

# AN EMPIRICAL STUDY ON ECONOMIC DEVELOPMENT OF TEA INDUSTRY IN WEST BENGAL

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## ABSTRACT

**Introduction:** Economic Development is the primary issue of any developed/developing countries. Economic growth of any country depends on the standard of living for its countrymen. It could be measured which may be taken under a framed structure through adoption of updating technologies from agricultural field to industry field. **Literature Review:** Tea Industry is a second foreign exchange earner in India. More than 50% women workers are employed in tea estates. Being most of the tea gardens are situated in the remote corner of the various States in India, tea industry is always trying to holistic development of their workers as well as local people. Tea industry is an agricultural-based industry which had already recognised by RBI (Reserve Bank of India). **Research Methodology:** The study has covered two tea estates in West Bengal. Primary Information is collected through interviews by preparing questionnaire. Secondary Information is collected from newspapers, Journals and public domain. **Results & Discussion:** (i) In Tea industry more than 50% workers are women. (ii) Tea Industry is a second foreign exchange earner in India. (iii) After Railway & Armed Force, tea Industry is the largest employer in India, and (iv) Being tea gardens are situated in the remote corners of the country, tea industry has already taken various steps to uplift their workers as well as local people. **Conclusion:** In this paper has been structured to analyse how the tea industry fulfil their task towards their economic development for their workers and looked out to analyse their performance towards their contribution in the society.

**Keywords:** *Economic Development, Agriculture-Based Industry, Women Workers*

## INTRODUCTION

An economy is process that deals with production & human resources under a realistic value of any organisations / institutions. It helps to distribute these production & human resources through a reachable capacity in the society.

All are aware that India has a mixed economy. It is the sixth largest economy in global scenario whereas it is the third largest Procuring Power Parity. Many years ago, India's economy was based on democratic-based.

**Development refers** to increase the potentiality of individuals, growth of a society along with nation.

Economic Development is the primary issue of any developed/developing countries. Economic growth of any country depends on the standard of living for its countrymen. It could be measured which may be taken under a framed structure through adoption of updating

technologies from agricultural field to industry field.

At the time of independence India was suffering from shocking poverty. So that country's economy needs to be restructured. Therefore, economists divide country's economy under the three phases.

**First Phase-** In this phase essential sectors are required to be owned by the state, but the scenario of first three decades after independence was documented per capital income had been increased by 2.5% at annual rate.

**Second Phase-** In this phase the relaxation had been introduced relating to FDI (Foreign Direct Investment). Therefore, the adoption of information technologies had been developed.

**Third Phase-** In the phase the FDI market, judicial reforms & labour markets were introduced. Central & State Governments started working together for

developing the total economy in the country. Many small industries were planned and provided to develop infrastructure by the implementation of modern skills through trained workers as well as modern machineries. Therefore, the greater opportunity for employment had been taken place (Civil Service India, 2019).

Till now India is a developing country. India had taken various measures to develop their economy which resulted to adoption of Information Technology & de-Centralisation of the market etc. Now the purchasing capacity of Indian has been already increased. In this scenario it had been observed that many MNCS (Multinational Companies) were inducted their business in India. Thereafter the trained people of India had been facilitated to deploy the employment in MNCS. Global investors had taken interest to invest at Indian Stock Market.

Tea Industry is a second foreign exchange earner in India. More than 50% women workers are employed in tea estates. Being most of the tea gardens are situated in the remote corner of the various States in India, tea industry is always trying to holistic development of their workers as well as local people. Tea industry is an agricultural-based industry which had already recognised by RBI.

**Objective of the Study**

- We are trying to analyse how tea industry fulfil their task towards their economic development of their field workers.
- We are trying to analyse their performance towards their contribution in the society.

**Table 1(c): Region Wise Provisional Tea Export during 2017-18 (Financial Year)**

Period	North India			South India			All India		
	QTY	Value	Unit Price	QTY	Value	Unit Price	QTY	Value	Unit Price
2017-18	160.62	3452.93	220.58	95.95	1521.95	158.62	256.57	5064.88	197.41
2016-17	139.47	3186.70	228.49	88.16	1445.80	164.00	227.63	4632.50	203.51
Incr/Decr %	15.16	11.18	-3.46	8.84	5.27	-3.28	12.71	9.33	-3.00

Qty in M. Kg, Value in Rs Crs., Unit Price Rs Kg

Source: Tea Board of India

**Tea industry & its Current Scenario in India**

**Table 1(a): Tea Production during 2017-18 in India**

Tea producing States in India	Quantity in M.KG		
	Organised Sector	Small Growers	Total
Arunachal Pradesh	3.53	7.63	11.16
Assam	391.07	285.24	676.31
Bihar	0.81	3.84	4.65
Himachal Pradesh	0.37	0.48	0.85
Karnataka	5.10	0.27	5.37
Kerala	52.53	11.35	63.88
Meghalaya	0.09	0.38	0.47
Sikkim	0.12	0.00	0.12
Tamil Nadu	63.42	100.98	164.40
Tripura	6.64	2.08	8.72
Uttarakhand	0.02	0.00	0.02
West Bengal	179.74	208.12	387.86
<b>All India</b>	<b>703.44</b>	<b>621.61</b>	<b>1325.05</b>

Source: Tea Board of India

**Table 1(b): Tea Production during 2017-18 only in North Bengal**

Tea producing In North Bengal	Quantity in M.KG		
	Organised Sector	Small Growers	Total
	179.74	208.12	387.86

Source: Tea Board of India

The above tables 1(a) & (b) shows that most of the teas Estates are situated in the Northern Region of our country. Tea industry has already divided into two sectors such as:-

- Organised Sectors-** The sectors which are under the Company Act/ Private Company Act or Partnership Act.
- Small Growers-** These sectors are categorized under the individual property. Previously the growers were manufactured the plywood material prior to the Forest Protection Act introduced in India.

Organised Sectors & Small Growers are much more in Assam than West Bengal and South India. The above tables 1(a) & (b) indicated the tea production in India covering the different tea producing States in India.

The above table 1(c) clarified the Region wise provisional Tea Exports Scenario by the Tea producing Major States in India comprising the last two financial years in 2016-17 & 2017-2018. This shows that the dedicated last two years exports which were declined the value (Unit Price) earned for exports of Tea from India.

Tea takes a major role in Indian Economy. This industry is about 172 years old as recorded.

Robert Bruce first introduced tea plants in Assam. There are generally two methods for tea selling:

- (a) Private Selling and
- (b) Auction Selling.

In case of Auction selling it takes a part in seven areas in India namely:

- (a) Kolkata
- (b) Guwahati
- (C) Siliguri
- (d) Jalpaiguri (seasonal operations)
- (e) Cochin
- (f) Coimbatore and
- (g) Connor

The tea industry has a significant and special place in the Indian economy. Tea is the country's primary beverage, with almost 85% of total households in the country consuming tea. India is the world's largest producer and consumer of tea. It is covering around 27% of the world tea production. India has more than 13000 tea gardens. Tea Industry is a substantial foreign exchange earner and it gives sizeable revenue to the Government (Indian Tea Industry, 2018).

In terms of export, tea plays a vital role. Tea exports are done in USA, Russia & many others country in the world (Goshal, 2018).

There are many job opportunities in the tea sectors. Tea testing job is the unparalleled job in this sector. Research, Plantation Management, Tea Brokerage Consultancy is the specialised job in this sector. Most importantly in this industry there are more than 50% women workers as the finger patterns of their both hands are more friendly (accurate plucking leaves and less time consuming to pluck) than men workers to pluck the green leaves of tea plants.

## LITERATURE REVIEW

“Wealth is evidently not the good we are seeking; for it

is merely useful and for the sake of something else” - Aristotle.

According to Harry Truman (1949) (Ex-President of United States), “More than half the people of the world are living in conditions approaching misery. Their food is inadequate, they are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas. For the first time in history humanity possesses the knowledge and the skill to relieve the suffering of these people...I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life...What we envisage is a program of development based on the concepts of democratic fair dealing...Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge.”

Mulligan and Sala-i-Martin (1995) believed that “Quality of a person would be related to the wage rate he receives in the marketplace.”

According to Patrick (1966), “Before sustained industrial growth gets underway supply-leading may be able to induce real innovation-type investment. As the process of real growth occurs, the supply-leading impetus gradually becomes less important and the demand-following financial response becomes dominant. This sequential process is also likely to occur within and among specific industries or sectors” (Christian *et al.*, 2019).

According to Barro & Lee (1994) “Perhaps the true key is to have educated women working with machines.”

Goowala (2014) conducted a study on corporate social responsibility towards the workers in tea industry of Assam for three tea companies and revealed that these companies have introduced many workers welfare activities, social development programmes, better working conditions, provide better medical and sanitation facilities, sports and cultural activities in order to improve their standard of living of employees.

## METHODOLOGY

The study is based on primary & secondary data source. The authors have recently visited two tea estates of Jiti tea estate (Goodricke Group Limited) & Dam Dim tea estate (Amalgamated Plantation Limited) in North Bengal.

### A. Data Source

Primary information has been collected through

personal interviews from the management in the tea estates. Secondary information is collected from the newspaper, concerned Journal & Public domain.

### B. Sample Size

In this article the authors have chosen two well organised companies which are Goodricke Group Limited & Amalgamated Plantation Limited. These Companies are the gamut players in West Bengal as well as India.

### C. Survey Period

Information has been collected from recent published data & public domain as well as personal interview during end of October 2018.

## RESULT

### 1. Jiti Tea Estates (Goodricke Group Limited)

Jiti Tea Estate is one of the tea gardens of Goodricke Group Limited. Jiti tea garden situated at the base of the Bhutan foothills resulting excessive rainfalls than other part of Dooars. Jiti tea garden was founded in 1878 & the tea factory began in 1885.

Jiti Tea Estate is situated in Nagraghata area of Jalpaiguri district in West Bengal. Malbazar is the town which is 30km away from Jiti Tea Estate (refer to table 2).

**Table 2: Geographical Scenario of Jiti Tea Garden**

Particulars	Name
Grampanchayat	Champaguri
Block	Nagraghata
District	Jalpaiguri
State	West Bengal
Nearest Town	Malbazar

Source: <https://villageinfo.in/west-bengal/jalpaiguri/nagrakata/jiti-tea-garden.html>

### Economic Development Activities of Jiti Tea Estates

According to my survey in October 2018 I have collected these data from Management of the said Tea Estate.

#### I. Financial Advice provided to Workers

The tea estate use to guide financial advice to the workers such as giving an idea of Equity & Mutual Fund etc.

#### ii. Guidance to save money

The management gives the tea workers training how to manage their cash flows.

#### iii. Construction of developed toilets

The toilets are built by the State Authorities, but the developing part used to do by the company. So, it is

called Public Private Partnership model (PPP model).

#### iv. Educating the workers

The company support to teach the workers how to work with the tea plantation various operating machines.

#### v. Established of Schools for Differently able Children

The Company established a school for **differently able children**. The teachers of that school provide upgrading this kind of children through different activities.

### By field study on Jiti Tea Estate

- Since this tea estate is situated in Himalayan foothills, roads to enter the tea garden are not in a good condition therefore it is required to construct the road for facilitating the use of the workers appropriately of the tea estate.
- Life of Labour  
Tea estate is trying to up-lift the labour/worker living condition through various programmes.

### 2. Dam Dim Tea Estates (Amalgamated Plantations Limited)

Dam Dim Tea Estate is one of the tea estates of Amalgamated Plantation Limited. The name of Dam Dim came from an Inset which was found in North East India. This garden is around 1500 hectores which is spread over 738 plantations area (refer to table 3).

**Table 3: Geographical Scenario of Dam Dim Tea Estate**

Particulars	Name
Grampanchayat	Dam Dim
Block	Mal bazar
District	Jalpaiguri
State	West Bengal
Nearest Town	Mal bazar

Source: <https://villageinfo.in/west-bengal/jalpaiguri/mal/damdim-tea-garden.html>

### Economic Development activities of Dam Dim Tea Estate

According to the survey in October 2018 the authors have collected these data from Management of the said Tea Estate.

#### i. Project “Unnati” (upliftment)

“Project Unnati” provision has been framed out around 200 crores. The project planned basically for

the standard of living of the workers such as accommodation, sanitation, drinking water, electricity etc. which are under the statutory Rules. Now the trafficking of the tea workers' children is the vital issue has been detected. The tea estate is therefore providing various training programme for the workers to protect their children from trafficking.

**ii. Festival “Serish”**

The captioned issue is for cultural development of “adivasi workers”. This festival used to organise by management periodically.

**By field of study on Dam Dim Tea Estate**

**i. Relevance: Crèches Facility-** The authors personally visited the two crèches of the Dam Dim tea estates. The teachers of the crèches knew their children name wise. The authors talked with those teachers they explained the children of the crèches provided daily meal and various toys. The ages of most of the children are between 1 and 6 years.

**ii. Relevance Medical Hospital in Tea Estate-**

The authors personally visited the medical hospital which is in the Dam Dim tea estate. In the hospital they saw operation theatre, X-Ray machine, Pressure Measures Machine etc. They met the GMO of the hospital he said that many chronic diseases are treated there. He also stated that undernoted diseases are treated in this medical hospital.

**iii. Absenteeism of workers-** Nowadays the burning issue is absenteeism of the workers in each organised tea estate. Since the garden provided all the facilities as per the statute act to the workers and their families, a group of workers used to absent from their daily working days, therefore, shortages of workers are badly affected the tea production during picking season, resulted the tea gardens faced less production which has been reflected the gardens' revenue.

Those absent workers are used to migrate to other states to earn more, but their families stayed in the said tea estates and they are used to get all the fringe benefits without providing the workers attendance in respective garden.

Now all the organised gardens have already prepared various projects to stop the absenteeism. Now the Tea producers are already provided the details of the projects to the Tea Board of India. Tea Board of India already initiated to survey the issue and will take appropriate measures to guide the tea gardens.

**Table 4: The Strength of the crèches are mentioned below of the Dam Dim Tea Estate**

Children (Tea Estate)	2016 -17	2017 -18
Total Children	481	492
School going	60	89

Source: <https://villageinfo.in/west-bengal/jalpaiguri/mal/damdim-tea-garden.html>

The table 4 shows that the total children of the labour in the said tea estate had been remarkable increased within two financial years in between 2016-17 & 2017-18.

**Table 5: No of Patient served at Dam Dim Tea Estate Hospital**

Disease	Number of Patients	
	2016-17	2017-18
Diaria	1443	2381
Hypertension	2023	276
Anemia	21	15
TB	24	25
Malignancy	21	Nil
Life Birth	98	92
Eligible Couple	1342	1355
Sick	3363	5971
Maternity Leave	889	2366
<b>No of visits (patient)</b>	<b>98311</b>	<b>109203</b>

Source: Primary Data Collection

The table 5 appropriately clarified that various diseases grown up in the specified tea estate due to anti-environmental scenario in the surrounding areas of the said tea estate.

**Table 6: Comparison of Economic Development activities of two Tea Estates**

Name of the Tea Estate	Economic Development Activities
<b>Jiti Tea Estates (Goodricke Group Limited)</b>	<ul style="list-style-type: none"> <li>➤ Financial advice to worker,</li> <li>➤ Training to save money,</li> <li>➤ Educating the worker</li> <li>➤ Establishment of Schools</li> </ul>
<b>Dam Dim Tea Estate (Amalgamated Plantation Limited)</b>	<ul style="list-style-type: none"> <li>➤ Project Unnati,</li> <li>➤ Festival Serish,</li> <li>➤ Creches Facilities,</li> <li>➤ Improved medical facilities with collaboration of the specialised private hospitals</li> </ul>

Source: Primary Data Collection

From the table 6 the economic development activities of Jiti & Dam Dim Tea Estates in North-Bengal had been shown are praiseworthy activities in the direction towards social upliftment as well as sustainable development towards that age-old foreign exchange earning industry.

## DISCUSSION

### Scenario of labour in tea industry at West Bengal

- i. Darjeeling, Dooars & Tarai regions are one of the finest teas producing area in West Bengal. But the labours of this plantations area are died due to lack of nutrition and other reasons of the sick gardens. It has been noticed that some labours are living under below standard living conditions due to various reasons, presently they are demanding for a hike of minimum wages. It has also been observed that the worker's children are suffering from many chronic diseases due to lack of enough nutrition food.
- ii. The labour wages are used to structure under Labour Board governed by the tea producing States. The wages are used to increase time to time under the Tripartite Agreements between Planters, Workers & State Government Statutory body. The wages are covered by free housing, sanitation, drinking water, medicals, light, gas, primary education, crèches and subsidised cereals for the self and family and daily wages (Goshal, 2018).
- iii. Due to hike of market price for other consuming materials, the workers do not put efforts to procuring those items. The main reasons, therefore, the workers are raised their demand of more minimum daily wages to meet up their standards of living conditions.
- iv. Though the plantation Labour Act (PLA), 1951 introduced but some of the tea gardens have been noticed that the gardens don't have fully functioning hospitals & other facilities which have mentioned in the above Act. Only few workers are getting treatment in public & private providers. High expenditure creates barriers to the workers for better treatment.
- v. Other reasons observed that the planters are not able to maintain the standard housing due to non-providing subsidies by the respective States as per Plantation Labour Act 1951 & Rules of the Respective States.
- vi. Tea gardens are not covered of the new various Schemes introduced by the Central and producing States to develop for the urban areas through the governments' agencies like panchayat & Urban Development Authorities etc. Therefore, the workers and local peoples in and around tea growing areas are deprived by the availing said facilities. Tea industry now actively initiated to pursue the State Authorities to facilitate the Schemes for workers and local people surrounding tea growing areas (Goowalla, 2014).

## CONCLUSION

After the study it can be concluded that being the PLA Act introduced for the labour of Tea Industry in North Bengal as well as other producing tea estates for all over protection of the tea industry as well as labour of the tea estates.

Tea producing States in India need to modify the Tea Plantation Labour Rules which is under the Tea Plantation Labour Act, 1951 (Central Act) to facilitate the tea industry for improving their quality production and holistic development of tea workers to induct the various Schemes already framed for the rural people of the respective States.

Tea industry followed the guidelines of the Statutory Acts & Rules. Now the time has come to look for the divarication such as the land in the tea garden not used for tea plantation, may be used for:-

- Other plantation i.e. sericulture, horticulture, medicinal plants and other plantations.
- Fisheries in the small ponds in the tea gardens areas.
- Introducing "Tea Tourism" in the Tea estates.
- Build up Self-help group through training to deploy unemployed youth in the tea growing areas.
- Stitching Training School
- Nurse Training School

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