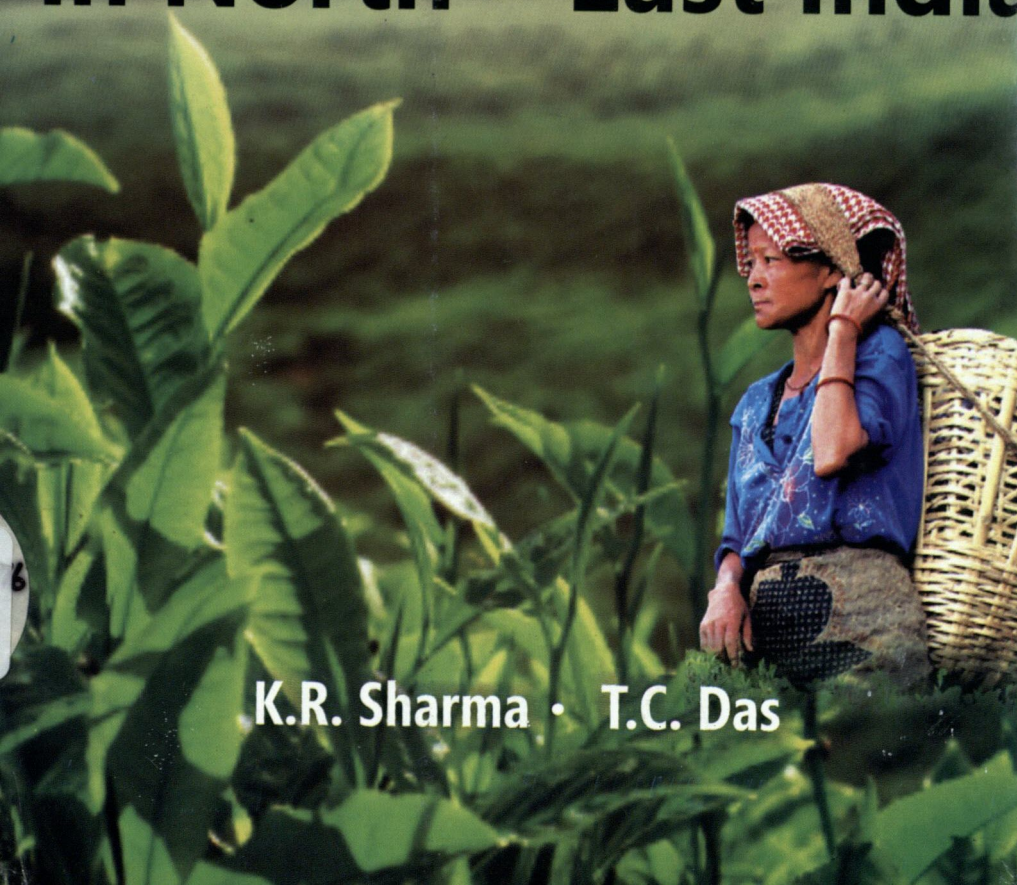


# Globalization and **Plantation Workers** in North – East India



K.R. Sharma • T.C. Das

Globalization and Plantation Workers in North-East India is a piece of research study regarding the impacts of globalization among the workers. The impacts have been analysed thoroughly in regard to the case of Darjeeling tea industry along with the industry in relation to other regions of West Bengal and Assam of North-East India. Since this is the first Sociological study on the impacts of globalization among plantation workers, it will elucidate the positive and negative sides of present globalization process in the industry. It has also incorporated a whole lot of the assessment of changes taking place since 1991 of Liberalisation, Privatisation and Globalization of Indian economy in tea frontiers of North-East India. The work will be a very essential reference book for the researchers who are going to contribute more for the literature on plantation study in India in near future.

**Rs. 690**



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K.R. Sharma, T.C. Das



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# 1

## Introduction

### **First Decade of Globalization and Plantation Industry in India**

#### ***Background***

With the Globalization of Indian economy, the tea industry has been passing through a tough time to exist and compete the other tea growing countries of the world. Considering the changes occurring at the national level as well as to introduce the readers with the ideas about the present phase of globalization, its impacts among the workers and future prospect of tea industry, the present work has been done. In the present section of the study, we shall see the background of tea industry, problems emerged and how the crisis started during the first decade of globalization. The established tea industry of the country had to face severe problems due to the emergence of small growers of tea in so far as the development prospect of the same in the country during nineties of the 19th century was concerned. This along with the introduction of new plantations in tea growing zones of the country had also encouraged to sprout new and new problems in the plantation frontiers. Further, with the emergence of plantations in other countries of the world, the structure of competition became more and more herculean in terms of cost effectiveness (Asopa: 2004) and quality aspects of the plantation products. So, in order to understand the impacts of globalization among the plantation workers, let us first understand its background in the national perspective.

## **Evolution of Tea Industry in India**

It is believed that long back in 1831 tea bush was discovered in Assam where its tea plantations were started and gradually spread over the whole of North-East India (Bhadra: 1997). In the process, the first tea plantation was started on an experimental basis in 1833 by the colonial government in Chabua (Diburgarh district of Assam). Interestingly, the expansion of the government owned tea plantations could not persist long and therefore private tea enterprenurs were encouraged from 1859 and subsequently the private enterprenurs could expand and develop the tea plantations successfully. By 1850, the exact acarage under tea came to 1,876 hectares in Assam. The area increased to 7,599 in 1859 and 25,174 hectares in 1859. It further increased to 56,000 hectares in 1876. It was therefore observed that by the end of 1870-71, about 7 million acres of land were brought under the tea plantations though the accurate area was of merely 8.0% of the total land owned by the plantations. The decade from 1901 to 1911 witnessed a slow growth of tea plantations. For first time in 1838, eight chests of made tea was sent to London Auction Centre. In 1947, only 30.0% of 1.5 million acres of land under plantations was occupied by tea planters in Assam. However, after 1870, the tea gardens were expanded intensively in the state of Assam.

Tripura was the first state of North-East India after Assam to introduce tea plantation industry. The recommendation of young scientist named A.C. Bhattacharjee helped to cultivate tea in Tripura, being enthused by the then Raja of Tripura, Birendra Kishore Manikya who introduced "Tashkhidri Taluk" system in Tripura. In Tripura, first tea garden was started in 1916. This was the crucial period for tea industry in India due to recession of tea. But after 1922, the recession was subsided which invariably encouraged tea planters to cultivate about 8,386 acres of land under tea. The basic difference between Assam and Tripura plantations was that in case of former

state, mostly the tea gardens were under the British planters while in Tripura, all tea gardens were of Indian origins.

The introduction of tea industry in Dooars area of West Bengal was started with the introduction of Gajoldoba tea estate in 1874 by G.I. Gonnings (Mukherjee: 1997). Within the span of eight years, *i.e.*, from 1870 to 1878, thirteen tea estates were established in Dooars with 11,984 acres. The growth of tea industry in eighties was so rapid that the acreage under tea went up to six times from 1872 till 1892 (Griffith:1967). During the period commencing from 1901 to 1951, the area under tea doubled (Bhadra: 1997).

The history of introduction of tea industry in Darjeeling is associated with the posting of Dr. Campbell from Kathmandu to Darjeeling in 1840 (Das: 1947, Hunter: 1876). In 1834, the Governor-General of India, Lord William Bentick appointed a committee to find out the possibility of introducing tea industry in North-East India including the Darjeeling hills. The committee gave favourable report. This along with the initiative of Dr. Campbell, a tea plantation was started at Allobari (Darjeeling) on an experimental basis. The Allobari garden opened up the eye of the British planters to establish tea gardens like Ging, Ambotia, Tukdah, Phoobsering, Badamtam, Tukvar, Makaibari, Pandam and Stienthal in Darjeeling hills. The number of garden went on increasing (O' Malley: 1907). With the successful venture in the hills, the planters started exploring the Terai belt of Darjeeling district for the same end and in this pursuit, the first tea garden was started at New Chumpta in 1865. By 1866, thirty nine gardens were started with 10,000 acres of land. By 1874, the number of gardens reached to 113 with 18,888 acres of land (Das: 1947). Again, in 1885, the number of garden reached to 175 with 38,499 acres. After 1935, the number of tea gardens started decreasing considerably in Darjeeling hills.

**Objectives of present section of the study**

1. The prime objective of the present section of the study is to highlight the problems and prospects of tea industry in first decade of globalization.
2. To assess the importance of 11 lakhs tea plantation workers their future, various labour acts relating the plantation workers of the country, etc.
3. To understand the role of small grower tea sectors and new tea plantations in the national economy.
4. To understand the evolution and growth of tea industry in India.
5. To study research on Human Development aspect of tea industry.
6. To study the field practices and manufacture of tea.

**Position of Tea Industry in Nineties**

With the introduction of liberalization, privatization and globalization policy to Indian economy, tea frontiers started facing lot of problems including the stiff competition from other tea growing countries of the world like Srilanka, Kenya, Indonesia etc. Amidst the situation, what needed was to identify the basic strategies of the industry to make it more and more competitive and viable so that we could increase yield and production in every tea growing regions of the country. That could be visualised by identifying the new areas for the production of tea. Secondly, that was possible if thorough innovation and research were conducted in proceeding phases of globalization on the basis of the then position of tea industry in the country.

**Number of Tea Estates**

As per the figures of Tea Board of India, there were 13,936 tea gardens in India of which 2,948 tea estates were located in various states of North India and 10,988 tea estates in South India. One of the interesting development of tea industry in India was the growth of small tea growers.

Altogether, there were 654 such tea estates in North India and 240 in South India. Again, there were 7,000 to 20,000 small grower tea estates in Assam (Tea Board of India : 1996). However, that aspect will be discussed in detail later on in the next section of the study. Here, for the sake of analytical convenience, growth and development of tea industry during the first phase of globalization has been analysed comparatively with the past few decades.

**Table 1. Tea Estates in India (1996)**

<i>Region</i>	<i>1961</i>	<i>1971</i>	<i>1981</i>	<i>1991</i>	<i>1993</i>	<i>1995-1996</i>
Assam	744	750	777	848	851	850
West Bengal	301	296	305	347	347	347
North India	2421	2517	2563	2936	2949	2948
South India	6978	9498	10,843	10,937	10,969	10,988
Total India	9,399	12,015	13,412	13,873	13,918	13,936

*Source:* Consultative Committee of Plantation Associations: 1996, Calcutta.

The Table No. 1 indicates that the number of tea estates had been increasing in India from 9,399 in 1961 to 13,936 in 1995-1996. This shows that the tea industry appeared to have its bright future.

### **Area under Tea**

There were 421913 hectares under tea in India of which 345,788 hectares were in North India while South India had 76,125 hectares. It would be more evident from the following Table No. 2.

**Table 2. Area Under Tea (in Hectares)**

<i>Region</i>	<i>1961</i>	<i>1971</i>	<i>1981</i>	<i>1991</i>	<i>1993</i>	<i>1995-1996</i>
Assam	162367	182325	203038	233284	231942	234580
West Bengal	82705	88499	93971	101922	100489	100650
North India	256928	282729	309066	345182	342789	345988
South India	74301	73787	74563	75288	75542	76125
All India	331229	356516	383629	420470	418331	421913

*Source :* Tea Digest: 1996



The Table No. 2 indicates that between 1961 and 1995-96, the area under tea had increased by 38,284 hectares and 1,126 hectares on the average per year. That was possible mainly due to the addition of area under tea. During 1981-1993, a total of 28,084 hectares in Assam, 6,518 hectares in West Bengal, 33,723 hectares in other states of North India, 1,015 hectares in South India and thus, 34,738 hectares were added at all India level.

### **Extension, Replacements and Replantings**

At the national level, the history of tea bush was over one hundred and fifty years old. Hardly, the replacement and replanting of tea bush had been done. That caused for the low bush productivity of tea in India. This is evident from the following Table No. 3.

**Table 3. Area under Extension, Replacement and Replanting (in Hectare)**

<i>Year</i>	<i>Extension</i>	<i>Replacement</i>	<i>Replanting</i>
1961	1713.47	352.77	1781.87
1962	1852.20	393.18	1607.48
1963	2224.86	401.13	1571.16
1964	3135.38	411.62	1758.84
1965	3860.15	551.14	2024.26
1966	3494.43	510.45	1937.36
1967	3328.88	459.88	1628.07
1968	2960.81	474.63	1397.11
1969	2635.19	373.20	1188.68
1970	2174.68	277.98	987.42
1971	2355.35	201.12	1118.96
1972	1831.63	194.66	1322.21
1973	1632.98	180.36	1109.22
1974	1801.01	322.48	1090.35
1975	1762.29	319.83	1220.07

(Contd.)

<i>Year</i>	<i>Extension</i>	<i>Replacement</i>	<i>Replanting</i>
1976	1658.89	362.22	1117.83
1977	1769.69	366.26	1202.76
1978	2234.11	267.14	1225.25
1979	3464.55	399.22	1246.22
1980	3075.33	468.78	1023.79
1981	1986.50	475.75	1288.98
1982	1981.93	188.83	1355.55
1983	1945.89	210.52	1278.14
1984	2414.82	184.40	1225.77
1985	2390.35	296.73	1085.61
1986	3491.29	479.27	1259.46
1987	3070.50	476.73	1195.33
1988	2780.05	374.31	1303.88
1989	2558.29	381.65	1402.56
1990	2525.05	376.62	1394.61
1991	2423.05	434.90	1495.48
1992	2392.71	518.62	1282.15
1993	2462.53	450.47	1338.65

Source : *Ibid.*, A, 4: CCPA Report : 1996.

The Table No. 3 of the study indicates that the average annual rate of tea under cultivation and therefore its extension was 2543.25 hectares. Similarly, it is also transparent from the table that on the average only 379.28 hectares of land had been brought under replacement of old tea bushes and finally, only 1389.53 hectares under the replanting scheme.

### **Tea Production Scenario during the Early Phase of Globalization**

Ever since 1961, the highest production at 761 million kilograms was recorded in 1993 and thereafter the

production is going down to 754 million kilograms in 1995 and in 1996 it was 780.34 million kilograms. However, on the whole 53.0% increase was achieved by increasing 9.0% area under tea. This will be very clear if we see the Table No. 4 of the study.

**Table 4. Tea Production (in Thousand kg.)**

<i>State</i>	<i>1984</i>	<i>1985</i>	<i>1986</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>
Assam	383533	352538	335492	410430	400732	339133	424864
West Bengal	148293	157371	141270	162669	158825	160305	165375
Total North India	491428	514295	4811299	581534	567955	567973	599626
Total South India	148436	141867	139504	179292	184940	185949	180408
Total India	639864	656162	620803	760826	752895	753922	780034

*Source:* Tea Digest : Tea Board of India : 1996; 7-8.

The Table No. 4 of the study shows that the acentage percentage of distribution between North and South India is 75.0% and 25.0% respectively. It means that 75.0% of total production is done in North India and only 25.0% in South India.

### **Tea Yield during the period**

Despite of having mainfold, constraints, there were ample possibility of increasing tea yield rate in India during the period. This evident from the Table No. 5 of the study.

**Table 5. Average Yield Rate in India (1996)**

<i>State</i>	<i>1984</i>	<i>1985</i>	<i>1986</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>
Assam	1576	1639	1507	1770	1764	1751	1824
West Bengal	1516	1606	1426	1619	1589	1593	1621
Total North India	1514	1446	1540	1697	1679	1671	1731
Total South India	2009	1926	1868	2372	2107	2117	2050
Total India	1606	1645	1523	1819	1768	1763	1796

*Source : Ibid., 9-10.*

It is observed from the Table No. 5 of the study that there was every possibility of increasing yield rate in all over the country. To supplement this, let us see the Table No. 6 of the study.

**Table 6. Potentiality of Production Increase (1996)**

Sl.No.	Region	Area in Hect.	Highest Yield (in Kg/Hec.)	Average Yield (in Kg/Hec.)	Additional Production (in Mil. Kg.)
1.	Assam	231942	—	1770	269.80
2.	West Bengal	100489	—	1619	100.94
3.	North India	342789	—	1696	375.51
4.	South India	75542	3833	2373	110.29
	All India	418331	—	1819	485.50

Source: CCPA : 1996 : 8.

It is evident from the Table No. 6 of the study that another 485.50 million kilograms of tea could be produced in India till 2000 A.D. if proper land utilisation could have been done.

**Table 7. Land Availability and Utilization (1995-1996)**

Sl. No.	Region	No. of Garden	Within Grant Land		Outside Grant Land		
			Area under Tea	Fallow Land	Available for extension	Vested Degraded	
1.	Assam	304	137808	3778	10491	10507	2537
2.	West Bengal	157	64059	2744	5052	4806	2277
3.	Total North India	463	202554	6536	15714	15420	4813
4.	Total All India	549	241631	7031	16811	16972	16050

Source : *Ibid.*

Interestingly, the Table No. 7 of the study portrays the fact that 549 gardens had 7031 hectares of fallow land and 16811 hectares of land available for extension within their grant land. Similarly, it is also observed that there is 16,972

hectares of land as government vest land and 16,050 hectares of land as degraded forest land outside the grant areas of these 549 tea gardens.

### **Tea Consumption**

Tea is the most important beverage around the world. Let us see the nature of consumption pattern of Indian tea in domestic as well as foreign markets. It was found that in 1996 India produced 780 million kilograms of which 613 million kilograms was sold in the domestic market and only 106 million kilograms of tea had been exported whereas Srilanka exported around 220 million kilograms in the foreign markets. If the same trend could continue then it was expected that by 1998 it would come down further to 158 million kilograms of tea. On the basis of that some future protections were made for the Indian tea industry by CCPA, Calcutta in 1996.

**Table 8. Projection on Future Consumption**

<i>Year</i>	<i>Production</i>	<i>Domestic Consumption (in Million Kg.)</i>	<i>Exportable Surplus (in Million Kg.)</i>
1996	780	613	166
1997	781	632	159
1998	809	651	158
1999	838	671	167
2000	874	692	182
2001	912	713	199
2002	950	734	216
2003	990	756	234
2004	1021	778	234
2005	1071	801	270
2006	1111	824	270

*Source : Ibid., 6.*

Quite interestingly, it is observed from the Table No. 8



of the study that till 1998, the production would be gone down due to lack of replanting and rejuvenation as well as uprooting activities. But from 1999 onward it was expected that there would be a wide coverage of tea export to 167 million kilograms by 2006. Similarly, in production scenario also, there would be around 1111 million kilograms by 2006 in India.

### **Some Projections**

To improve the production scenario, the following considerations were given top priority (CCPA: 1996: 4) :

1. Its operations were basically agriculture in nature depending upon the weather conditions for sustained increase in production.
2. Its long gestation period—a newly planted tea bush took five to eight years to achieve full potency or maturity.
3. Periodic decline in crop levels to sustain long term investment proposals.
4. Remunerative price levels to sustain long term investment proposals.
5. The availability of land for extension planting.
6. The loss in crop and therefore income arising from replanting and rejuvenation pruning.
7. The characteristics of each tea growing district are different and generalisations may led to misleading results.
8. Five years target setting for the tea industry could not be made without leading to distorted results-any projection or target fixing should be made over a minimum span of ten years and preferably over fifteen years.

One of the important issues before making any expansion projection of tea industry is to identify the suitable land available around the plantations which is very tough

business. The Consultative Committee of Plantation Associations, Calcutta reports that in terms of present total area under tea, the coverage was about 57.0%. In North India, the availability was 22,250 hectares in respect of 463 estates while 86 tea estates in South India reported available of 1,592 hectares. Interestingly, in spite of having such land, the tea gardens have not been able to utilise these land for tea cultivation. It is also observed that almost 10.0% of land were distributed to the manpower resources of the plantations which remain barren almost throughout the year.

Another important problem to make an accurate projection was due to non-availability of exact figures because many of these tea estates do not have regular land title deeds or have not been able to register themselves either with the state government or the Tea Board of India due to restriction under the land ceiling acts. However, an analysis has been made on the tea which is basically revenue paying product of the country. This will be evident from the Table No. 9 of the study.

**Table 9. Future Projection on Production, Domestic Consumption and Exportable Surplus (Million kg.)**

<i>Year</i>	<i>Production</i>	<i>Domestic Consumption</i>	<i>Exportable Surplus</i>
1996	780	613	172
1997	804	632	172
1998	821	651	170
1999	840	671	169
2000	858	692	166
2001	876	713	163
2002	895	734	161
2003	915	756	159
2004	934	778	156
2005	954	801	153
2006	974	824	151

*Source : Ibid., 6.*

It is transparent from the Table No. 9 of the study that the exportable surplus is likely to decline over the next decades. If we wanted to maintain export to the tune of 200 million kilograms by 2000 A.D., then another 30 to 35 million kilograms of tea was to be added. It was therefore projected that during next ten to fifteen years, there would be no pressure on supplies to meet the domestic consumption. Since India had accepted for globalization of Indian economy, the exports were to be encouraged. In this context, tea industry might contribute a lot if exports were to be increased considerably.