

Asia-Pacific Journal of Management and Technology

Online ISSN: 2652-6840

Journal Homepage: <u>www.ajmt.org</u>



Original Article

Scope of Collective Bargaining Process in the Small Tea Garden - A Study with Special Reference to Jalpaiguri District of West Bengal, India

Uttiya Basu*, Kaushik Banerjee

The School of Management & Commerce, Brainware University, Barasat, Kolkata 700125, India

*Correspondence E-mail: basuuttiya@gmail.com

Abstract

The Tea Board of India (TBI) has defined Small Tea Growers (STGs) as an entity having tea plantation areas of up to 10.12 hectares (or 25 acres) without any processing facility since the early 1990s. The mode of production in tea plantations has undergone a major structural shift from a centralized estate sector system to the emerging Small Tea Growers (STG) bought leaf factory (BLF) system, which broadly represents a flexible and decentralized production system. The labour relations in tea gardens are well defined in the organized sector and covered under the Plantation Labour Act, 1951. However, the Small Tea Growers (STG) and Bought-Leaf Factories (BLF) specializing solely in tea manufacturing do not have the distinct industrial identity categorized under the unorganized sector in the tea plantation industry. STGs are no longer a small or marginalized group, as they produce more than half of India's green-leaf output while depriving organized-sector workers of the benefits they should get. The moment has come for small tea garden owners to think about their employees' occupational safety, health, and working circumstances. Given the substantial changes in tea plantation methods, the authors sought to determine the scope of collective bargaining for workers in tiny tea gardens in West Bengal's Jalpaiguri region.

Keywords: Collective Bargaining; Non-wage Benefits; Small Tea Growers; Unorganized Sector; Workers

Introduction

In India, one of the oldest agro-based industries is the tea industry. An association of tea plantation and processing units first started in the 18th century in the state of Assam, Tamil Nadu, Kerala and West Bengal, and it became the backbone of livelihood in most of the people where tea was cultivated (Borborah & Gogoi, 2007). There are two types of tea plantations exist; one is big tea growers and the other is small tea growers. The concept of small tea growers emerged in the later part of 1980, and as per the definition of the tea board of India, the small tea growers should have less than 25 acres or 10.1 hectares of land for plantation of tea bushes, but not have the tea processing unit. Presently a sizable area has come under this segment as nearly 50% of total tea production is being contributed by small tea gardens (Hannan, 2013). The amount of crops produced by the small tea garden in India is more than 1.5 billion kg (Das, 2013).

Tea plantations are mostly found in the isolated highland regions of India's northern and southern states. The main tea-growing regions are in the Indian states of Assam and West Bengal. In the north, West Bengal; in the south, Tamil Nadu and Kerala. In terms of employment, West Bengal is ranked second (Thapa, 2012).

A significant change occurred in the structure of tea entrepreneurship by emerging small tea growers and bought leaf factory (BLF) system. However, it has also changed the labour market structure in the plantation area due to the identified unorganized sector, and these plantations in small tea gardens are not enjoying the benefit except the wage criteria under Plantation Labour Act, 1951 and under the Occupational Safety, Health and Working Conditions Code, 2020.

The owner of small tea gardens has to be registered with the tea board of India to get all types of facilities, but it was found that only 11% of the small tea gardens in Jalpaiguri district are registered with TBI (as informed by the North Bengal Small Tea Planters Association -NBSTPA), which is also a significant setback for their development (Hazarika & Borah, 2013).

More than 40000 small tea gardens are situated in North Bengal, covering over 1,25,000 acres of land with a workforce of more than 1 lakh, out of which more than 36% of STG is situated in Jalpaiguri district, covering approximate 31% of the tea cultivation area (Wenner, 2020). This workforce is not enjoying the non-wage benefits and welfare measures due to the nonapplicability of welfare measures except the provision of minimum wage fixation.

After studying the literature, it is found that there is enough scope to initiate the bargaining process between the small tea planters and workers, and even there is a scope of bargaining for the owners of small tea growers with the different authorities. We tried to exploit some of the areas where the bargaining process could be set up and explain the area by framing a conceptual model and a survey for understanding the expected needs of the workers, which are being taken care of by the owner of small tea gardens (Mansoor, Wahab & Jahan, 2021).

Review of Literature:

Very little literature has been published on the collective bargaining of the labours working in

the small tea garden compared to the literature published on the problems faced by the small tea growers.

The small tea growers enjoy the privilege of low-cost production due to the difference in wages and non-payment of other benefits in terms of the Plantation Labour Act 1951. The study conducted in the north Bengal by Sarkar (2008) comparing the cost of production for significant tea estates with BLF shows that inbuild labour flexibility in small gardens is the primary reason for the low production cost. It is also explained that the benefit of the low-cost production is not enjoyed either by small tea growers or the benefit passed on to the labour due to the inability shown by the owner of bought leaf factory (BLF) to purchase beyond the production limit of the factory and ultimately the owners of the small tea garden are compelled to sell the leaf at a low price. Sometimes they cannot recover the cost of production (Das, 2013). Tea workers in India's North East have died in high numbers as a result of an inefficient pay determination process (collective bargaining) and the closure of tea estates (Haque, Acahrya & Mondal, 2020).

The small tea-growing sector has strengthened the backbone of the rural economy by creating employment, which has also reduced the social unrest in the economy (Barker, 2007). The changing structure of holding the tea plantation area and tea manufacturing processing has changed the supply structure of tea pluckers with their benefits even, in some areas, the selfhelp group has been created to cater to the plucking services (Hannan, 2013). The collective bargaining process has been changed with the changing scenario of the labour supply system in the small tea garden, and the result is that the tea garden workers are forcefully thrown out of the purview of the collective bargaining process followed for many decades, ultimately the socio-economic condition of a new form of tea pluckers is highly affected (Biswas, 2016).

The payment of minimum wages required by the Minimum Wages Act of 1948 can considerably impact the labour force's living and working conditions. Wage levels have a significant impact on labour force recruitment and retention, as well as mobility (Gurung & Thanga, 2021).

Farmers have adopted small tea-producing techniques in Uttar Dinajpur and Jalpaiguri districts as a cost-effective alternative to traditional agricultural systems. Because it necessitates a large number of person-days throughout the year, this tea-growing technique has been discovered to be capable of creating significant employment opportunities. Suppose the Tea Boards of India and other intervening institutions provide training in the establishment of cooperatives or community processing units, as well as spreading awareness about the quality parameters of green leaves. In that case, it could be a highly viable enterprise among the farm families of North Bengal (Panda et al., 2022).

Small Tea Growers (STGs) in India

There is a green revolution in tea cultivation through the emergence of the small tea growers' concept, which has increased the economic empowerment and the majority of owners are fir generation entrepreneurs. Today more than the half of the tea production is contributed by the small garden (Directorate of Economics & Statistics, Ministry of Agriculture); these gardens are selling the leaf at a rate of Rs. 15 per kg and still earn profit due to the younger bushes, and no social obligations for the tea pluckers, whereas the organized sector selling the tea for Rs. 25-30 per kg. 184634 small tea gardens are there covering the area of 188696 hector producing 297.36 million kg of tea as of 2015, and the yield is 1576 kg per hectare of area.

Small Tea Growers (STGs) in West Bengal

There are 11355 registered STG (6.15% of all India figure) covering 12823 hectors of area (6.80% of all India figure) producing 71.13 million kg of tea (23.92% of all India figure) as of 2015, and the yield is 5547 kg per hector which is 3.52 times more than the all-India figure.

The above data shows that the productivity of small tea gardens in West Bengal is better than

the average of the country's production. The STGs in West Bengal are organized under different associations like the North Bengal Small Tea Planters Association - the oldest association in West Bengal, United Forum of Small Tea Growers Association (UFSTGA), CISTA, and the Growers Association in West Bengal under the umbrella organization of CISTA, comprises of Jalpaiguri district STG Association, Cooch Behar district STG Association, Uttar Dinajpur STG Association, and the Darjeeling Organic Ekta Society. Tea workers in north Bengal are now getting a daily wage of Rs. 202, and the government has also replaced the plantation act with the occupational Safety, Health and Working Conditions Code, 2020.

Small Tea Growers (STGs) in Jalpaiguri District of W.B

There are 6937 registered small tea gardens (62% of the total number of STG in West Bengal) in the Jalpaiguri district. However, as per the information given by the president of the Confederation of Indian Small Tea Growers' Associations (CISTA), Mr. Bijoy Gopal Chakraborty, in an interview that there are more than 35000 numbers of small tea gardens are not registered under the tea board of India. Fifty-two Societies (self-help groups) have been formed under the Jalpaiguri district STG Association for tea plucking processing with approximately 4500 tea growers under the Jalpaiguri District Small Теа Grower Association.

Collective Bargaining in Small Tea Growers

Presently, there is no such concrete bargaining system that prevails among the owner of small tea gardens and tea pluckers, this is mainly due to the absence of the association's formation, but there are several associations formed by the owners of STG as discussed above. We developed a conceptual bargaining model to explain the scope of bargaining for all associates and the benefit of bargaining for STGs as well as the workers as per the following figure:

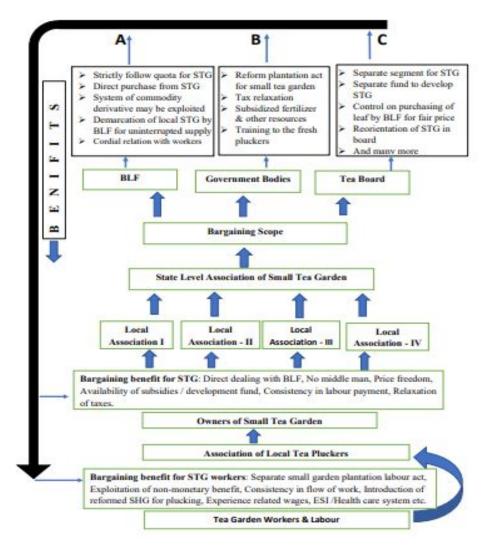


Figure 1: Collective Bargaining Process Model for Small Tea Growers Source: Author's Compilation from Review of Literatures

Objective of the Study

Based on the above discussion, the following objectives are derived for the study:

- To find out the expectations of the small tea workers working as tea leaf pluckers in various aspects of monetary and non-monetary benefits and the actual delivery of such expectations by the owner of the small tea gardens.
- 2. The testing of specific hypotheses framed on workers' expectations, which are also relevant to the scope of collective bargaining, on the basis of preliminary information obtained through field surveys among the workers and owners of small tea growers. STGs.

Hypothesis

We developed the following hypothesis based on the above-mentioned objectives:

H₀1: The expectations of tea pluckers of small tea gardens associated with different monetary and non-monetary is fulfilled by the small tea growers

The above hypothecation has been divided into the following operative hypothesis considering the typical type of expectations workout as a result of discussion with workers:

Operative Hypothesis

H₀**1:** There is no difference in the amount of the wages paid to the workers as per the wages fixed by the government for tea pluckers

 H_02 : There is no difference in timely payment of wages to the workers as committed by the owner of the small tea garden

 H_03 : There is no difference in engagement of working hours and payment for extra hours as per the labour law.

 H_04 : The workers are not getting continuous work in the same garden

 H_05 : There is no difference in the amount of the wages paid to the workers by the owner of the different small tea garden

 H_06 : The owners of the small tea garden are not treating the trained and experienced tea pluckers at par with other workers.

 H_07 : There is no difference in the amount of the wage paid to the experienced and inexperienced pluckers

H₀8: There are no extra monetary and nonmonetary benefits apart from daily wages given to the workers by the owners of the small tea garden.

Methodology

Study Area

Data was collected from the worker's living area where the small tea gardens are situated, but these gardens are scattered all over the Jalpaiguri district. We have considered 17 gardens of different sizes (from 0.5 to 24 acres) in the Mal (4), Nagrakata (3), Falakata (4) and Moynaguri (6) blocks.

Population

The workers are scattered and living in the village and remote areas, and it is difficult to count the number as working in tea gardens is the primary livelihood of the majority of the population.

Sampling

In selecting the sample size from the population, purposive sampling has been adopted, considering the type of the population. Samples of 116 workers were considered for this study from the selected area as shown in the area of study, and the sample structure is as under:

SI. No.	Name of the Block	No of the workers distributed the questioners	No of the questioners received back	No of the questioners rejected	No of the questioners accepted for study (SAMPLE)
1	Mal	30	24	-	24
2	Nagrakata	35	31	2	29
3	Falakata	35	25	-	25
4	Moynaguri	50	41	3	38
5	Total	150	121	5	116

Table 1: Sampling Data

Research Questions

The questioners considered for this study are confined to some critical area which has a high expectation by the tea workers in terms of monetary and non-monetary aspects possibilities of affecting the livelihood of the workers if not taken care of by the owners of the small tea garden.

Questionnaires contain the following items of expectation:

- 1. The expectation of receiving wages as per government guideline
- 2. The workers are expected to receive their wages on time.
- 3. Engagement of working hours and payment for extra hours working as per act
- 4. The expectation of getting continuous work
- 5. Disbursement of same wages by all the small tea garden

- 6. Preference of the work for trained and experienced tea pluckers
- 7. More wages for experienced workers compared to the fresh pluckers
- 8. Expectation to receive the extra monetary and non-monetary benefits

Table 2: Reliability Test

Reliability Test

A Cronbach's alpha coefficient of .70 and above indicates a high degree of internal consistency among the data collected. We can see from the table that the value calculated is more than 0.7, which shows that the questionnaires are reliable for testing.

Reliability Test of questioners				
Attributes	No of Item	Cronbach Alpha		
Expectation of workers	8	0.754		
The expectation of workers fulfilled	8	0.720		

Analytical Tools

The nature of the questionnaires is dichotomous (Yes / No), and the sample is a non-parametric as it is purposive and collected from a large number of populations. Looking at the character of the sample, which is more than 30, we used the Chi-square test to test the hypothesis.

Analysis of Data

The data collected from the workers through the questionnaires have been analyzed with SPSS20 and used the Chi-square test, which tells us if there are any statistical differences between the means of a sample of expectation of workers and fulfilment of expectation by STG.

SI. No.	Particulars of Questioners	Mean	Status of Expectation	P Value	Status of Null Hypothesis
1	Expectation: The workers are expected to receive the wages as per government guidelines regarding wages fixed for tea pluckers	0.75	Workers' Expectation is		
	Fulfilment of Expectation: The workers are receiving the wages as per government guidelines regarding wages fixed for tea pluckers	0.56	not Fulfilled.	0.011	Fail to Retain
2	Expectation: The workers are expected to receive their wages on time.	0.51	Workers' Expectation is		Retained
	Fulfilment of Expectation: The workers are receiving their wages on time.	0.62	Fulfilled	0.466	
3	Expectation: The workers are expected to be engaged for appropriate working hours and payment for extra working hours	0.66	Workers' Expectation is not Fulfilled		Fail to Retain
	Fulfilment of Expectation: The workers are working for appropriate working hours and getting extra payment for extra working hours	0.59		0.008	
4	Expectation: The workers are expected to get continuous work in the same garden if there is a need	0.72	Workers' Expectation is not Fulfilled		Retained
	Fulfilment of Expectation: The workers are getting continuous work in the same garden if there is a need	0.66		0.541	
5	Expectation: The workers are expected to receive a similar amount of wages in all the small tea garden	0.60	Workers' Expectation is not Fulfilled	0.025	Fail to Retain

	Fulfilment of Expectation: The workers receive similar amounts of wages in all the small tea garden	0.55			
6	Expectation: The trained and experienced tea pluckers are expected to get the preference over other workers to work in the small tea garden	0.66	Workers' Expectation is Fulfilled	0.275	Retained
	Fulfilment of Expectation: The owners of small tea gardens give preference to trained and experienced tea pluckers	0.71			
7	Expectation: The trained and experienced tea pluckers are expected to get more wages compared to the fresh and non-experience pluckers	0.48	Workers' Expectation is Fulfilled		Fail to Retain
	Fulfilment of Expectation: The trained and experienced tea pluckers are getting more amount of wages compared to the fresh and non-experience pluckers	0.70		0.031	
8	Expectation: The workers are expected to receive extra monetary and non-monetary benefits like bonuses, meals, and medical facilities apart from the daily wages.	0.68	Workers' expectation is not Fulfilled	0.233	Retained
	Fulfilment of Expectation: The workers are receiving extra monetary and non-monetary benefits like bonus meals and medical facilities apart from the daily wages.	0.59			

Results of Chi-Square Tests

H₀1: The test result shows that the p-value is .011, which is fewer than the set error of 0.05. Hence, we reject the null hypothesis and accept the alternate hypothesis. It indicates that there is a difference in the amount of the wages paid to the workers as per the wages fixed by the government for tea pluckers.

H₀2: The test result shows that the null hypothesis could be retained as the p-value is 0.466, which is more than the set standard of 0.05.

H₀3: The test result shows that the p-value is .011, which is less than the set error of .05. Hence, we fail to retain the null hypothesis, and the alternate hypothesis is accepted. It shows that there is a difference in engagement of working hours and payment for extra hours as per the labours law.

H₀4: The test result shows in the table that the p-value is .466, which is more than the set standard of 0.05. Hence, we can retain the null hypothesis.

H₀5: The analysis shows that we can reject the null hypothesis as the p-value calculated is .025, which is less than 0.05. It shows that the amount of the wages paid to the workers by the owner of the small tea garden differ from garden to garden.

H₀6: The p-value calculated is 0.275 as per the above table, which is greater than .05. We can retain the null hypothesis.

H₀7: The result of the analysis shows that the p-value is .031, which is less than the set value of 0.05. Hence, we fail to retain the null hypothesis, and the alternate hypothesis is accepted. It shows that there is a difference in the amount of the wages paid to the experienced and inexperienced pluckers

H₀8: The test result shows in the table that the p-value is .233, which is more than the set standard of 0.05. Hence, we can retain the null hypothesis.

Results:

In the analysis of primary data collected with the help of a semi-structured questionnaire, the main findings of the current study could be discussed as under: This objective is related to the status of the expectations of the tea leaf pluckers working in the small tea garden relating to the monetary and non-monetary benefits, and the following findings have been summarised from the result of the descriptive analysis:

The following expectations of tea pluckers have been fulfilled the in the small tea garden

The expectation of the workers to receive the wages on time: We found that the expectation of the workers has been fulfilled as the mean of the expectation is 0.51, which is less than the mean of the actual receiving of the wages on time, is 0.62.

The expectation of trained and experienced tea pluckers to get the preference over the inexperienced pluckers: The mean of the expectation is 0.66, which is less than the mean of the fulfilment of the expectation is 0.71. This shows that the trained and experienced workers are getting preference.

The expectation to receive more wages for trained and experienced tea pluckers has been fulfilled as the mean of the expectation fulfilled (0.70) is more than the mean of the expectation (0.48).

The following expectations of tea pluckers have not been fulfilled in the small tea garden

The expectation of the workers to receive the wages as per government guidelines: The mean of the expectation is 0.75, which is more than the mean of the actual wages being received by workers is 0.56. This shows that the expectation of the workers is not being fulfilled.

The expectation of appropriate working hours and payment for extra working hours: The mean of the expectation is 0.66, which is more than the mean of the fulfilment of the expectation is 0.59. This shows that the workers are not getting extra payment for extra working hours.

The expectation of getting continuous work in the same garden: The mean of the expectation is 0.72, which is more than the mean of the fulfilment of the expectation is 0.66. This shows that the workers are not getting continuous work in the same garden The expectation of receiving the same number of wages in all the small tea gardens: The mean of the expectation is 0 .60, which is more than the mean of the fulfilment of the expectation is 0.55; this shows that the workers are not getting a similar number of wages in all the small tea garden

Expectation to receive the extra monetary and non-monetary benefits like bonuses, meals, medical facilities apart from the daily wages: The mean of the expectation is 0 .68, which is more than the mean of the fulfilment of the expectation is 0.59; this shows that the workers are not getting extra monetary and nonmonetary benefits.

Discussion:

Tea plantation employees have goals and wish to alter their life despite their terrible realities. Both tea workers and union officials believe that livelihood is the most important factor in bringing about community transformation. Small tea-producing techniques have been adopted by tea pluckers in the study districts as a cost-effective alternative to traditional agricultural systems. Because it necessitates a large number of man-days throughout the year, tea-growing technique this has been discovered to be capable of creating significant employment opportunities (Panda et al., 2022). If the Tea Boards of India and other intervening institutions provide training in the establishment of co-operatives or community processing units, as well as spreading awareness about the quality parameters of green leaves, it could be a highly viable enterprise among the farm families of Jalpaiguri. They should be given more assistance in order to obtain high remunerative prices for both green and processed tea leaves. As a result, if the lean season is avoided, small and marginal farmers might embrace this method as a successful endeavour for income generation and agricultural diversification

Conclusion:

We can draw some conclusions from this study that the scope of working the BLF and STG under one umbrella should be developed for an uninterrupted supply of tea leaves. Also, bargaining scope should be developed for a price democracy system in the small tea gardens for their workers. The structure of tea gardens is shifting from the corporate level to small local-based firm; hence the requirement for owners is also changing. The owners should look into the factor of the healthy beings of the workers. Legal guidelines associated with wages and non-monetary benefits should be reformed, especially for the workers of small tea gardens. A mechanism should be developed for systematic employment of local labours for the creation of more employment in the small gardens.

Acknowledgement:

This paper is a part of the Ph.D. thesis entitled "Role of Collective Bargaining for Protection of Workers' Rights in MSME Units: A Study with Special Reference to Kolkata, 24 Parganas (North) and Howrah District of West Bengal". The authors are sincerely thankful to the Ph.D. supervisor Dr. Kaushik Banerjee for his valuable comments and suggestions.

Conflicts of Interest:

The authors proclaim that the study was accomplished without interruptions of any other business organizations or associations, so that no potential conflict of interest existed in this review of research.

References:

Barker, J. (2007, May 23). Importance of Entrepreneurship. *Young Entrepreneurs of America*.

Biswas, D. (2016). Wage Determination Machinery of Tea Industry in India: A Case of West Bengal State. *Journal of Tea Science Research, 6*(8).

Borborah, S., & Gogoi, J. K. (2007). *Development Issues in the North-East in the Turn of the Country*. Papyrus Books.

Das, K. (2021). Plantation infrastructure and the performance of Assam's tea sector: An Analysis on the Smallholding Tea Plantation Sector. *Centre for Development Studies*.

Gurung, M., & Thanga, J.L.T. (2021). Trade Unions and Worker's Struggle for Decent Wages in the Tea Industry of West Bengal. *Management Convergance*, *12*(2), 72-79.

Hannan, A. (2013). Organisational Innovations and Small Tea Growers (STGs) in India. *National Research Programme on Plantation Development, Centre for Development Studies.*

Haque, M., Acharya, S. K., & Mondal, K. (2020). Transforming Agriculture and Tea Garden: The Impact on Farm Women Engagement. *Current Journal of Applied Science and Technology, 39*(26), 85-92.

https://doi.org/10.9734/CJAST/2020/v39i2630908

Hazarika, K., & Borah, K. (2013). Small Tea Cultivation in the Process of Selfemployment: A Study on the Indigenous People of Assam (India). International Journal of Latest Trends in Finance and Economic Sciences, 3(2). https://doi.org/10.2047/ijltfesvol3iss2-6

Mansoor, A., Wahab, S. A., & Jahan, S. (2021). Stimulation of innovative behavior through the inclusive leaders and engaged workers. *Business: Theory and Practice*, 22(2), 249-255. https://doi.org/10.3846/btp.2021.13363

Panda, S., Ghosh, A., Das, L., Modak, S., Mondal, S., Pal, P. K., & Nain, M. S. (2022). Economics of Small Tea Farming System (STFS): An in-depth Study of North Bengal, India. *Indian Journal of Extension Education*, 58(1), 63-67. http://doi.org/10.48165/IJEE.2022.58114

Sarkar, K. (2008). Globalisation, Restructuring and Labour Flexibility in Tea Plantations in West Bengal. *Indian Journal of Labour Economics*, *51*(4), 643-654.

Thapa, N. (2013). Employment Status and Human Development of Tea Plantation Workers in West Bengal. In *Globalisation, Development and Plantation Labour in India* (pp. 82-108). Routledge.

Wenner, M. (2020). Towards an Alternative Indian Tea Economy

: Examples of Producer Cooperatives from Darjeeling. *Economic & Political Weekly, LV*(45), 53-60.