

Visualizing the Impact of Globalization on Tea Industries of India: With Reference to Tea Gardens of North Bengal Region

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After water, tea had become the world's most consumed beverage by the early 21st century. Of regional significance in China and Asia since post classical times the consumption and production of tea has now spread globally in the eighteenth and nineteenth centuries. This spatial diffusion of tea was both reflected in and contributed to important global processes in the early modern and modern periods that include the commodification of long distance trade, industrialization, imperialism, corporate globalization and environmental changes.

The plantation sector has been considered to be a major source of livelihood and employment for the regional economics. It is located in the backward and rural regions of a few states in a country. It is highly labour intensive sector with a high concentration of women comprises of labour who have remained less developed, tea workers are considered to be among the poorest and most deprived section of organized labour of a country and further large section of them is said to belong to the Schedule Tribe communities. As such labour employed in plantation was taken as a homogenous worker. But recently in order in to achieve flexibility in the deployment of labour the mode of production is shifting from the 'Estate Sector' to the emerging small holder 'BLF Sector'. Such reorganization of the production process has led the changes in the nature of the labour market prevailing in the tea plantation. The labour market has reoriented itself from permanent to casual and organized labour has been replaced by the informal labour market. Thus at present the plantation work category can be said to be consist of permanent estate workers, casual estate workers and self employed small growers. If a plantation workers happens to belong to any of these three employment status then what would be their position in the entire sphere: education, culture, health and their basic amenities? And what about their rights i.e. Entitlement that relate specifically to the role of being the workers provided to them by the Plantation Labour Act of 1951.

According to an exhaustive survey done by the State Labour Ministry, there are 276 organised tea estates in North Bengal. These tea estates are spread over Darjeeling and Jalpaiguri districts. Only one set of tea estates i.e. Cooch Behar Tea Estates in Cooch Behar district. All these tea estates in North Bengal has thrown in damning number of mismanagement and deplorable labour welfare 1.1 million people live in these tea estates of North Bengal.

The new economic policy of 1991, in fact was a part of structural reform introduced which was to change the entire outlook towards the industrial development, so that all the industries are made efficient as well as globally competitive. The growth process has witnessed the slowing of agriculture production at the time when the rest of economy is growing at unprecedented rates. The slow growth of agriculture and plantation has been explicitly noted as a matter of concern in the "Approach to Eleventh plan" accelerating the growth of both agriculture and plantation is seen as central to a more inclusive growth. Prosperity of anyone in plantation sector is extremely difficult without development planning. Plantation development and management have become so closely integrated with each other, the progress of an economy in plantation sector is now accessed from the success it has achieved in transformation from plantation set up into an industrial set up. The general health of the region's tea economy has not been good for quite some time. Many tea gardens have witnessed a fall in production and profit since economic reforms were adopted in 1991. The global economic integration that followed paved the way for import of cheaper and better tea of the Cut- Tear- Curl (CTC) variety from Sri Lanka, Myanmar and Kenya. The new entrants enjoy some advantage by way of cost efficiency, quality and market command. The monopoly of the Indian tea producers over the domestic market thus came to an end. On the other hand, the secured export market for India's tea received a blow first due to the disintegration of Soviet Union and second by the entry of the new producers in the Afro-Asian region. The ageing tea bushes in the tea estates which were nearly 200 years old failed to produce enough quality tea at low cost to face

competition. The lower segment of the domestic market is almost monopolized by the Bought Leaves Factories (BLF) that produce cheaper tea. They get the raw leaves from small tea growers at lower prices. Since they do not come under the purview of the Plantation Labour Act they do not have to incur non- wage welfare expenditure on the workers. The cost of production per kg of tea is lower and the cheaper produce from these informal producers has been flooding the market. On the other hand, the established, tea estates, and gardens have been finding it hard with their obsolete technology, old bushes and escalating wage costs to remain in business. Bigger tea estates endowed with external economies of scale area still in business, while the weaker ones are shutting down in the face of snowballing losses.(Beck 2007). Economic reforms not only touched the production but also the labour laws and the social security safety nets that form an integral of the production also underwent a lot of changes especially against the backdrop of the crisis experienced in some of the tea gardens of North Bengal that are experiencing lockouts and have been closed for many years. The situation however, is not a uniform one as some of the gardens is being run well, adjusting themselves to the demands of globalization both in the terms of management of the tea plantation to the social security safety nets for the plantation workers.

Many tea estates in the Terai- Dooars region of the North Bengal has been affected by local and global economic shock. The shocks have proved fatal for some gardens while others, however, have withstood them. Those who have failed to manage wound up leaving workers in the lurch. Some tea gardens have been occasionally shutting down and reopening since 2002. The loss of livelihoods has meant unspeakable misery for the plantation workers. The planters put up closure notices and disappear without clearing huge arrears t of unpaid wages and provident fund.

According to 51st annual report 2004 to 2005 of Tea Board of India a total of 118 tea gardens reportedly closed between 2002 to 2005 affecting 68,442 workers. In 2006- 2007 much more closure of the tea gardens has been reported.

In Jalpaiguri district and Darjeeling district more than 20 tea gardens are abandoned and closed which affect the life about 35,000 workers.

The new economic policy adopted by the Indian government with the expectation of high economic growth in industrial sector has now become one of the most delicate and complex problem of modern industrial society. In the case of tea industries we may not be able to get the actual effect of the economic reforms implemented by the governments of India. This has opened up the gates and has been instrumental in generating a lot of competition among the tea producing nations. Cheaper tea from China and Sri Lanka are flooding the market and the tea producer in India point out that Indian tea is losing both the internal as well as world market which resulted in the incurring of losses by the producers. Failure to get support from the government there is reduction in export

benefit for tea in Foreign Trade Policy 2015- 2020. Under the MEIS the benefit reduced from 5% to 3% in respect of bulk teas which will adversely impact the competitiveness of tea in global markets. Tea had been earlier included in the Vishes Krishi Gram Udyog Yojana (VKGUY) and had been enjoying 5% benefit for non –organic and 7% for organic tea covering both bulk and value added teas. India's tea strain continues to be under severe strain. Tea board's latest data for the period April- January 2014-15 recorded a decline of nearly 28 million kgs from that of the corresponding period of 2013-14. This decline has largely been in the wake of increased competition from lower cost tea producers such as East African countries, China and Sri Lanka.

Data closure of tea gardens of North Bengal.

Sl. no	Names of abandoned and closed tea gardens	Date of closure	No. of workers affected
1.	Kathalguri T.E	22.7.02	1,475
2.	Ramjhora T.E	10.8.02	1,102
3.	Redbank T.E	15.2.05	1,588
4.	Surendranagar. T.E	15.2.05	451
5.	Charmuchi T.E.	24.4.04	1,400
6.	Raipur T.E.	5.7.05	557
7.	Bamandanga T.E.	18.11.05	1,174
8.	Samsing T.E.	28.11.05	1,900
9.	Chinchula	30.11.05	1,360
10.	Shikarpur T.E	18.10.05	1,527
11.	Bharnobari T.E	29.12.05	2,250
12.	Molmady T.E	19.12.05	286
13.	Kalchini & Roymatang T.E.	28.2.06	3,000
14.	Dheklapara T.E	11.3.06	602
15.	Bundapani T.e.	13.7.13	1283
16.	Indong T.E	23.1.14	1284
17.	Raja T.E	8.3.14	750
18.	Arian tea plantation	22.3.14	150
19.	Dharain T.E	19.10.13	824
20.	Madhu T.E.	23.01.14	1,239
21.	Bagrakote T.E.	4.5.15	1,420
22.	Happy Valley T.E	1.7.2000	333
23.	Chongtong T.E	1.106	1,250

Fig.1.

The year wise re-opening of closed Tea Estates.

Year	No. of gardens re-opened
2007-08	11
2008-09	5
2009-10	6
2010-11	9
2011-12	Nil
Total	31

Fig.2.

The result of this reform is noticed in its impact, as this has crippled the growth of Tea Industries in general and Tea Industries located particularly in the Dooars and Darjeeling regions of West Bengal. Almost 23 tea gardens are either locked out as in fig. 1 or abandoned creating huge socio-economic crisis in the region. Many tea gardens of Dooars region have failed to fulfill the statutory obligation of labour welfare as stipulated by the Plantation Labour Act 1951. This has led to various agitation and movements like Strikes, gheraos and lockout in order to create pressure in their respective managements. At the same time most of the tea industries in the Darjeeling hilly regions are performing without experiencing much shock, although the trend indicates that it would also experience shock due to the reason that the nature of capital investment that has undergone a change in the form of instead of long term investment that is essential for tea plantation, the investment are short term investment which is uncondusive to tea sector and the other major reason is the mechanization of tea industry that was initially a labour intensive industry.

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