

Submissions of
Indian Tea Association (ITA)

on

The Occupational Safety, Health and Working Conditions, Bill, 2019

Before The Standing Committee on Labour

Presentation By :

Arijit Raha

Secretary General, Indian Tea Association

Indian Tea Industry : Wage Structure

❖ The basic wage structure that governs the Indian Tea Industry was formulated based on the recommendation of the Wage Board of 1966 taking into account the cash wage as well as the in-kind benefits being provided to a worker.

❖ In addition to Cash wages, tea garden workers are provided statutory and non statutory in-kind benefits :

Statutory Benefits under Plantations Labour Act	Non Statutory Benefits
<i>Free Medical facilities</i>	<i>Concessional foodgrains @ 0.47/0.54 paisa/kg</i>
<i>Free Housing & Sanitation</i>	<i>Free Firewood/Fuel</i>
<i>Free primary Education</i>	<i>Free Dry Tea</i>
<i>Welfare Facilities</i>	
<i>Leave with wages</i>	

Section 11 of Minimum Wages Act, 1948

Section 11 of the subsumed Minimum Wages Act, 1948 recognized payment of wages in kind :

“Where it has been the custom to pay wages wholly or partly in kind, the appropriate Government being of the opinion that it is necessary in the circumstances of the case may, by notification in the Official Gazette, authorize the payment of minimum wages either wholly or partly in kind”.

Labour Codes, 2019



- ❖ The proposed Occupational Safety, Health and Working Conditions Code, 2019 has repealed the Plantations Labour Act, 1951 under Section 134 (I) (e) of the Code.
- ❖ Section 24(4) of the Occupational Safety, Health and Working Conditions Code, 2019 mandates every employer of plantation to provide welfare facilities to workers at own cost or through Government sponsored schemes.
- ❖ The new Code on Wages, 2019 provides that in-kind benefits under the definition “wages” are to be limited to a maximum 15% of the total wages.
- ❖ The value of housing, medical facilities etc all of which are provided by tea companies to workers have been excluded from the definition of “wage” under the Code on Wages, 2019.
- ❖ Section 9 of the Code on Wages, 2019 provides that the Central Government shall fix a floor wage and minimum rates of wages fixed by the appropriate Government shall not be less than the floor wage.

Tea Industry Submissions



- ❖ **The Tea plantation sector would be subject to double jeopardy, being required to provide all facilities at their own cost and also pay a higher wage in view of several in-kind benefits not being included in the new definition of “wage” under the Code on Wages, 2019 as well as a national minimum floor wage governing the minimum wage fixation for all industrial sectors.**
- ❖ **No other industry is required to provide in-kind benefits to workers.**
- ❖ **The unique wage structure of cash wage and in-kind benefits therefore needs to be recognized so that wages are kept at sustainable levels.**

Judicial and other recommendations



❖ The ILC Recommendations of 1957 of valuing housing, clothing, nutrition, electricity, education in wage computation was endorsed by the Hon'ble Supreme Court in the Reptakos Brett case of 1992.

❖ Therefore wage computation for workers who receive such facilities free of cost should include value of these benefits as part of wage.

❖ This principle is also endorsed by the ILO Minimum Wage Fixing Machinery (Agriculture) Convention, 1951(No.99).

❖ The welfare provisions of the subsumed Plantations Labour Act, 1951 should be made available to the workers only through Government sponsored schemes and the plantation sector should be provided relief from providing these facilities at their own cost.

OR

❖ The valuation of all in-kind benefits provided by the plantation sector pursuant to a reasonable assessment by the concerned State Government should be allowed to be included in the definition of “wage” applicable to the plantation sector to enable adjustment of the cash component.

Thank You