

A STUDY ON THE IMPACT OF CURRENT CRISIS IN TEA INDUSTRY ON THE PLANTATION WORKERS IN ASSAM

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INTRODUCTION

Tea plantation industry is an important industry in Assam. It plays a crucial role in income generation, foreign exchange earnings and employment generation both directly and indirectly. However, the overall performance of this industry is found to be unimpressive. Since the market for tea is of an international one, trade liberalisation has put many troubles in the industry which has made a substantial impact on its performance. Trade liberalisation and free import of tea, import of inferior quality of tea and re-export of it mixing with the traditional product have caused problems both in the domestic and international markets. As a result of opening up of the market for tea, there exists competition among producers at the international level. Competitiveness has become the key to success. Those units who are having the cost of production above the average international price found difficult to continue to operate.

Crisis is defined as an undesirable dangerous situation. This situation warranted stringent remedial measures to have survival and growth of the sector. It is seen that the plantation workers are the first victims of the tea industry crisis in Assam. The plantation labour has been experiencing so many economic and social problems due to the inherent nature of the plantation industry. We have already seen that due to the severe financial problems the companies were unable to pay wages in time and due to this

employee were finding it very difficult to meet their day-to-day expenditure. As the plantations are usually situated in adverse climatic conditions the workers are exposed to physical and environmental hazards where the companies are seemed to be mere spectators.

In the case of tea plantation industry in Assam, efficient factor utilisation is found only in the short run. Inefficiency in long term factor utilisation is evident from the existence of vintage technology, absence of product diversification and non-existence of professional Management. For attaining long run growth, capital investments out of short run surplus have to be taken place. But the tea plantation in Assam seems to have failed to plough back the short run profits for capital investments. The contribution of tea to the economic growth in Assam is remarkable in terms of its backward and forward linkages. At the macro level the tea plantation industry has been facing adverse impacts of globalisation and trade liberalisation. The price has declined sharply and the industry is facing a crisis. If there is any solution to this problem that is to improve the competitiveness of the industry in terms of production of raw leaf and in manufacturing of tea. Productivity in plantations has to be increased by replantation of new varieties, scientific harvesting and mechanised pruning. Productivity in manufacturing can be increased by improving quality, product diversification and technological advancement. Companies have to adopt professional management system for making the units competitive. In the liberalised regime of

world trade, paramount importance has to be given to the marketing of tea. The tea plantation workers have to face so many socio-economic challenges in their life due to low income, increase in debt burden and a wide gap between income and expenditure. The crisis in the tea industry has a huge negative impact on the family life of the plantation workers especially their dwelling needs. But they are managing their life in the midst of these problems due to the inherent strength in the labour mind. The most important problems facing by the tea industry is the high cost of production and low productivity. Replantation with high yield varieties of tea by removing the old aged plant is the most important step for enhancing the productivity. The old plant and machinery used in the factories for tea manufacturing is another reason for high cost and low productivity.

OBJECTIVES OF THE STUDY

The overall objective of the study is to assess the impact of the crisis in the tea industry on the life and labour of the plantation workers in Assam. The study is focused to reveal the following objectives.

1. To identify the reasons of the crisis in the tea industry in Assam.
2. To study the socio-economic conditions and problems of plantation workers in Assam.
3. To assess the extent of the impact of the present crisis in tea industry on the life of the plantation workers in Assam.
4. To study the effectiveness of the measures of Governmental interventions to resolve the crisis in the tea industry.

METHODOLOGY

The study is descriptive and analytical in nature. Secondary data will be used for the study. The sources of secondary data are publications and reports of Tea Board India, United Planters Association of Southern India (UPASI), Assam State Planning Board and different Tea Companies.

Various other unpublished works like PhD theses, MPhil dissertations and other Research Reports were also collected to obtain secondary data. Books, Journal articles and websites were extensively used as source of secondary data. 'Tea Statistics' and 'Tea Digest' published by Tea Board, India also used for secondary data.

RESEARCH GAP

It is understood from the analysis of the recent literature on the problems related to the tea industry and the socio-economic conditions of tea plantation workers, there were no serious studies have been conducted on the above topic. We have also analysed the performance of the tea sector in Assam and it was found that there was no signs of recovery and improvement in the industry as a whole due to various reasons. Some reasons are related to the Government policy on import tax and promotions. Certain other problems are related to the industry itself such as low productivity due to age old plants, lack of innovative methods of tea plucking and processing. Certain problems are related to the labour issues such as wage rate, working conditions and living conditions. It is also revealed by conducting discussion with the stakeholders that the crisis in the tea industry is mounting day by day. This is ultimately affecting the socio-economic conditions of the plantation workers where the life situation of the workers becomes more vulnerable. Thus, it seems that there exists a research gap.

CHALLENGES AND OPPORTUNITIES

- Despite being a major source of employment, the Assam tea industry faces several challenges related to labor dynamics. These include issues such as low wages, lack of access to basic amenities, poor working conditions, and limited opportunities for skill development and upward mobility.

- Additionally, the industry is vulnerable to labor unrest and strikes, as workers mobilize to demand better wages, working conditions, and recognition of their rights.
- However, the tea industry also presents opportunities for inclusive growth and socio-economic development. Efforts to improve labor conditions, promote gender equity, and empower local communities can contribute to sustainable development and poverty alleviation.
- Initiatives such as fair trade certification, organic farming practices, and community-based cooperatives offer promising avenues for enhancing labor welfare and promoting social responsibility within the tea industry.

CONCLUSION

In sum, the tea plantation industry is facing a very serious crisis and the living conditions of the workers are in the same plight. It was found that no serious studies have been undertaken earlier to assess the impact of this industry crisis on the living conditions of plantation workers. The establishment of the tea industry in Assam has left an indelible mark on the region's economic landscape, shaping its trajectory of growth and development. Since its inception, the Assam tea industry has been a significant contributor to employment generation, revenue generation, infrastructure development, and socio-economic empowerment. From providing livelihoods to millions of people to driving economic growth and fostering community development initiatives, the tea industry has been a catalyst for change in Assam. However, challenges such as labor unrest, market fluctuations, and environmental sustainability remain pertinent issues that require careful attention and strategic interventions. Moving forward, it is imperative for policymakers, industry stakeholders, and local communities to collaborate on initiatives that promote sustainable growth, inclusive development, and equitable distribution of economic benefits within the Assam tea industry. By harnessing its strengths and addressing its challenges, the Assam tea industry can continue to

thrive and contribute to the prosperity and well-being of the region for generations to come.

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