns, the position is far less satisfactory. In the North-East India, this applies also to some very large plantations recently acquired by Indian interests. These estates often avail of assistance from public hospitals/dispensaries and requisition the services of outside doctors and midwives when required.

4.11 Though much has been done in tea plantations for the health of the workers, there is still considerable scope for improvement. In view of the costs involved and also because of dearth of personnel, more satisfactory arrangements may be possible by joint action through pooling of resources. Special arrangements to deal with cases of tuberculosis and leprosy need to be augmented in view of the reported increase in incidence in certain areas.

#### Conservancy and Provision of Drinking Water

4.12 In view of the provisions made in these respects along with housing accommodation, no separate arrangements exist on the plantations, excepting in factory premises.

#### Recreational Facilities

4.13 Provision of workers' clubs and recreation centres have been made obligatory under the Act. Many such 'clubs' have come up. In Assam, some facilities for indoor games and radio sets are also available. But clubs are found to be used only by staff members, and much less frequently by the labour force. Sometimes, clubs are used for holding meetings.

4.14 Periodical exhibition of cinema shows, games like football, hockey and badminton, and puja performances etc., which are customary in most tea plantations, provide the needed diversions to the labour population.

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#### Footnote :

(Labour) 4.12 : The provision relating to sanitation and conservancy in the labour line has simply gone by default. Due to lack of latrine and drainage facilities workers suffer great hardships, particularly during the rainy season. Supply of drinking water remains unsatisfactory in most of the tea gardens and the situation in the hilly tea gardens of Darjeeling in this respect is appalling.



### Facilities for Protection from Rain and Cold

4.15 The rules in this respect framed by various State Governments are not uniform. 'Chapis' or umbrellas, jerseys or blankets, aprons etc., are some of the items laid down. While these have not satisfied labour opinion, employers as a class have opposed the inclusion of some of the items on the ground that their use cannot be controlled, that these are inessential and the cost involved is far too high. However, the progress of implementation has not been unsatisfactory so far.

### Creche

4.16 The rules in respect of creche have been brought into force in most States and a large number of creches have been provided during the last few years. Inconvenient location, lack of suitable feeding arrangements and experienced creche attendants have proved to be obstacles to the success of this experiment. The present arrangements have not proved to be attractive to labour.

### Canteen

4.17 The provision relating to canteen has not been enforced in all States. A few experimental canteens have been started here and there, in the majority of cases with the aid of contractors, and the possibilities of this movement are under consideration.

### Education Facilities

4.18 Even before the passing of the present Act, employers took it upon themselves to provide elementary

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#### Footnote :

(Employer) 4.16 : Permanent creches as are envisaged under the Plantations Labour Act and Rules are unsuited to the Plantation Industry because it would only be possible for such creches to be established near the factory. Owing to the extensive spread of the tea estates and the changing location of the work sites, it would be inconvenient for mothers to leave their children at the creche and to visit them at feeding time.

(Labour) 4.16 & 4.17 : In West Bengal, provision relating to creche, canteen and educational facilities were not enforced till the year 1967. This provision, therefore still remains to be implemented.

schools for the benefit of the children resident on the estate. Such a system has now in evidence on almost all estates. The statutory regulation, however, has failed largely in improving the quality of education or the standard of teaching. Employers have maintained that provision of education is a State responsibility and the tendency now is to run garden schools by Education Boards or the Government. The employers' liability is discharged by making over the land and buildings and guaranteeing the emoluments of the school teachers who used to be their employees.

4.19 A well thought-out and integrated programme of education suited to the needs of the tea garden population is yet to be evolved.

#### Sickness Allowance

4.20 Tea plantation workers are entitled to 14 days' sick leave in a year and the sickness allowance payable is two-third of the wages, subject to a minimum of Re. 1/- per diem. There was even before a system of granting sick leave with allowance which, however, varied from State to State.

#### Maternity Benefit

4.21 Maternity Benefit was formerly governed by the different State laws in force. The Plantations Labour Act

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#### Footnote :

(Employer) 4.20 : Under the Plantation Labour Rules workers are presently entitled to 14 days' sick leave in a year and the sickness allowance payable is two thirds of the wages, subject to a maximum of Re. 1/- per diem. There was a system of granting sick leave with allowance even before, which, however, varied from State to State.

In genuine cases of chronic or serious illness or for long periods of convalescence, accumulation of sick leave is allowed upto a period of 30 days, and in addition to being allowed to avail upto 14 days' sick leave admissible during the year, workers may, at their option, combine whatever balance of annual leave was standing to their credit with their sick leave, either at the commencement or at the end of sick leave.

The maximum leave that a worker may, therefore, enjoy in the event of illness is 74 days.

changed the position and uniform rules came to be adopted in all the States making it obligatory to pay maternity benefit for 12 weeks at rates prescribed under the rules. The rates of benefit were related to the minimum rates of wages and were not standardised. With the passing of the Maternity Benefit Act 1961, maternity benefit has come to be paid at the uniform rate of average daily wages for twelve weeks. The Act also makes it obligatory to provide necessary pre-natal and post-natal medical care, failing which the employer concerned is made liable for the payment of a medical bonus of Rs. 25/-.

### Annual Leave with Wages

4.22 Only higher grades of workers like skilled artisans and staff members used to get annual leave with wages. They being whole-time workers living away from home were allowed this facility as well as travelling allowances at agreed rates. In the South where workers could return home at the end of the working season (comprising about 10 months), leave without wages used to be sanctioned also to the labour force. Travelling allowance came to be paid to them to facilitate their return. In the North-East, there was no such system, but immigrant labourers were entitled to the right of repatriation at the cost of their employers. There was no provision for annual leave with wages for the labour.

4.23 Labourers who worked in factories, however, were granted annual leave with wages under the Factories Act.

4.24 The Plantations Labour Act made it obligatory to grant annual leave with wages to all workers for a number of days calculated at the rate of one day for every 20 days of work performed in the case of adults and at the rate of one day for 15 days of work performed in the case of young persons.

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#### Footnote :

(Labour) 4.22 : At present, there is no working season in the South as described in the paragraph. Workers are now permanently resident on the gardens and they go home by availing their earned leave.

4.25 The Plantations Labour Act makes no provision for National and Festival Holidays, but all workers enjoy 6-7 days paid holidays in a year under Agreement.

#### Concluding Remarks

4.26 The Act, besides standardising existing practices, has added to the list of obligations of the employers towards their workers. The Plantation Inquiry Commission suggested that the prescribed amenities like housing, hospitals, schools, and creches should be looked after by a centralised Organisation on the lines of the Coal Mines Welfare Organisation and financed through suitable levies on the plantations. In view of the stream of criticisms against the manner of implementation of some of the provisions of the Act in the majority of the plantations, there may be a case for the pooling of resources and co-ordination of efforts to provide for these amenities. A Parliamentary Committee was set up in Assam in 1960 to enquire into the working of

#### Footnote :

(Employer) 4.25 : The National and Festival Holidays Acts enacted in Madras, Mysore and Kerala provide for national holidays and festival holidays as a statutory obligation. There are 3 national holidays in Madras, 2 each in Kerala and Mysore and 4 festival holidays in all the three States.

(Employer) 4.26 : The proposal to set up a central organisation to look after the amenities to be provided under the Plantations Labour Act is not the result of any discussion in the Study Group and appears as the idea of the author and should be treated as such. The proposal is unacceptable in view of its financial and administrative implications which have received no consideration in the Study Group and ignores the welfare facilities provided under a comprehensive statute. It also ignores the fact that there is a vigilant implementation machinery set up under the Act, with Advisory Boards/Committees in each State and the imposition of another central organisation to implement the same welfare measures is totally uncalled for. There are also unions vying with one another to secure for workers all their rights and privileges. The Coal Mines Welfare Organisation was thought of in 1948 when workers in that industry had not yet been sufficiently organised and

the major welfare provisions of the Act under the Chairmanship of the ex-Labour Minister, Assam. The shortfalls and defects noted by the Committee are of such magnitude and character that a radical change in approach appears to be called for. It has been suggested that the total capital outlay involved in implementing the provisions of the Act taken in conjunction with the recurring expenses impose a heavy financial burden on the Industry. Most of these amenities, however, used to be provided before without any statutory obligation; and it is therefore not possible to make a correct estimate of the additional financial burden involved.

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they required outside assistance. The observations of the Plantation Inquiry Commission cannot also be made the basis for the present proposal as when that Commission reported, the Plantations Labour Act had only been just brought into force (1954) and no proper assessment of its implementation could have been made.

## CHAPTER V

### LABOUR WELFARE

5.1 Over and above the statutory responsibilities of the employers to provide various welfare amenities to their workers, there are also other welfare activities which are carried on through non-official organisations, State Governments and to a certain extent by trade unions.

5.2 In Assam, the three non-official organisations, viz., the Hindusthan Mazdoor Sevak Sangha, the Assam Seva Samity and the Kasturba Gandhi Memorial Trust, have been carrying on welfare activities for plantation labour through a number of welfare centres and two welfare training centres, since Independence. (One of the Centres has since been taken over by the Welfare Fund mentioned below). These organisations receive grants-in-aid from the State Government. Financial assistance from the Tea Board also has been made available. Under the several Five-Year Plans, the State Government have so far provided twelve community centres with a view to organising welfare activities among plantation labour. Vocational training courses and recreational activities are carried on in these centres. Adult education, organisation of holiday homes, provision of labour hostels etc. are included in the planned programme. The Assam Tea Employees' Welfare Fund Act, 1959, provides for the creation of a statutory fund to organise and propagate welfare activities. A whole-time Welfare Commissioner has been appointed to carry on and supervise the Fund's activities. The Assam Chah Mazdoor Sangha and the Assam Branch INTUC have also taken considerable interest in welfare work and at least two welfare centres have achieved a measure of success.

5.3 The West Bengal Government runs 13 (thirteen) Welfare Centres in the plantation areas. All the centres are equipped with radio-sets and arrangements exist for audio-visual training through exhibition of cinema shows. Cultural

functions, music and drama, games and sports and educational activities including literacy classes are conducted in these centres.

5.4 The Madras Government have arrangements for imparting training in tailoring in a centre at Coonoor and in Auxiliary Nurse Midwifery Course for women workers in the Government hospitals at Ootacamund and Coimbatore. Attention has also been paid to the provision of higher elementary education, co-operative stores and fair price shops for the benefit of plantation workers. A Trade School and a Training Centre have been opened in Kerala with financial assistance from the Tea Board.

5.5 The financial assistance rendered by the Tea Board in the shape of meeting the educational expenses of the children of tea plantation workers upto the highest level and for meeting partly or in full the non-recurring expenditure involved in approved welfare projects has been a factor of increasing importance in promoting the welfare of plantation workers.

5.6 In some plantation areas, hospitals, schools and churches have come to be established through missionary activities. The employers, too, do not wholly limit their welfare activities to what have now become statutory responsibilities. Free feeding of children, free exhibition of Jatra/Cinema shows, organisation of religious and cultural functions, games and sports, promotion of environmental hygiene, financial and other assistance in aid of grow-more-food campaigns etc., form part of their normal activities in most well-managed gardens.

5.7 The existing welfare measures are thus designed to achieve the following objectives :-

- (i) to train personnel for servicing various projects concerned with the health and well-being of labour;
- (ii) to enlarge the employment opportunities as well as provide scope for subsidiary earnings through vocational training;
- (iii) to provide opportunities for healthy recreation;
- (iv) to enlarge the mental horizon of the workers through various educational measures;

- (v) to supplement the cash earnings of labour by providing amenities which are considered to be essential for the health and happiness of the workers;
- (vi) to provide a congenial working and living environment and prepare the basis for an integrated community life in the plantations.

5.8 In the field of recreational activities, amusements like cinema shows and Jatra/theatrical performances, folk dancing and music, traditional games and even modern sports like football and hockey, and religious performances usually attract large crowds. Clubs and indoor games, radio-sets, reading room facilities etc., are not widely availed of; nor are these uniformly provided for. The standard of recreation facilities vary from garden to garden depending on the urge of the workers themselves and the interest shown by the management.

5.9 The educational facilities, apart from the primary schools, meant for the children, comprise night classes for adults and social education drives. There have been a few instances of sustained efforts, but the response has not been correspondingly encouraging.

5.10 The impact of the various welfare measures undertaken so far is reflected in the health and well-being of the labourers and in the building up of a community life from out of the heterogeneous elements that go to make the labour force on the plantations. Moreover, the various welfare measures provide an opportunity to the tradition-bound labourers to acquaint themselves with modern ways of life.

#### **Workers' Education Programme**

5.11 Mention should be made in this connection of the educational programme launched by the Government of India. Though the educational background of tea garden workers is rarely of the required standard, by suitable adjustment of the curriculum and training methods, it has been possible to extend the benefits of the Workers' Education Scheme to tea plantations. The object of the scheme is not directly the promotion of labour welfare; still it is likely to advance the cause of welfare in a variety of ways through labour-management collaboration. The programme has been launched only recently and it is too early to expect any results. The possibilities of its opening up deserves to be explored in full.



## CHAPTER VII

### LEGAL AND ADMINISTRATIVE ARRANGEMENTS

7.1 We find that there are a large number of statutory enactments governing the terms and conditions of employment of the workers. Most of these enactments are applicable industrial workers generally within limits specified in the enactments themselves. The enactments specifically applicable to plantation workers are :-

1. The Plantations Labour Act, 1951.
  2. The Assam Tea Plantations Provident Fund Act, 1955.
  3. The Assam Tea Plantations Welfare Fund Act, 1959.
- Of the general Acts, the following may be mentioned:-

1. The Factories Act, 1948.
2. The Industrial Disputes Act, 1947.
3. The Industrial Employment (Standing Orders) Act, 1946.
4. The Payment of Bonus Act, 1965.
5. The Trade Unions Act, 1926.
6. The Payment of Wages Act, 1936.
7. The Minimum Wages Act, 1948.
8. The Employees' Provident Fund Act, 1952.
9. The Workmen's Compensation Act, 1923...
10. The Maternity Benefit Act, 1961.

7.2 The legal protection granted to plantation workers thus covers terms and conditions of work, regulation and payment of wages, investigation and settlement of disputes, provision of welfare facilities, and social security measures. It is difficult to envisage any further widening of the scope of legal protection at this stage.

7.3 The practical implications of the multiplicity of enactments are considerable. The different classes of officers who are charged with the responsibility of administering the various Acts are required to make periodical visits to the plantations each for a separate purpose. Thus the manage-

ments and workers have to arrange necessary facilities for a number of visits each year. The process, if anything, is time-consuming.

7.4 The number of 'Forms' and 'Registers' required to be maintained under each Act is such that the additional work involved in maintaining these in proper order and furnishing periodical returns is considered by many to be out of all proportions to the benefits that accrue. The question has been raised now and again whether there is some scope for rationalising the work involved.

7.5 In view of the rural setting of the plantations, workers are not sophisticated enough to appreciate fully the implications of various legal enactments and instruments. It is often a hardship to them to have to approach various officers for remedies provided under different Acts.

7.6 Some of these difficulties are avoided by entrusting one class of officers with the responsibility to administer a number of Acts. Nevertheless, it is possible to find support for the view that a simple comprehensive code embracing the essential features of most of the enactments may be formulated to the greater advantage of the various parties involved.

7.7 The administrative arrangements made in the different States vary from area to area. Separate Plantation Inspectors are maintained in the larger tea districts. In some cases, functional separation exists; but ordinarily the field staff have to combine a number of functions for various reasons. It is worth noting that administrative efficiency has suffered in consequence of the delay involved in the disposal of cases instituted under the several Acts. Complaints have been voiced against such delays by all sections of workers. If separate courts are set up to deal with purely labour cases, wherever the number of cases justify, the difficulties may be removed to some extent.

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#### Footnotes

(Employer) 7.6 :

We are in favour of a comprehensive code if it is an attempt to codify all the enactments applicable to plantations. We are not in favour of a uniform code covering all industries.

(Employer) 7.7

We are opposed to the suggestion to set up separate courts to deal with complaints arising from non-implementation of statutory provisions.

## CHAPTER VIII

### ORGANISATION OF EMPLOYERS & WORKERS

8.1 For historical reasons, tea planters found it necessary to combine and form powerful organisations and the two most important organisations viz: The United Planters Association of Southern India and the Indian Tea Association with their regional/district Associations still remain the most dominant ones, though a number of other Associations have been formed. These Associations play a vital role in deciding all issues affecting labour and in the formulation of labour policies. Individual planters, by and large, strictly adhere to the policies laid down by the Associations. Such cohesion and unanimity is hard to find in any other industry.

8.2 In sharp contrast, workers used to be 'unorganised, illiterate and helpless'. Access into the plantations was difficult if not impossible and attempts to form trade unions before Independence were very seldom successful.

8.3 The entire climate changed with Independence. Social workers, trade union organisers and political leaders entered the plantations some times under trying conditions and started organisational activities among the labourers who constituted one of the most backward classes in society. Other forces were also at work which encouraged the formation of trade unions. The machinery for tripartite consultation at the Central and State levels which required the

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#### Footnote.

(Employer) 8.1 & 8.2. Most of the references in these paragraphs are drawn from very old reports and have no relevance to existing conditions as paragraph 8.3 would show. The repetition of these references serves only to load the report with age-old prejudices and suspicions entertained about the industry. The reference to 'access into the plantations was difficult if not impossible and attempts to form trade unions before Independence was very seldom successful' is in keeping with the previous approach of bias and totally unnecessary for the purpose of this report.

participation of both workers, and employers, representatives and the conciliation machinery for investigation and settlement of industrial disputes underlined the importance of an organised approach to problems through trade unions. In the absence of an opportunity to voice their grievances, the labour might sometimes resort to illegal and violent methods of coercion leading to breaches of peace. Trade unions helped to channel such protests along more peaceful lines.

8.4 By the fifties, the vast bulk of tea plantation workers came to be unionised. There are separate trade unions of staff members and of ordinary workers. Such trade unions in the South also cover, in some cases other plantation crops like Rubber and Coffee. At present, there are 13 trade unions operating in the tea plantations in Assam and a similar number in West Bengal. In South India, 30 unions are functioning in the State of Madras, 6 in Mysore and 26 in Kerala. Most of the trade unions are affiliated to one or other of the central trade union organisations viz: INTUC, AITUC, HMS and UTUC; and through them, are in a position to exercise considerable influence in the formulation of labour policies. The INTUC members took the early opportunity to form the Indian National Plantation Workers' Federation of which Shri K.P. Tripathy, the present Labour Minister of Assam, was the President.

8.5 Thus there has been remarkable advance on the trade union front in the last two decades. Even so, a fair proportion of workers still remain outside the fold of trade unions. The presence of non-members creates a problem for the trade unions. Though they are more or less stable organisations, their resources are limited. The number of active members willing to shoulder responsibilities is not great. This puts considerable strain on the leadership. Moreover, in these circumstances, the assistance of outside leadership becomes all the more necessary. It is however, encouraging to note that there has been a steady growth of leadership from the ranks of the workers.

8.6 Trade unions of plantation workers are required to maintain a large staff and spend considerable amounts as

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**Footnote :**

(Employer) 8.5 : We cannot agree that outside leadership is still necessary in plantation unions.

travelling expenses on account of the distances separating the estates. Collection of subscription is both difficult and costly. The urge to pay subscription voluntarily is limited to a few members and organisers have to move about conducting collection drives with continuous increase in the cost of living, arrear dues accumulate. It is therefore not always possible for trade unions to spare much fund for welfare activities. The major proportion of the funds collected is spent on organisational activities, payment of salaries and other establishment charges, travelling expenses, and conduct of trade disputes including legal expenses.

## CHAPTER IX

### INDUSTRIAL RELATIONS

9.1 Labour's attitude towards management has been powerfully influenced by increasing trade union activities. Instead of nourishing grievances in silence, labourers now freely ventilate them and openly make demands on the managements. Though some employers, here and there, report a militantly unruly attitude on the part of labour, managements as a whole have found it to their advantage to have to deal with the organised leadership represented by the trade unions.

9.2 Majority of the disputes and grievances in individual plantations are traceable to the following sources :

1. Disciplinary action taken by the Management ;
2. Alleged increase in work-load and introduction of new methods of work;
3. Strictness in work orders, with reference to punctuality and regularity in attendance, quality of work performed ;
4. Alleged ill behaviour ;
5. Housing conditions, medical facilities, firewood, land for cultivation, ration supply and similar benefits and amenities ;
6. Alteration of service conditions in the case of staff members, on the transfer/change of management ;
7. Alleged non-compliance with provisions of law and non-implementation of agreements and awards.

Major issues like wage rate and salary scales, bonus, rationalisation etc., have led to area or industry-wide strikes less frequently in tea plantations than elsewhere.

9.3 Vast majority of the disputes are settled through discussions and negotiations between the parties. Bilateral Agreements are also reached in many cases. Not infrequently, the mediation of the Government Conciliation Officers is found to be of value. Such discussions, whether with

or without the aid of the Conciliation Officers, focus attention on the issues involved and lead to redress of grievances wherever practicable.

9.4 The Industrial Disputes Act 1947 provided an elaborate machinery for investigations and settlement of industrial disputes. Attempts to form Works Committees as provided under the Act have not met with uniform success in all areas. In the South, such Works Committees consisting of representatives of both employers and workmen have contributed to the elimination of a number of causes of disputes at the unit level; but in the North and North East generally, trade unions have opposed their formation on the ground that the labour representatives are too unsophisticated to sit with the management representatives for joint discussion in the absence of their leaders. In the absence of works committees, minor issues are usually discussed with the garden committees of the recognised trade unions.

#### Conciliation and Adjudication

9.5 The conciliation machinery has played a vital role in maintaining industrial harmony in tea plantations. Whenever any dispute fails to be resolved through discussions or strikes/lockouts occur or are apprehended, formal conciliation proceedings are initiated. A substantial proportion of industrial disputes are settled through conciliation. The Plantation Inquiry Commission underlined the importance of the role played by the Conciliation Officers and laid emphasis on the proper recruitment and training of such officers and strictly independent status for them.

In an agriculture-based industry such as tea plantations, employing a large labour force of primarily aboriginal extraction, the legal rights and duties of the parties shade off into customary rights and obligations which are not

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#### Footnote :

(Employer) 9.5: We cannot appreciate the logic of the second sub-paragraph. The legal rights and duties of the parties are clearly laid down in legislative enactments. 'Spirit of social service' is mentioned as an additional qualification for Conciliation Officers. It is hardly possible to define this qualification and to make any selection on that basis. This paragraph would have had more weight if it

always clear-cut. In such a situation, Conciliation Officers to be able to function effectively, should not only be well trained and experienced, but should also possess qualities of leadership and a spirit of social service.

9.6 A fair proportion of industrial disputes are also referred to Labour Courts and Tribunals for adjudication. However, settlement of disputes through adjudication has proved to be a costly and time-consuming process causing great inconvenience to the parties. Moreover, further delay is occasioned when the extraordinary jurisdictions of High Courts and the Supreme Court are invoked by any of the parties. This may be unavoidable, but the delay involved does not help the cause of industrial peace.

9.7 The system of compulsory adjudication as provided in the Industrial Disputes Act 1947 has been criticised also on the ground that it discourages collective bargaining. Nevertheless, in tea plantations, recourse to adjudication can hardly be avoided due to the bargaining weakness of the workers vis-a-vis their employers. Especially when the disputed issues involve a clarification of basic legal rights or considerable financial stakes, a solution has to be sought through compulsory adjudication in the interest of both the parties.

9.8 The Working Group considers that collective bargaining should be the proper method for settlement of all disputes. In case of failure to reach a settlement through this method, voluntary arbitration should be resorted to. However, the employers as a class have not accepted voluntary arbitration for various reasons such as the difficulty of choosing the right type of arbitrators and mainly

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was merely stated that Conciliation Officers should possess qualities of leadership and impartiality. We are against Conciliation Officers acting as Arbitrators.

(Employer) 9.7: The Plantation workers are not weakly organised. They are well organised and strong and their bargaining capacity, if anything, is greater than that of the employers. The assumption that the adjudication machinery was intended to cover up the bargaining weakness of workers is completely wrong and lacks any evidence to support it.



for the lack of provision for appeal against the awards of Arbitrators under the I. D. Act. Trade unions, on the other hand, have shown a preference for voluntary arbitration in most cases in the interest of speedy disposal of disputes.

9.9 Labour policy in the Tea (Plantations) Industry has by common consent been shaped by the Tripartite Machinery for consultation both at the national and the State levels. Mention may be made in this connection of the Industrial Committee on Plantations at the national level and the Plantation Labour Committee of Kerala, and the Standing Labour Committee (for plantations) in Assam. In the other States, separate standing committees for Plantations have not been constituted. Almost all issues of wider import affecting the industry as a whole have received attention of these tripartite committees and even where no firm decisions could be taken, the basis of solution has invariably been laid down. Even legislative proposals are processed through these Committees.

#### Code of Discipline

9.10 The adoption of Code of Discipline has been another important landmark in the evolution of industrial relations along healthy lines. There have not been many complaints regarding breach of the Code, which shows that recourse to unfair labour practices has been infrequent. Complaints about breaches of the Code mostly relate to lightning strikes and coercive tactics followed by labour, and introduction of changes in working methods or withdrawal of amenities, unilaterally by employers, violation of awards and agreements and bad working conditions in breach of the provisions of the Plantations Labour Act.

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#### Footnote :

(Employer) 9.8 : We are not in favour of voluntary arbitration in all cases of failure of collective bargaining. Certain issues of considerable financial involvement cannot be left to the chance of an Arbitrator's whims. An Arbitrator is not required by law to judge the issues judicially or to give any reasons for his decisions and against whose decisions the parties have no right of appeal.

(Employer) 9.10 : There have been quite a large number of complaints from employers regarding breaches of the Code by the workers.

The functioning of the Evaluation and Implementation Machinery has given cause for some dissatisfaction. Very often unduly long time is taken for the disposal of cases and even then no firm decisions are pronounced. Moreover, the decisions lack effective sanction and therefore do not always prove to be deterrent in practice.

9.11 The recognition accorded to trade unions and the formulation of grievance procedures have also largely contributed to industrial harmony by removing many minor causes of friction and affording scope for joint consultation.

In the tea industry, the major elements in the terms and conditions of service are governed either by agreements or by statute. Hence it follows that the cause of industrial peace may be served better by strict enforcement of the agreements and the various provisions of the statutes.

#### **Standing Orders**

9.12 The certified standing orders under the Industrial Employment (Standing Orders) Act 1946 define broadly the conditions of service applicable to the different categories of workers and lay down the rules for disciplinary action. All tea plantations (excluding small holdings) are covered by certified standing orders. As all major plantations are members of one or other of the Associations, standing orders have been certified on an Association basis in each State.

## CHAPTER X

### CONCLUSIONS

10.1 The wage structure, service conditions and fringe benefits available to the labour in the case of the plantation industry, specially of the tea plantation industry, are not the same as those of the workers in other industries. Also, there are some problems which are peculiar to the Tea Plantation Labour. These arise because most plantations are situated in areas which are not otherwise industrially developed. It would, therefore, perhaps be proper to highlight some of these problems and peculiarities in the concluding part of the report of the Study Group. Solutions to some of these problems are difficult. Some remedial measures have been recommended by the Central Wage Board for Tea Plantation Industry (1966) and also in the report of the One-Man Committee on the Employment Position in Plantations (1965). However, attempts should be continued to improve the conditions of the labour, keeping in view the need for good health of this important export-oriented industry.

#### Basis of Wage Structure

10.2 The wage structure at present prevalent in the tea industry is the same as that recommended by the Wage Board. This has been dealt with in detail in the body of the Report of this Study Group. It will be noticed that the wages fixed are comparatively low in relation to the wages fixed in other important industries. The implied assumption of the Wage Board Report was that every worker had approximately 0.5 dependants apart from himself. The employers had pleaded before the Wage Board that the ratio should be maintained at this level because as they said, in the plantation industry wives always got employment; and also fringe benefits, which were many and included subsidised food supply, were available to the families of the workers. On the other hand, the point of view of labour has always been that the tea plantation labour should not be discriminated against on the count that his wife

could possibly get employment in the plantation. In many cases, the worker was unmarried or a widower, in which latter case he had to maintain children also. The labour's point of view, therefore, is that minimum wages in the tea plantation should be fixed on the basis that on an average every worker is required to earn for three consumption units. In any case, there appears to be a good case for re-examining this question.

10.3 Among the fringe benefits given, subsidised food costs the employers a very large amount of money. The employers are therefore anxious to convert this benefit to its cash equivalent. In view of the recurring shortage of food in the country, the workers are reluctant to give up the present system.

This question of sharing the benefits of increased productivity arises also in many other industries. The workers demand that they should get their full share in these benefits and the Committee is of the opinion that in the tea industry also the workers should not be denied their share in the gains in the increased productivity.

Rationalisation is a question of national importance. It is true that in order to maintain the competitive position in this important export-oriented industry, we should continuously adopt improved techniques. However, the fear of the labour that this would lead to decreased employment appears to be justified. It is true that it is not the responsibility of this Industry alone to maintain the employment level in the country and it is general for the society as a whole. However, the tea labour being placed in a com-

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**Footnote.**

(Employer) 10.2: We cannot agree with the conclusion here. So long as the system of family employment exists, the labour intensive character of the industry remains, the unions object to rationalisation of work and the employers have to meet the obligation to provide a comprehensive range of welfare and social security benefits, it will not be possible to ignore the number of wage earners in the family in fixing wages of tea plantation workers.

(Employer) 10.3: If the Study Group feels that employment opportunities should not be reduced, then it must accept the basic fact that the level of wages in such a labour-intensive industry cannot be raised further without undermining the industry and its employment potential.

paratively disadvantageous position, their problems need special emphasis. The Committee are of the view that employment opportunities should, so far as possible, be not reduced in the tea plantation areas.

### **Reduction in Employment Opportunities**

10.4 It is a fact that the number of persons employed by this industry, if taken on a per acre basis has gone down steadily during the last twenty years. On the other hand, the production of tea has gone up for the unit of labour employed. The labour's point of view is that this higher productivity has been achieved by the employers by increasing the work-load or by employing contract labour who are not shown in the rolls of the Estate. This point was examined by the One-man Committee referred to above, who came to the conclusion that there was no proof that the work-load had been increased significantly.

Large part of the increase in production is due to the better methods of cultivation adopted, such as use of pesticides, fertilisers, weedicides etc. Modern weedicides have reduced the need of a great deal of agricultural operations and have also perhaps increased the fertility of the soil by reducing erosion which took place when weeds were removed mechanically. Also, the larger tea factories are slowly adopting semi-automatic machinery or continuous processes. Whatever may be the cause of this increased productivity, the fact remains that the plantation labour is finding that the number of places available for employment is getting constantly reduced. This is perhaps one of the most serious problems of the plantation labour, and since the problem is likely to be aggravated day by day, the discontentment among the labour in tea gardens will increase.

### **Immobility of Labour**

10.5 The third serious problem faced by the tea plantation labour is its relative immobility. Tea gardens are situated mostly in such places where other industries are lacking. Also in North East India, where three-fourths of the Indian tea are produced, most of the labour are resident labour. These workers in North East India were brought to these places from other parts of India and have lost contact with their original villages. They cannot, therefore, go back to their villages on superannuation. Also their children

normally would seek employment in the tea estate itself in which their parents were employed. The problem is not so acute in South India where the workers still have contact with their villages and can go back there, if necessary. If, as stated above, the employment opportunities go down in number, it would cause serious problem not only to the existing labour but also to the growing population in the tea estates. This problem of unemployment is serious in itself, but in the context of the large number of unemployed people in the whole of the country it has been aggravated. Obviously, in this case, there are two possible solutions—one is to reduce the birth rate and the other is to find alternative appointment for the younger people.

10.6 So far as the reduction in birth rate is concerned, the attempt made by the Government and the various Tea Associations, specially the Indian Tea Association, have borne good results. In the Indian Tea Association gardens, in a period of six years from 1961 to 1967, the birth rate has been brought down from 4.4% in 1961 to 3.1% in 1967, among a resident population of eight lakhs. While the work already done in this regard is commendable, further efforts would be necessary.

10.7 The second important thing that need be done is to give technical training to the children of the tea garden worker. Past experience shows that giving elementary training in blacksmithy, carpentry, leather craft in ordinary schools etc. is of not much use and the only effective training is the training given by the Industrial Technical Institutes established in various parts of the country. The Tea Board itself has given a large number of stipends for training in these Institutes. However, establishment of such Institutes in tea garden areas along with setting up of more industries in these areas would to some extent reduce the problem for the tea estates.

10.8 These problems do not affect the working of the tea estates as such and it is difficult to say what the tea industry can do to mitigate the suffering due to unemployment. This is a problem which should engage the attention of the State and Central Governments.

### **Contract and Casual Labour**

10.9 It is a constant complaint of the workers that one reason why permanent employment in the tea estates

has been reduced is the tendency of the estates to employ temporary or contract labour. The workers themselves do not deny that tea industry being a seasonal one there is a need for increased number of workers in some parts of the year and some casual labour are necessary at those times. The allegation that the tea estates were employing such labour at normal times also was investigated by the One-man Committee. The workers allege that the tendency to employ casual and contract labour is growing because thereby the employers avoid giving them fringe benefits, some of which are statutorily provided. This Study Group has not examined this point in any detail. It, however, appears to be the fact that in North East India where the appointment of the casual labour during seasonal peaks is most prevalent, most of the casual workers come from neighbouring villages and are in many cases children of the labour who were working formerly in the tea estates. The employers think that they are not morally bound to give fringe benefits to these villagers who should, according to them, be the charge of the State Governments for their medical, educational and other benefits. This Study Group would recommend that the casual labour should not be employed except to the extent of the absolute minimum, and the employment of contract labour except for special work is not good for the industry.

## APPENDIX

### Bibliography of Reports on Tea Plantation Labour

1. Report of the Committee of Enquiry into Emigration into Assam and Cachar (1861).
2. Report of Committee appointed to enquire into the causes of Mortality amongst Labourers proceeding to the tea districts (the Cockerell Committee, 1867).
3. Report by the Government of Bengal to the Government of India regarding the Tea Industry, 1873. (This is contained in a book published by the Bengal Secretariat Press in 1873 entitled Papers Regarding the Tea Industry in Bengal—J.W. Edgar).
4. Report of a Commission appointed by the Govt. of India under the Chairmanship of Mr. (later Sir) Alexander Mackenzie to consider the working of Act VII of 1873 and Emigration to Assam (1881).
5. Report of the Commission appointed by the Government of Bengal to enquire into the supply of Labour, primarily for the Coal Mines of Bengal and secondly for the Tea Industry (1895).
6. Report of the Assam Labour Enquiry Committee (1906).
7. Report of the Dooars Enquiry Committee (1911).
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12. Report on an Enquiry into the Cost and Standard of Living of Plantation Workers in Assam and Bengal—S.R. Deshpande (1947).
13. Report of the Official Team on the Tea Industry (1952).
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17. Report on an enquiry into the living condition of plantation workers in 1. Jalpaiguri Dt. West Bengal, 2. Darjeeling Dt. in West Bengal, 3. Darjeeling-Teraik Dt. West Bengal by S.K. Halder, I.C.S. 1948.
18. An enquiry into the Pattern of Living of Tea Plantation Labour, by Tea Board, 1959.
19. Survey of Living Conditions of Tea Plantation Labour in Tripura, by Tea Board, 1962.
20. Report of the One-Man Committee on Tea Garden Labour by Shri N.N. Chatterjee, I.C.S.
21. Survey of Living Conditions of Tea Plantation Labour in Darjeeling by Tea Board, 1963.

## ANNEXURE—1

### NOTES FROM THE WORKERS' REPRESENTATIVES

The workers' representatives in the Study Group hoped that an objective assessment of labour problems in the Plantation Industry would be undertaken and remedial measures suggested for consideration of the Commission.

Since it has not been possible, we feel that our views should be clearly expressed in a separate note and we take this opportunity of doing so.

There is no gainsaying the fact that the problems of Tea Plantation labour have, almost on all occasions, been sought to be solved on ad-hoc basis. Whether it is a Wage Board, an Industrial Tribunal or a Tripartite Committee, it is the immediate settlement rather than long-term remedy that guides the deliberations. The result has been that all the burning problems of Tea workers are still there, sporadic attempts by various authorities to ease them notwithstanding.

#### Principle of Wage Fixation

Take the instance of the wage structure and principle of wage fixation as obtaining in the Tea Plantation Industry. The Fair Wage Committee's recommendation that the needs of an average family of 3 consumption units should be the basis for working out a need-based wage has not been followed in the Tea Plantation Industry on the plea that employment in Tea is on family basis. This is a real issue with which Tea workers are living for generations and all attempts to get to the bottom of the problem have so far failed as the Industry would not resile from its century-old stand and their powerful influence in the economy of the country making any break-through either by worker or Government still a far cry.

Let us first examine whether there is any justification in departing from the accepted principle of wage fixation on the

basis of 3 consumption units. In doing so, we must take into account the fact that the concept of 3 consumption units itself is unrealistic in so far as plantation workers are concerned. In a society plagued by continuous population explosion, family planning came only recently, 3 consumption units is only a "notion" not a "fact".

That the 3 consumption-unit theory is unreal, there is no question about it. And to reduce this notional consumption base by half because of so-called family basis of employment is to keep a group of people always on starvation level of community living.

The 15th Indian Labour Conference had recommended that earnings of the women and children should be disregarded in assessing a need-based minimum wage. But in the Plantation Industry the principle is to determine a wage to be earned by both husband and wife and more often than not, to be supplemented by children working as helpers. If this principle is accepted the result will be :—

- (a) That the wages of a married and an unmarried worker will vary, unmarried worker receiving double the wage of a married person.
- (b) That a non-working woman immediately marrying a working man will be entitled to employment.

In such a situation, an unmarried worker will, on being married to a non-working woman and the latter being employed, find his wages shared by his wife and he still putting on the same labour and his wife's being utilised free by the employer.

Let us examine the other aspect of this employment policy. If the so-called family basis of employment was not there, the wages of a plantation worker would have been based on the needs of a family consisting of 3 consumption units and his wages would have been double the amount he now gets. This can only mean that the Industry is making use of the wife's labour gratis.

Should such a wage policy continue? If the wife only shares the husband's labour without being paid, had she better not work altogether and devote her time to domestic

work and look after the hitherto neglected children?

This is an issue that needs closer examination by all concerned.

Another fact of the present wage policy is to take into account the value of fringe benefits to work out the needs of an average family. While the resident labour is entitled to these benefits, the non-resident labour is not. This can only mean that the non-resident labour is grossly underpaid. Conversely, the employer is more benefited through non-resident labour.

This is why the number of casual/non-resident labour is on the increase.

The following figures will be of interest in this connection.

<i>Year</i>	<i>No. of Non-resident Labour</i>
1961	100,444
1962	108,455
1963	116,736
1964	120,034

(Source—Tea Statistics)

The I. L. O. Committee on work on plantations has recommended that "the wages fixed should provide an average standard of living for the worker and his family. The wages of casual workers should be so fixed as to reflect the monetary value of allowances and concessions granted to permanent workers."

The value of the "allowances" should include even the benefit of a contributory P. F. and once it is done, casualisation of plantation workers will come down appreciably.

Not only is the present basis of working out a wage structure for plantation workers fundamentally wrong but untenable; also the Industry's stand that the present level of wage corresponds to the fair wage as contemplated by the Fair Wage Committee. After all, the present level of wage for plantation workers is still the lowest and by its transitional character, this level should be constantly kept under review.

When the National Wage Board for Plantations was set up, it was hoped that the whole matter would be reviewed in the light of the recommendations of the Fair Wage Committee. But the Board avoided decision in order to achieve unanimity and "kept in mind the employment opportunities available to the other members of the plantation workers" (Report of the Wage Board, page 31, para 3 to 93). It was a futile attempt on the part of the Board to satisfy both the Industry and Labour. In respect of the family basis of employment, the Board's observations are equally interesting:—

"The parties held divergent views about the extent to which the family basis of employment should be considered relevant in connection with fair wage fixation in the Tea Plantations. Apart from reiterating its view that the Board *has taken* note of the existing conditions, it is not desirable, in the opinion of the Board, to deal with this subject any further or give a definite finding particularly in view of the fact that the Board's decision about the wage structure of the daily-rated workers is unanimous."

The failure of the Wage Board to study this important aspect of the Tea Industry and give its findings is unfortunate, particularly when they found only "opportunities" of employment "available" for other members of a worker's family. That it is not real is evident even from the above comments.

We are, therefore, of definite opinion that the composition of a plantation worker's family and its needs should be reassessed in light of changing pattern of living and gradual disappearance of family basis of employment. The Study Group should have found time to go deep into this matter but as it has not, we strongly feel that the Commission may be pleased to undertake this task which has a great bearing on the employment situation in the Plantation Industry.

### Conditions of Work

Much has been said about the Industry being subject to the vagaries of nature but that the workers, at least a

great majority of them, are also suffering from the same disadvantage seems to be of no consequence.

The provisions of the Plantations Labour Rules still remain unimplemented by and large and the conditions of work either in the field or the factory remain as uninspiring as before. There is hardly any job-satisfaction and this is one of the root causes of sporadic unrest. This is aggravated by intensification of work and increased tasks enforced by the Industry with a view to neutralise the effects of wage increase granted by the Wage Board.

In the office, the working hours of the members of the staff are unregulated except by the volume of work they are entrusted with. Working at night, long after the prescribed duty hours, without in most cases, any overtime payment, is a normal feature.

Unless these defects are rectified, causes of industrial discord shall be very difficult to remove.

#### **Labour Turn-over**

About the labour turnover, there are no dependable figures. It should, however, be very negligible considering that in vast plantation areas of North-East India no retirement age is fixed and retirement benefit for workers being non-existent, barring the P. F., the number of superannuated workers going out and new workers coming in is not appreciable. Some workers are prone and sometimes induced by management, to retire taking the P. F. accumulations but that only helps reduce the labour force since no new labourers are taken in their places almost in all cases.

In South India, however, the position is somewhat better. With a gratuity scheme in operation for a number of years, labour turnover there is more promising than in North-East India, where workers are compelled by circumstances to go on working till they are physically incapable of working. As a result, the efficiency suffers and unemployment problem accentuates. It is therefore in the interest of all concerned that a Retirement and Pension Scheme should be formulated to help ease this situation. Such an issue is already pending before the industrial tribunal in respect of West Bengal Tea

Plantation workers referred to by the State Government after persistent agitation by the workers since 1959.

### **Rationalisation**

It appears that the Tea Industry is introducing a process of rationalisation.

Not only are the methods of cultivation and the process of manufacture undergoing changes, but the method of accounting and management have also been subjected to rationalisation, not so much with a view to increasing productivity as to curtail expenditure on labour.

In an industry where all the members of the family have to work for its sustenance, and still live in poverty, where cheap human labour is raising the output year by year and the capital wields decisive powers in industrial relations, the scope for rationalisation or automation should be extremely limited. But, as it is today, rationalisation only means reduction in employment, to which the labour is understandably opposed.

Amalgamation of factories and hospitals, re-organisation of local offices and computerisation of accounting system are all aimed at throwing more and more workers out of employment and restricting employment potentiality for future. By using chemical substances, human labour in hoeing, weeding etc., are sought to be eliminated. These are matters of serious concern to workers.

The "process" has been operating rather silently over the past few years during which the number of workers have been systematically reduced. According to Statistics published by Tea Board, the total number of workers in Tea have gone down from 10,17,989 in 1957 to 8,18,783 in 1964. The reduction in number was drastic in Assam and West Bengal. In West Bengal the average daily employment in 1957 was 261,384 which was brought down to 195,046 in 1964 i.e. a reduction of 66 thousand workers within a period of 7 years. With regard to Assam, the employment in 1957 was 535,503 which was brought down to 435,693 in 1964 i. e., a reduction of 1 lakh in the same period. In South India, the total average employment was brought down from

187,810 in 1957 to 168,750 in 1964—a reduction of over 19,000 workers.

The position has further deteriorated and when the latest statistics would be available, it will reveal a more alarming state of employment, brought into being in the name of rationalisation.

This does not mean workers are opposed to all technical changes bringing about greater output. They only cannot allow machines to displace them. If mechanisation sets in motion employment generating impulses—good enough. But in the present level of employment, particularly in the Plantation Industry, there is no question of alternative employment opportunity and the problem is therefore one of survival for plantation workers.

How acute is the situation may be realised from the following statistics :—

#### EMPLOYMENT INDEX

<i>Year</i>	<i>Tea</i>	<i>Coffee</i>	<i>Rubber</i>	<i>Coal mines</i>
1951	100	100	100	100
1953	95.2	94.0	93.5	96.9
1955	97.2	115.8	133.9	98.9
1957	98.7	113.7	164.5	105.2
1959	90.3	148.8	205.4	109.0
1960	83.0	162.0	217.1	112.9
1961	80.8	163.0	235.7	116.8
1962	80.2	148.5	246.3	123.0
1963	83.2	NA	258.9	128.0
1964	80.4	NA	264.1	122.4
1965	NA	NA	282.5	120.6

(Source—Indian Labour Statistics 1967)

In our opinion, labour saving devices, whether it is by introducing more sophisticated system of accounting and manufacture or by using chemical substances to eliminate human labour in cultivation, should follow careful assessment of their impact on the employment position and the disturbances they would cause to the wage-worthiness of workers, present and future. If such changes result in labour displacement, as they invariably do, there should be a moratorium on the so-called rationalisation.



## Industrial Relation

If the industrial relation in the Tea Industry is outwardly good, it is not because that there is a contented labour force and a fair-minded management.

Level of employment always governs industrial action and in the Tea Plantation Industry, labour surplusage gives an edge to the management over labour in determining the state of industrial relation. Thus over-supply of labour not only puts the Industry in a domineering position, but also impedes growth of strong trade union movement.

It often makes ventilation of grievances difficult, with the result that workers depend more on statutory provisions for improvement of their socio-economic life than on their own collective endeavour.

The enormous delay in settling trades disputes through adjudication is defeating the very purpose for which the machinery has been evolved. Industrial courts now-a-days are no different in their approach from common law courts and a tendency has been observed to invoke the High Court's jurisdiction almost in all cases which has created new problems for the workers. The employers observe the Code of Discipline more by breaches and the workers have lost all interest in the evaluation and implementation machinery for its ineffectiveness. They have long since stopped referring cases to this machinery although they are aware that the Industry has been making greater use of the otherwise ineffective forum for obvious reasons.

While multiplicity of trade unions in some of the Plantation areas is held to be a factor contributing to industrial unrest to a certain extent, it is not appreciated that multiplicity of employers' organisations is no less responsible for the same. Benefits and amenities are still determined on the basis of a particular plantation becoming a member of one employers' organisation or the other, although the Wage Board unequivocally expressed against it.

Good industrial relation in Tea, more than any other industry, is largely dependent upon the tact and discretion of managerial personnel. It is therefore necessary that the managerial personnel are so trained as to be able to appreciate the human aspect of the industrial problems. The

present method of recruitment of these officers is therefore out of tune with the social change the country is passing through.

Workers' welfare at present is an obligation grudgingly discharged rather than a mission solemnly fulfilled. There should therefore be a concerted effort to bring about a change in this regard. Such a change can be brought about only by direct participation of workers which at present is conspicuous by absence.

The Standing Orders Act of 1946 has succeeded only in enforcing management's rights and it contains provisions for dismissal without notice (under certain circumstances) and discharge at the whims of employers. It gives the employer the right to charge-sheet a worker and then to act as a judge thereon. These militate against the concept of natural justice.

The Commission will no doubt consider these questions in the general background of industrial relation in the country. We mention them to emphasise that they are no less important also in the Tea Plantation Industry.

### **Control of Tea Industry**

Tea Industry occupies a most vital position in the economy of the country as a whole. Apart from the foreign exchange it earns for our country, this is an industry where about a million workers are daily employed, with another few million being directly or indirectly dependent on it. In addition, its supporting industries and the village population benefited by it, are interested in its good health.

The Industry therefore not only needs patronage of, but also control by, the society. In a planned economy, society must ensure some control over the management of such a key industry. So far as the labour is concerned, the Government determines its relation with the industry through legislation, but with regard to the management of the Industry, it seems as if the Government has nothing to do.

The result has been a steady decline in managerial efficiency bringing in its wake threat of insecurity to thousands of workers and their dependants, creating imbalance in the national economy, with fall in quality and quantity of its products and holding back all the welfare

activities the Government has introduced for raising the standard of Tea Plantation workers who are still one of the most backward communities in the country.

A large number of gardens have become sick due mainly to mismanagement, want of replantation and ploughing back of profit as has been pointed out by Plantation Enquiry Commission. The Commission suggested a number of remedial measures including abolition of Managing Agency, but so far, Government of India has not taken any steps nor has it accepted all the recommendations of the Commission.

Shri K. P. Tripathy, Labour Minister, Assam wrote in his book "Wage in National Policy" (1954):

"No industry should be permitted to close or reduce employment. Any or all industrial units which close partly or wholly should be taken over for continuing production and employment, without compensation. When a person closes a factory, he does not expect return. On the contrary he has to spend for its maintenance out of his pocket. So taking over management of such concern saves the owner from further expenses and danger of loss. Yet the Sholapur case law says that a person has a right to mismanage or waste his property but the Government has no right to step in to manage it even for his benefit."

This was written more than a decade ago. The position has hardly undergone any changes.

The mismanaged gardens apart, the society should have control over others as well. The first thing the society should ensure that it can have a say over the cost structure of the industry.

With regard to this, the industry always emphasises on expenditure on labour. Their economy drive is always directed towards bringing labour costs down. As Shri Tripathy wrote in his book, "An appeal to the conscience of the world"—"economy must mean economy at the top. The real problem of plantations is the reduction in management and supervisory costs. In no industry in India is the proportion of management and supervisory costs so high and disproportionate."

The same view was also expressed by Plantation Enquiry Committee.

It is therefore necessary that there should be a probe in the cost structure of the Industry to find out to what extent it could be rationalised.

### Conclusion

In conclusion we recommend that :—

1. The reduction in the number of plantation workers and consequent increase of unemployed population should be arrested and avenues of employment found within the plantation area for surplus labour, if any. The Industry, State and Trade Unions should combine together to find out a reasonably acceptable basis.
2. The employment policy of the States in so far as Plantation industry is concerned should be so formulated as to provide self-generating avocations for the growing up children of the plantation workers, who may be found surplus.
3. The question of prescribing a land-labour ratio on the basis of a mutually acceptable year of employment should be considered to maintain a certain level of employment.
4. The employment of contract labour and casual workers should be prohibited by legislation.
5. In exceptional cases where casual workers are absolutely necessary (as in plucking season), they should receive the value of amenities as provided to permanent workers in addition to normal wage. This will act as deterrent to casualisation of resident workers, as is practised to-day.
6. The cost structure of the Industry should be rationalised by bringing down the overhead expenditure.
7. There should be Government control over the Industry, firstly, by extending the Industries (Development and Control) Act to the Tea Industry to enable State Governments to take over mismanaged gardens, and secondly, by periodical review of its cost structure by a Government Agency.

8. Industry's employment policy, in so far as salaried employees are concerned, should be so regulated as to give maximum benefit to regional interests.
9. The composition of a worker's family and its needs should be re-assessed in the light of changing pattern of living and gradual disappearance of family basis of employment. The present wage structure for plantation workers should be reviewed in light of the above and refixed. In doing so, incentive for higher efficiency and experience should be adequately provided for, and uniform rates should be provided for all workers through the tea areas.
10. The present trend of automation, re-organisation and rationalisation is a serious threat to employment specially at a time when unemployment problem has become extremely acute in the country. There should be a moratorium on rationalisation till alternate job opportunities are created for the workers likely to be displaced by such processes.
11. There should be a retirement scheme for the tea workers of North-East India to help increase labour turn-over with specific obligation of the employers to fill up the vacancy created by such retirement.
12. Bifurcation of tea estates for any reason whatsoever should not be allowed to interfere with workers' conditions of service and/or wage rates. The welfare provisions should be considered as basic obligations of all tea estates irrespective of size and there should be no exemption for any.
13. The implementing machinery should be geared up for enforcing various statutory measures. Inspection of a definite number of factories and/or plantations should be made responsibility of a particular Inspector and he should be required to pay a definite number of visits to each of these establishments in a year. His inspections should include among other things a check to ascertain the wages and overtime payments and that registers reflect the correct state of affairs. A copy of the report should be made available to the Unions.
14. The Inspectors should be empowered to prosecute delinquent managements and sanction from the Government should not be a pre-condition. The Plantation

Labour Act should be suitably amended to provide deterrent punishment including imprisonment for violation.

15. In order to maintain the real value of wages and protect the workers from continuous price rises, the system of supplementing wages with concessional supply of food-grains should be extended to the South Indian plantations.

sd/-G. C. Sarmah. (INTUC)  
Sd-L. M. Prodhan. (INTUC)  
Sd-S. M. Narayanan. (INTUC)  
Sd-Manoranjan Roy. (AITUC)

Dated Calutta,                    }  
The 13th August, 1968        }

## ANNEXURE—II

### NOTE SUBMITTED BY MEMBERS REPRESENTING EMPLOYERS

The Employer Members are unable to support or agree with many observations and views expressed in the main Report. The decision of the first meeting was that the labour and employer members of the Study Group would formulate in writing their respective view-points on the issues raised in the Questionnaire of the National Commission on Labour on the basis of which the Study Group's report would be drafted. On questions on which there was no unanimity between the workers and the employers, their differing views were to be separately recorded. On this basis there was little or no discussion at all within the Study Group on the relevant issues. The employers' representatives submitted their note on 3rd April, 1968, but the workers did not do so. In the meantime, contrary to the decision taken, the Member-Secretary circulated a draft report which contained several biased references and observations prejudicial to the employers. Seeing this report, the workers' representatives did not show any interest in putting forward their views and insisted on keeping intact the Member-Secretary's report. This report was subsequently revised and the labour representatives have submitted a separate note. This has led us to submit a separate note in addition to recording our comments on certain aspects of the main report as footnotes.

The main report has drawn heavily on adverse comments on the industry contained in past reports of Committees/Commissions. The repetition of these references does not have any relevance to the conclusions to be reached but merely serves to create impressions which are biased and prejudiced against the employers and are not balanced by contrasting with conditions today. The result is that the report lacks objectivity and a rational process of discussion for arriving at conclusions.

The Report should have been limited to the terms of reference of the Study Group which reads :—

“The Study Group will in regard to the subject allocated to it, ascertain facts from available literature on the subject, draw conclusions and suggest solutions to the problems posed by the Group for the consideration of the Commission. The Commission may also pose problems for consideration of the Group from time to time.”

The above terms of reference have to be read with those of the National Commission on Labour. The Commission is required to review the changes and conditions of labour since Independence and to report on existing conditions of labour and to give their recommendations. Many of the observations contained in the Report are unnecessary and have no relevance to the conclusions to be reached by the Study Group within its terms of reference.

#### **General Background and Salient Features of Tea Industry :**

Though often described as an industry, plantations are nothing but an organised and better managed form of agriculture. The plantation system is aptly described as “an island of progress in a sea of traditional agriculture.” The essential agricultural character of plantations should be kept always in view when discussing labour and employment conditions in the industry.

The plantation industry occupies an important place in the national economy. It is the second largest export industry in terms of foreign exchange earning and provides employment to more than 8.2 lakh persons. Its contribution to the Central and State exchequers is substantial, apart from taxes and levies paid to local Governments. A large number of ancillary industries are dependent upon the tea industry.

India is the largest producer of tea in the world and about 60% of the production is exported. Having lost the position once to Ceylon (in 1965), India cannot take for granted its position as the world's largest exporter of tea. The economic condition of the industry is currently a matter of anxiety and representations are currently pending with Government. The unit price of tea has not been increasing to take care of production costs rising as a result of domestic inflation.



At home, our inflationary economy combined with increasing wages, an enlarging range of welfare and social security measures and direct taxes on land, production, sale and export have raised costs. The result has been steadily declining profitability as revealed by the Reserve Bank analysis of the performance of tea companies. Gross profits as a percentage of sales declined from 33.55% in 1950-51 to 13.9 in 1965-66; gross profits as a percentage of total capital employed declined from 18.4% to 8.8% and profit after tax as a percentage of net worth declined from 16.5% to 5.2%. The appointment of the Tea Finance Committee of 1964 and of the Barooah Committee in 1967 (which Committee has not yet submitted its report) indicates the measure of the Government's concern about the economic condition of the tea industry.

We may now deal with some of the specific issues before the Committee.

#### **Principle of Wage Fixation :**

This industry because of its agricultural base and export orientation has problems peculiar to itself and they cannot be dealt with within the framework of a common standard as applicable to manufacturing, transportation, mining and service industries. The cash wages in the tea industry have been generally lower than the level of wages in industrial and commercial establishments. Plantations in common with general agriculture are labour intensive and it would be unrealistic to compare wages in this sector with wage levels in capital intensive and highly mechanised manufacturing industries. The gross value of the product in tea is much less than that in the manufacturing sector. The gross value of output per worker per annum is only Rs. 1880/- and the gross product value per rupee of capital Rs. 0.73 in tea as against Rs. 10,824/- and Rs. 1.50 respectively in manufacturing industries. This surely proves that labour intensive industries cannot match capital intensive manufacturing industries in the level of wages.

The norms of wage fixation laid down by the 15th Session of the Indian Labour Conference are unrealistic and were not accepted by the Industry. A need based wage as contemplated by the 15th Session should be considered only after the country as a whole has progressed economically and has become self-sufficient in food and other:

essential articles of consumption. For an export oriented industry which cannot benefit by domestic inflation and a high cost economy the problem is acute and peculiar. All wage fixing authorities have rejected these criteria as impractical and beyond the capacity of the economy to achieve in the near future. In the current session of the Lok Sabha both the Deputy Prime Minister and the Labour Minister have made known Government's stand unequivocally that in the present state of the national economy, it is not able to support a need based wage as recommended by the Indian Labour Conference.

The recommendations of the Committee on Fair Wages that fair wages should be fixed on the norm of three consumption units and one wage earner should not be deemed to be an immutable law on the subject. In fact, that Committee was mainly concerned with manufacturing industries in which employment of women was only nominal and even where women were employed, the system of family employment did not exist. In such an employment pattern, the recommended norm of three consumption units to one wage earner was not perhaps unreasonable. But it is clear that the Committee did not overlook exceptions to the rule because it has also recommended that where the average number of earners is more than one, the actual number of consumption units should also be taken into account.

It is true that the Directive Principles of State Policy in the Constitution refer to payment of a living wage to the workers, but it must be kept in view that the relevant Articles of the Constitution place emphasis on the country's "economic capacity and development." In translating the Directive Principles of State Policy into action, therefore, due account will have to be taken of the present state of the country's economic development.

In tea plantations, more than 50% of the labour force is made up of women and employment is on a family basis, i. e., both husband and wife work on the same estate. The Minimum Wages Committee in all the plantation States, a Special Industrial Tribunal for Plantations in the State of Madras and the Mammen Tharakan Committee in Kerala State all considered this aspect and came to the conclusion that the peculiar feature of family employment in plantations could not be ignored. The Minimum Wages

Committee of the former Travancore-Cochin (now part of Kerala) conducted a family budget survey and census, as a result of which it adopted the actual results of that survey for purpose of wage fixation. The Tea Wage Board which fixed wages in 1966 also accepted the principle of family basis of employment for wage fixation although it refrained from recording a forthright conclusion.

It would be far beyond the capacity of this industry to pay a wage based on the theoretical norm of one wage earner's wage being adequate to meet the cost of three consumption units. To do so, the wages would have to be trebled, which could not be done without massive reduction in the labour forces by reorganisation of work methods and work-loads, a course which the labour and unions would vehemently oppose.

There is demand by labour to fix a land-labour ratio in plantations. The requirement of labour per unit of area in plantations depends upon a large number of factors such as the number of bushes planted per acre, soil, terrain, type of planting, type of bush, rainfall, management policy on crop harvesting, etc. It would, therefore, be impossible to prescribe any fixed land-labour ratio, as rightly concluded by the One-Man Committee appointed by the Government of India. To fix any such ratio would be to condemn this industry to a state of stagnation which in the context of rising costs and falling prices will endanger the very survival of the industry. There is a limit to which the yield of a living plant such as tea can be increased. Plantations, therefore, will have constantly to reorganise and rationalise their agricultural practices and work methods, and a gradual reduction in employment, not entailing retrenchment, must be accepted by labour as an inevitable concomitant of their aspiration for higher wages.

#### Tea Wages :

The tea industry has a long record of wage fixation through various machinery. Upto 1947, ordinarily the employers fixed the wages with no State intervention or workers' participation. The first attempt at wage revision by an outside body was when the first Session of the Tripartite Committee on Plantations (subsequently named as the Industrial Committee on Plantations) held in 1947 unanimously recommended a cost of living allowance to all workers.

Plantations are covered by the Minimum Wages Act, 1948. Statutory minimum wages were fixed in all the States concerned either in the latter half of 1951 or in the beginning of 1952. Subsequent wage increases in West Bengal and Assam were given by revision of minimum wages by the State Governments from time to time until the question of fixation of fair wages was referred to a Tripartite Wage Board set up by the Government of India.

In South India, however, several wage revisions took place. In Madras, simultaneously with the fixation of minimum wages, the issue of wages was referred to an Industrial Tribunal for adjudication under the Industrial Disputes Act. The Award was not implemented as the employers appealed against the Award and obtained an interim stay. While the appeal was pending a settlement was reached between the parties as a result of collective bargaining. That was in 1957. Madras was soon followed by Kerala and Mysore by revising the wages through collective agreements. There was a further experiment at wage revision in Kerala through a tripartite committee, known as the Mammen Tharakan Committee. However, that Committee, could not come to a unanimous decision, and no action was taken by the State Government on its recommendation. Soon after, the question of wages in plantations was referred to a Central Wage Board for the fixation of fair wages.

The Tea Wage Board which was appointed in July 1960 awarded two substantial interim increases in wages before giving its final award in 1966. The current wage structure of tea plantation workers is the result of the recommendations of the Wage Board.

In most States, estate staff were outside the scope of minimum wage fixation and their salary and other terms and conditions of service were fixed as a result of collective bargaining. So far as South India is concerned, there were three successive long term settlements in 1948, 1957 and 1965 respectively. In fact, the staff agreement of 1965 was negotiated outside the Tea Wage Board and presented to the Board for acceptance.

Thus the plantation industry has a long and good record of reaching accord on the difficult issue of wages and allowances by mutual negotiations, collective bargaining, tripartite discussions, etc.

The continued inclusion of the plantation industry in the Schedule to the Minimum Wages Act, while fair wages have been fixed by Tripartite Wage Boards leads to an anomalous position. Notwithstanding a written assurance at the time of setting up Wage Boards that State Governments would not invoke the provisions of the Minimum Wages Act, at least two State Governments did try to refix wages while the matter was before the Wage Boards. In West Bengal, demands were raised for revision of D. A. under a 1959 Minimum Wages notification. Although the matter was finally settled on the basis of a lump-sum payment, this was not before strikes had been launched, which caused the industry much in loss of production. The Minimum Wages Act thus provides a convenient means for the State Governments and labour to take advantage of the provisions of the Act for refixation of minimum wages whenever it suits them. It is quite conceivable that the cost of living may suddenly shoot up for certain reasons when a Wage Board is proceeding with its enquiry or during the operation of its award which runs normally for a period of five years, and if such an opportunity is utilised to refix minimum wages, the whole purpose of fair wage fixation by Tripartite Wage Boards is frustrated and the machinery of Wage Board would be discredited.

The employers are, therefore, of the opinion that since the plantation has had a tradition of fixing wages through negotiated settlements and through the medium of tripartite Wage Boards, it should no longer be subject to statutory minimum wage fixation and should be removed from the purview of the Minimum Wages Act. From a reading of the Statement of Objects and Reasons of the Minimum Wages Act, 1948, it is clear that there is no justification for retaining the Tea Industry in the Schedule. With reference to paragraphs 1 and 2 of the Statement, it can no longer be said that the workers' organisations in the industry are still "yet poorly developed and the workers' bargaining power is consequently poor." It can also no longer be said that in the Tea Industry "sweated labour is most prevalent" or that in the Industry "there is a big chance of exploitation."

#### **Labour Welfare :**

In view of the location of plantations in isolated and sometimes hilly areas, from the inception of the industry

the employers recognised the need to provide certain amenities to their labourers. These included the provision of housing and medical aid. However, the standards of housing and the nature of medical aid varied from estate to estate. In the initial stages most of the plantation areas were malaria-ridden and subject to other epidemics. The employers carried on a continuous campaign for the eradication of malaria and by 1950 were successful in eliminating malaria almost completely. Careful attention to hygiene and sanitation, maternity benefits, pre and post-natal care and other measures reduced the death rate.

As a result of the attention drawn by the Rege Committee to living conditions in plantation areas, Government began to take a direct interest in the provision of welfare amenities to plantation workers. The first Session of the Tripartite Committee on Plantations was held in 1947. This Committee was accepted as the forum for a periodical review of conditions of work of plantation workers. The first conference made suggestions regarding wages and cost of living allowance, sickness and maternity benefit, medical aid, education and welfare activities.

The Second Session of the Industrial Committee which was held in 1948 considered the question of wage fixation, medical care and treatment of workers and the outline of legislation to regulate conditions of work in plantations. It endorsed Major Lloyd Jones' Report on "Standards of Medical Care for Tea Plantations in India" and outlined the plans for medical care of plantation workers. By about this time, the Constitution of India was on the anvil with its provisions for a Welfare State and the Directive Principles of State Policy. These constitutional provisions and the prevalent enthusiastic and ambitious idea of a Welfare State had great influence on the scheme and provisions of the Plantation Labour Bill which was placed before the Third Session of the Industrial Committee in 1950. The Act was passed in 1951 and its provisions enforced from 1954.

The Plantations Labour Act makes elaborate provisions in respect of the following matters :—

- (1) Drinking water
- (2) Sanitation and conservancy
- (3) Free medical facilities for the worker and family

- (4) Canteens
- (5) Creches
- (6) Recreation facilities
- (7) Educational facilities
- (8) Free Housing
- (9) Protective clothing
- (10) Leave with wages
- (11) Sick leave and maternity leave with benefits

The Act also regulates working hours, weekly holidays and rest intervals.

Special mention should be made of the statutory obligation of every employer under Section 15 of the Act to provide and maintain for every worker and his family residing in the plantation, the necessary housing accommodation. The rules framed by the State Governments require the employers to construct housing accommodation at prescribed standards for at least 8% of the resident workers every year.

Standards have been prescribed by the respective States and generally speaking they require the provisions of :—

- (1) a living room not less than 120 sq. ft. in area ;
- (2) a kitchen (inclusive of a bath-cum-washroom) of not less than 80 sq. ft.
- (3) a verandah of not less than 60 sq. ft.
- (4) 2 windows for the living room and 1 for the kitchen.
- (5) 3 door-ways, 2 skylights, 2 built-in cupboards and a loft for firewood.
- (6) a latrine of prescribed standards.

The position of housing for a cross-section of the tea industry in South India at the end of 1964 was as follows :—

Madras State		Kerala State	
23,420 Hec.	Area covered ..	38,332 Hec.	
23,770	Total housing requirements ..	32,581	
17,641	Standard houses...	23,741	
6,893	Sub-standard houses	7,780	
<u>24,534</u>	Total :	<u>31,521</u>	

In North-East India, a recent assessment shows that the total number of houses is 3,62,012 of which 1,87,243 conform to the specifications laid down by the State Governments.

The plantation industry agreed in 1953 to the provision of a phased implementation of the housing scheme at the rate of re-housing 8% of the resident labour every year having regard to the financial position of the industry at that time. But since then, not only have wages and costs gone up appreciably, but also the tax burden on the industry has been increased substantially with the result that the industry could not find the resources required to fulfil the housing programme. On the industry's representation, a Working Group on Plantation Labour Housing was constituted in 1964. Although that Group recommended that the loan and subsidy scheme applicable to industrial establishments should be extended to plantations, the details of the scheme applicable to plantations have only recently been announced by the Government. The industry has, therefore, lost for 3 years the benefits of this scheme. The scheme provides for the grant of a 25% subsidy and 50% loan towards the cost of the labour housing. The loan and the subsidy are to be disbursed on a phased plan at various stages of construction of the building.

It is apprehended, however, that the funds allotted to each State will be totally inadequate to cover the requirements of estates by way of loan and subsidy and in such cases the Government would have no alternative but to reject some of the applications. Such a course would be discriminatory and would defeat the very purpose of the scheme. Unless estates are assured that as and when they build labour houses they would be entitled to the benefit of the subsidy, there is little prospect of the speedy implementation of the housing programme being achieved.

It is also considered that further extension of time should be given for the completion of the housing programme; particularly as the decision of the Working Group's Report had been unduly delayed by Government. The Industry had completed more than 50% of its commitment in regard to labour housing as at 31st December, 1966, but nevertheless what remains to be done represents a colossal financial burden which must be spread over a



number of years. It is considered therefore that the annual target should be fixed at 4% of the outstanding balance of houses and that exemptions should be available for economically weak and uneconomic estates in all areas and for all estates in certain depressed areas, such as, in Cachar, Terai, Goalpara and Tripura in North India.

The implementation of the welfare measures under the Plantations Labour Act is supervised in each State by a Plantation Inspectorate under a Chief Inspector of Plantations appointed under the Act. In addition, in each State, there is a Housing Advisory Board to supervise the implementation of the provisions relating to Housing and a Medical Advisory Board overseeing the implementation of the health provisions of the Plantations Labour Act. Besides, a Plantation Labour Advisory Board functions in Madras, a Plantation Labour Committee in Kerala, a Standing Labour Committee for Tea in Assam and these bodies supervise the implementation of the other provisions of the Act.

The Plantation Industry provides welfare amenities under the Plantations Labour Act in range and content far superior to anything imposed on other industries and, particularly, in the agricultural sector. It is estimated that the capital outlay on welfare fixtures alone amounts to 32% of the total fixed assets, a proportion far in excess of anything found in other industries.

On welfare measures the annual average expenditure per employee during the period 1962/65 was Rs. 155/-. However, the expenditure is continuously increasing; in 1965 the expenditure per employee was Rs. 184/- while it is known that the figure for subsequent years is much higher. Put in another way, the cost of these welfare measures works out as follows :—

	North-East India (1962-65)	South India (1965)
1. As % of Gross Profit ...	69.80	65.74
2. As % of Net Profit after tax ...	136.62	133.84

The statutory obligation to provide these benefits compels the employers to divert available resources to comply with the provisions, even at the risk of neglecting urgent development such as the replacement and extension of the planted area, rehabilitation of the factory, machinery etc.

The improvement in the general health of the plantation-workers can be observed from the following statistics of birth rates, infantile mortality and general mortality taking a group of estates in South India.

Year	Birth Rate		Infant Mortality		General Mortality	
	For the Group	All India	For the Group	All India	For the Group	All India
1957	54.2	Average 54.1	73.4	107.0	7.46	11.6
1958	55.8		58.9	108.0	4.70	12.3
1959	53.1		71.1	91.6	4.74	9.9
1960	46.4		87.3	86.9	5.70	10.0
1961	40.9		79.4	8.0	5.51	11.4
1962	41.8		69.0	80.0	4.33	11.1
1963	38.7		64.6	76.0	4.05	10.7
1964	40.1		59.4	.....	3.37	9.8
1965	53.5		51.3	.. ..	3.41	.....

A study carried out in tea estates in the membership of the Assam Branch shows the trend on tea estates in North India :—

Year	Birth rate	Death rate	Growth rate (per cent)
1960	43.4	12.9	3.1
1961	44.3	12.8	3.2
1962	41.8	13.1	2.9
1963	39.8	13.2	2.7
1964	38.6	13.6	2.5
1965	35.6	13.0	2.3
1966	31.2	12.5	1.9

Birth and death rates per mille total population

Apart from the Plantations Labour Act, the following enactments are also applicable to plantations :—

1. Industrial Employment ( Standing Orders ) Act, 1946
2. Industrial Disputes Act, 1947
3. Factories Act, 1948
4. Payment of Wages Act, 1936
5. Minimum Wages Act, 1948
6. Employees' Provident Funds Act, 1952
7. Workmen's Compensation Act, 1923
8. Industrial Employment (National & Festival Holidays) Act

9. Maternity Benefit Act, 1961
10. Payment of Bonus Act, 1965
11. Shops & Establishments Act
12. Motor Transport Workers Act
13. Apprentices Act

In addition to the statutory Provident Fund, there is a retiral gratuity scheme in South India, and a statutory pension in Assam.

Our view on the general aspects of labour policy is that instead of adding to the legislation, the existing enactments should be carefully reviewed on a functional and practical basis and excesses and impractical provisions should be eliminated while those that are capable of implementation should be vigorously enforced.

Among other matters, proposals for social control of the tea industry and rationalisation of the cost structure "by bringing down the overhead expenditure." Apart from pointing out that these matters are outside the terms of reference of the Study Group and the Commission, we would state that outside nationalised industries, tea is one of the most highly controlled industries in the country. The control over the industry is exercised under the Tea Act, 1953, through a Statutory Board, namely, the Tea Board. This is an Act parallel to the Industries (Development and Regulation) Act, 1951, specifically enacted to take control of the tea industry under the Central Government.

As regards the cost structure, "overhead expenditure" is often misunderstood; it is not the same as management cost. Management cost in tea is not higher than in any other organised industries as can be substantiated by a comparison of expenditure on this account with the total wage bill. The so-called high cost of management in the corporate sector of the industry must be judged in terms of the results achieved i. e., higher production and greater efficiency. Real economy in managerial expenditure can be achieved only by promoting efficiency. The results of so-called economy in managerial expenditure can be seen in most tea areas in run-down and dilapidated tea estates, which bring hardship to the workers and present Govern-

ment with chronic problems for their rehabilitation. It makes a strange contrast that while the workers' representatives often accuse uneconomic estates for inefficient management, they accuse the corporate sector efficiently run of a high management cost.

In conclusion, we would add that, having regard to its economic position and financial capacity, the tea industry has met its obligation to labour by progressive increases in wages and providing a wide and comprehensive range of welfare amenities and social security measures. In this, the record of the tea industry has been studied by the Labour Bureau, the One-Man Fact Finding Committee on Employment and the Working Group on Housing and is ever open to any fair-minded body for their own judgement.

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