

INDIAN TEA ASSOCIATION



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POSITION PAPER

BACKGROUND

- The Indian Tea Association (ITA), the apex body of Producer's Association in India refers to the reports being aired by the BBC since 07.09.2015 regarding their findings titled "The Bitter Story behind UK's National Drink"
- It is unfortunate that the Report has been compiled without taking into account a holistic view of the Tea Industry of Assam, its challenges and the overall quality of life of the large population of workers, of which 50% are women, who rely on this industry for their livelihood.
- The BBC Team visited a couple of Tea Estates without notice which is not the norm on a Tea Plantation due to security concerns of the environment. The conclusions drawn by the Team were based on isolated findings. These isolated cases do not reflect the compliance level on sustainable welfare for the large workforce who are dependant and form an integral part of the Assam Tea Industry.
- The industry continues to meet its statutory welfare obligations and those beyond statute inspite of uncertainties that threaten viability in terms of rising costs, cyclical prices and fluctuating production levels due to climatic factors beyond the control of the Tea industry.

WORKERS WAGES & AMENITIES

- The tea worker in Assam receives a daily cash wage of Rs.115/- plus bonus as a deferred wage and also in-kind benefits which add up to Rs.249/- per day.

- Daily cash wage payable is revised every 3 years through Bi-partite and Tri-partite agreements involving the Union and the Government.
- In-kind benefits being provided are inflation proof as detailed below. These are provided under various statutes and bilateral agreements.
 - Free Fuel and Firewood
 - Concessional foodgrains of approximately 33 kgs of grain per month per family
 - Free medical facilities and sickness benefit
 - Maternity benefit
 - Social Security by nature of Gratuity and Provident Fund under Statute as pensionary benefits
 - Free Housing and water supply
 - Free Children's education at primary level
 - Essential amenities such as umbrella, footwear, blankets etc
 - Earned leave with wages
 - Dry Tea
 - Recreational facilities inclusive of National & Festival Holidays

WELFARE SCHEMES

- Tea Estates have institutionalised welfare schemes which cover the following :
 - Child Health and Nutrition – Provision of Nutritional shops, creation of Kitchen Gardens, provision of subsidized foodgrains of 33 kgs per month to each family, ICDS & Guided Nutrition Programme to provide lactating mothers with nutritious food during pregnancy in conjunction with Government of Assam.
 - Vulnerability to disease and fatality – Diarrhea and dysentery which used to assume epidemic proportions has been controlled. Tea Estate workers are under the surveillance of the DOTS Programme to combat TB where medicines are provided free of cost. Awareness TB cure campaign has been launched by the Association towards ensuring that workers complete the medication.
 - Health & Safety – Protective gears provided to spraying squads in place which covers health check up of workers. Training and Awareness Programmes are conducted regularly.

- Water Hygiene & Sanitation (WASH) – This programme has been extended to 170 Tea estates of Assam Branch Indian Tea Association to improve sanitation facilities in tea Estates.
- Details of collaborative initiatives between the Assam Branch Indian Tea Association and UNICEF for the benefit of Tea Estate workers can be seen at :
 - a. <https://www.youtube.com/watch?v=QkJKiQf-z-k> (UNICEF- Twining partnership);
 - b. <https://www.youtube.com/watch?v=ejZ5BASyR2k> (UNICEF- ETP partnership).
 - c. <https://www.youtube.com/watch?v=W1YuMMfpYIQ> (Case study of Pinky Karmakar).

The relevant files are attached

- The above amenities and welfare legislation ensures for the worker and his family a quality of life that no other agricultural sector provides to its workers in India.
- The Human Index Demographics i.e Infant Mortality Rate, Death Rate, Birth Rate among the Tea Estate population are better than the National Average as would be seen from the following Chart relating to 270 tea estates in the membership of the Assam Branch Indian Tea Association

(Figures : 2014)

Parameters	ABITA Zone 1	ABITA Zone 2	ABITA Zone 3	ABITA	Assam	All India
Birth Rate	3.56	7.56	8.66	6.59	22.80	19.89
Death Rate	1.59	3.71	3.46	2.90	8.00	7.35
IMR	14.78	23.55	30.78	23.04	55.00	43.19
MMR	152	182	72	135	390	178 (2011-12)

(Birth Rate, Death Rate, IMR per 1000)

(MMR as per 100000 population)

Source : Govt of Assam and GOI, ABITA Statistics from reporting gardens

SECURITY OF EMPLOYMENT – 01.01.1969 AGREEMENT

- In the Tea Industry in Assam, a retiring worker has the right to nominate his/her son / daughter for filling up of the vacancy created by his/her retirement. This system called the “Budli System” assures every family continued employment on the Estate. The Industry in North India is also governed by a tripartite agreement

which requires every tea estate to maintain a minimum labour strength. The benchmark for labour strength is guided by the labour strength that prevailed on 1.1.1969 and subsequent recruitments made by virtue of industry level agreements. A retiring worker therefore continues to live on the estate after retirement with his son or daughter to whom the replacement employment has been provided. The Indian Tea industry therefore has a larger strength of permanent workers compared to other geographies.

CHILD LABOUR

- The Child Labour (Prohibition and Regulation) Act, 1986 permits employment for children who are aged 14 years and above. However the Indian Tea Association's National Committee had adopted a Resolution in 1994 and has advised member tea companies to ensure that no person below the age of 15 years is employed in the ITA member Tea Estates. This is followed by the industry and there is no employment of child labour.
- It must be understood that in a Tea Estate environment families of workers reside on the plantations.. It is practically impossible therefore to prevent small children from being seen in the fields with their mothers. However all measures are in place to ensure that they do not get involved in the work sphere. Their mere presence must not be interpreted as participation of child labour.

HOUSING AND SANITATION

- The Plantation Labour Act entitles a worker and his family to be provided with a house as specified in the Act. The definition of family as provided in the Plantation Labour Act includes the worker and his / her spouse, dependant children as well as dependant parents. Houses are being provided in a phased manner as the requirement of housing keeps increasing every year with the number of families increasing due to matrimony. As already stated above, a retiring worker has the right to nominate a direct dependant i.e son or daughter to take up his/her job after retirement. In a situation where there are two workers – husband and wife constituting one family, retirement of the husband would normally lead to employment of one child and retirement of the wife would again lead to employment of second child. When the children get married and have their own families the family splits requiring the management to provide one extra house for the same family. Therefore, the requirement for houses, sanitary units etc. are growing every year. This was recognized by the Government of India and a loan cum subsidy scheme was provided to the industry to accelerate construction of houses from 1964 to 1984. This has since been discontinued and therefore keeping pace with the growing need for housing remains a challenge.

ELECTRICITY

- Electrification of labour quarters is being done in a phased manner.. Assam is a power deficit state and power supply /availability averages 60% of requirement across the State as the Power Distribution Company is unable to meet the growing demand. There is therefore a waiting period for new connections, particularly in the rural sector. In fact, all the tea estates are compelled to run their factories on standby power through captive generation at a high cost, which is a major concern for the Industry. Electricity therefore, remains a challenge.

VIABILITY

- A close scrutiny of the industry viability reveals that price realisation has not kept pace with the growing costs of production thereby impeding the competitiveness of the industry. The price rise between 2010 – 2014 has been 4% per year whereas the cost of production has increased by 16-18% annually.
- The financial commitment of providing fringe benefits and rise in costs of production has cast a burden which needs to be mitigated by higher returns. The Government appointed Committees have in fact comprehensively mapped these issues and recommended the need for sharing of welfare costs between the industry and State Governments.

CONCLUSION

- The Tea Industry remains committed to an inclusive growth paradigm which encompasses the development and well being of the workers and all other Stakeholders in the value- chain. The long-term viability of the industry remains critical for the continued sustenance and employment security of the large working population dependent on the industry. This would depend on the challenges in terms of cyclical price, rising costs and climatic factors.