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## Labour Rights & Tea Estates of Assam

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A report titled '**Addressing the Human Cost of Assam Tea**' by Oxfam has flagged violation of labour rights in the tea estates of Assam.

Along with Oxfam, Tata Institute of Social Sciences was also involved in this research.

### Key Findings

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- **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.**
- The cash component of Assam tea workers' wages is **well below the minimum wage level of unskilled agricultural workers in the state i.e. Rs. 254.91.**

- **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.
- These add up to a working life deprived of dignity.

- **Lack of Basic Facilities:**
  - **Indian tea estates** are legally obliged **under the PLA, 1951 to provide decent housing, healthcare**, education and working conditions – but are clearly **failing to do so**.
  - Housing and toilets are dilapidated or non-existent.
  - Most workers **do not have access to safe drinking water**, so they have to drink the contaminated water, meaning diseases such as cholera, typhoid etc.
- **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**.
  - It is to be noted that **the amount of additional money required to enable a living wage for workers is relatively small**.
  - Workers on tea estates in Assam currently receive just around Rs 3 per 100g of bagged black tea sold to consumers and would require only around Rs 7 to enable living wages to be paid.

- **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.
- It should be ensured that **tea estates comply with their legal obligation under the Plantations Labour Act (PLA), 1951.**

In the proposed labour law changes, it needs to be ensured that the PLA provisions in the **Occupational Safety, Health and Working Conditions Code** further the realization of workers' rights and human rights

- The government of Assam **should implement a minimum wage level of INR 351 per day, as committed by it.** Also, there is a need to **exclude in-kind benefits from minimum wage calculations** on tea plantations.

### **Plantations Labour Act (PLA), 1951.**

- The PLA of 1951 provides for the welfare of plantation labour and regulates the working conditions on plantations.
- The Government of India is **planning to subsume the PLA in the Labour Code on Occupational Safety, Health and Working Conditions Bill, 2019.**

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.

### **Related Constitutional Provisions**

- Under the Constitution of India, Labour is a subject in the **Concurrent List** where both the Central & State Governments are competent to enact legislation subject to certain matters being reserved for the Centre.
- **Article 39** of the Constitution states that the State shall, in particular, direct its policy towards securing **equal pay for equal work for both men and women.**
- **Article 43** of the Constitution states that the State shall endeavour to secure, by suitable legislation or in any other way, to all workers, agricultural, industrial or otherwise, **work, a living wage, conditions of work ensuring a decent standard of life.**

**Source: TH**