GS-II: Assam tea estates violating labour laws.

News

A report by Oxfam a confederation of independent charitable organisations focussing on the alleviation of global poverty has flagged violation of labour rights on the tea estates of Assam.

Key Findings

Extremely Low Wages:

- Workers are paid in a ‘blend’ of cash and in-kind benefits and services. Cash payments are supplemented by the provision of food rations and free housing, healthcare and primary education, as required by the Plantations Labour Act (PLA), 1951.
- Plantation owners describe wages in terms of the total value of both cash and in-kind benefits, claiming that this meets minimum wage levels.
- India’s Minimum Wage Act of 1948 stipulates that in-kind benefits may not form part of the minimum wage calculation.
- However, the Act is not compulsory and Assam (like West Bengal) has agreed an exception for tea companies.

Injustice for Women:

- Women do the labour-intensive, low-paid task of plucking tea, while men get the better paid, more respected factory jobs.
- They are excluded from decision making and from pay and working conditions negotiations, partly due to being under-represented in trade unions.

Main Reason: Inequality of Power

- Supermarkets and tea brands in India retain more than half (58.2%) of the final consumer price of black processed tea sold in the country, with just 7.2% remaining for workers.
- The relentless squeeze by supermarkets and brands on the share of the end consumer price for tea makes poverty and hardship for workers in Assam more likely.

Suggestions:

Enabling Living Wages: Closing the gap between current wages and living wages for tea workers could be supported in one of two ways:

Either by supermarkets increasing the end consumer price of tea, alongside making a commitment to pass this increase to workers rather than increasing their own margins.

Or alternatively, by maintaining current prices but redistributing some of the retailer and tea brand share of the end consumer price to workers.

For ending hardships:

- Tea brands and supermarkets should work with trade unions, civil society, producers and the relevant government bodies to address the systemic challenges facing the industry
and end the human suffering of the millions of workers who depend on tea for their livelihood.  
- There is a need to ensure that women workers have a voice in decision making and can work in decent conditions without discrimination.

**Plantations Labour Act (PLA), 1951.**  
- The PLA of 1951 provides for the welfare of plantation labour and regulates the working conditions on plantations.  
- This new Bill inter alia aims to provide fair wages to plantation workers by limiting the in-kind component of their pay and instead providing welfare facilities through the welfare schemes of the government.