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Assessment of the fundamental right to a safe and healthy working environment in Nepal's tea sector

Analytical summary



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► Preface

Plantations, in particular the tea and cardamom sectors, are important drivers of socio-economic growth in Nepal. However, despite their importance and potential for growth and job creation, the sectors are characterized by poor working conditions, lack of information and awareness on fundamental rights issues, including on the right to a safe and healthy working environment, low levels of productivity and skills, inadequate access to public services, and weak trade union presence. Work in these sectors is particularly vulnerable for women, who are often subjected to various forms of workplace harassment, including sexual harassment and discrimination.

In response to these challenges, the ILO implemented the *Safety + Health for all plantation workers in South Asia: Nepal component* project, under the ILO's global Safety + Health for All flagship programme, funded by the Government of Japan. The Nepal component was linked to the wider project, which simultaneously addressed the conditions of workers in plantations in India and Sri Lanka.¹ In order to help create a safe and healthy working environment, the project focuses on three core objectives:

- i. generate and share knowledge on constraints and opportunities to improve the safety and health of workers in the plantation sector in South Asia;
- ii. strengthen national and local institutions to better promote and protect the safety and health of plantation workers in India, Nepal and Sri Lanka; and
- iii. develop or strengthen workplace and industry level practices and initiatives to promote the safety and health of workers, in the plantation sector in India, Nepal and Sri Lanka.

In line with the first objective, the Nepal component of the project partnered with SMS Environment & Engineering Pvt. Ltd, a Nepalese consulting firm, to carry out diagnostic assessments on the realization of the fundamental right to a safe and healthy working environment in the tea and cardamom sectors. Recognizing that fundamental principles and rights at work are interrelated, inseparable and mutually reinforcing, the research also collected data on the realization of freedom of association, the effective recognition of the right to collective bargaining, and the elimination of discrimination in respect of employment and occupation.

The goal of the assessments was to establish a robust knowledge base and develop effective strategies to enhance the realization of the right to a safe and healthy working environment in the tea and cardamom sectors. The assessments included a combination of in-depth interviews (IDI), key informant interviews (KII), focus group discussions (FGD), and observations, designed in accordance with the ILO research manual *Assessment of the Implementation of Fundamental Principles and Rights at Work in the Workplace* (ILO, 2023).²

¹ See ILO, [Safety + health for all plantation workers in South Asia: project details](#), 2021.

² ILO, [Research Manual - Assessment of the implementation of fundamental principles and rights at work in the workplace](#), 2023.

The purpose of this analytical summary is to frame the findings of the diagnostic report on the right to a safe and healthy working environment in Nepal's tea sector, highlighting its links to collective bargaining and discrimination, and to provide actionable recommendations. A separate report offers a similar analysis for the cardamom sector.

Nepal is set to graduate from least developed country (LDC) status in 2026, unlocking new opportunities for economic growth and global integration. However, this transition will also present challenges for export-oriented industries to maintain and improve their international competitiveness. With this graduation, there will be increased expectations regarding the realization of the right to a safe and healthy working environment. Therefore, this report aims to support stakeholders in promoting decent work in a key sector vital to Nepal's economy.

Numan Özcan

Director, ILO Country Office for Nepal

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The research for the diagnostic analysis was conducted by the SMS Environment and Engineering Pvt. Ltd, Nepal (a local research service provider) under the supervision of Tsuyoshi Kawakami (ILO), Bharti Birla (ILO), Laetitia Dumas (ILO), Bina Kunwar Thapa (ILO) and Swagat Raj Pandey (ILO). The analytical summary was later prepared by William Kemp (consultant) under the supervision of Justine Tillier (ILO), Saloman Rajbanshi (ILO), and Bandana Aryal (ILO). The analytical summary benefited from the observations provided by Insaf Nizam (ILO) and Tsuyoshi Kawakami (ILO). The tea sector stakeholders, including workers working in the tea gardens and factories, employers' organizations, workers' organizations, and government offices responsible for labour rights provided information as per the requirements of the diagnostic analysis.

This report was developed as part of the ILO Safety + Health for All Plantation Workers in South Asia project, funded by the Government of Japan, and implemented under the ILO's Safety + Health for All flagship programme.



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► List of abbreviations

AEC	Agriculture Enterprise Centre
ANTUF	All Nepal Federation of Trade Unions
CTCF	Central Tea Cooperative Federation
DANIDA	Danish International Development Agency
DFTQC	Department of Food Technology and Quality Control
FGD	Focus Group Discussion
FNCCI	Federation of Chambers of Commerce and Industry
FPRW	Fundamental principles and rights at work
GEFONT	General Federation of Nepalese Trade Unions
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
Ha	Hectare
HOTPA	Himalayan Orthodox Tea Planters Association
HIMCOOP	Himalayan Tea Producers' Cooperative
IDI	In Depth Interview
ILO	International Labour Organization
ITUC	International Trade Union Confederation
JTUCC	Joint Trade Union Coordination Centre
KII	Key Informant Interview
MoALD	Ministry of Agriculture and Livestock Development
MoLESS	Ministry of Labour, Employment and Social Security
MT	Metric ton
NARC	Nepal Agriculture Research Council
NASAA	National Association of Sustainable Agriculture of Australia
NPR	Nepalese Rupee
NTPA	Nepal Tea Producers Association
NTCDB	Nepal Tea and Coffee Development Board
NTPA	Nepal Tea Producer's Association
NTUC	Nepal Trade Union Congress
OSH	Occupational safety and health
PPE	Personal protective equipment
TEPC	Trade and Export Promotion Centre
UNCDF	United Nations Capital Development Fund
USAID	United States Agency for International Development



Background and context

1.1. The tea sector in Nepal

Tea cultivation is a cornerstone of Nepal's agricultural economy. Tea is one of the country's oldest and largest economic sectors, with tea cultivation dating back to the mid-19th century.³ Tea cultivation has since thrived and now spans 28 out of the country's 77 districts.⁴ Nepal primarily produces two types of tea: 'CTC' tea, referring to the 'Crush, Tear, and Curl' process used in production, and orthodox tea, using traditional methods. CTC tea, known for its strong flavour and mild aroma, is predominantly grown in the plains, while orthodox tea, richer in aroma and with a delicate flavour, is cultivated in Nepal's hilly regions.⁵

The tea sector contributes significantly to Nepal's economy, playing a crucial role in trade, rural development and employment. As an export-oriented sector, tea sales contribute to Nepal's balance of payments through the generation of foreign exchange. The sector holds the potential for considerable growth, with much of its capacity and potential trade routes currently underexploited.⁶ It is also one of the largest generators of jobs in the country, with over 70,000 regular workers engaged in tea production, 80 per cent of whom are women.⁷ This number is significantly inflated during the harvest/picking season of May to September, where producers estimated that seasonal and daily workers make up between 70 to 80 per cent of the workforce, with the sector employing up to 350,000 workers during peak season.⁸

Despite the importance of the sector, workers in the sector have long been subjected to poor working conditions. Meanwhile, until recently, tea sector's workers were not covered by any social protection scheme, exposing them to vulnerabilities. While government-owned tea plantations have now been added to Nepal's contribution-based social security funds, the majority of the sector's workers still work informally, with only around 30 per cent of workers formally employed. Informality and a lack of effective regulation of working conditions spills over into low wages and often long hours for these workers, often falling below the mandated minimal levels in national law.⁹ Workers working in tea gardens commonly face safety and health risks and hazards including the handling of heavy materials, long and irregular working hours, work in heat and extreme weather conditions, and exposure to pesticides and other agrochemicals. Workers in the tea sector also often lack basic sanitation and health amenities. They are subject to further OSH hazards and risks, particularly on small farms, where workplaces double as living spaces, such as where pesticides are stored in family houses.¹⁰ This is exacerbated by low representation and unionization rates of workers, which hinders their ability to collectively bargain for better wages and conditions or participate in the design and implementation of OSH policies.¹¹

³ National Tea and Coffee Development Board, "[Tea history](#)".

⁴ Nepal, Ministry of Agriculture and Livestock Development, Statistical Information on Nepalese Agriculture 2076/77 (2019/2020) –Report, 2021.

⁵ Mishra N. R., "Status of Tea Industry in South Asia and the Potential and Challenges of Nepal's Tea Production and Trade" Journal of Korean Society of International Agriculture 26, No. 1 (2014), 11-19.

⁶ Arjun Rajbanshi, "[It's a hard life for low-wage Nepali tea workers](#)", in The Kathmandu Post, 30 November 2022.

⁷ Friedrich Ebert Foundation, [Nepal's tea industry: A cup of reality](#), 2023.

⁸ ILO interview with the FNCCI and its member enterprises.

⁹ Ibid.

¹⁰ Ibid, ILO OSH profile in Nepal, p. 72.

¹¹ ILO, [Safety + Health for All Workers in South Asia: Nepal Component](#), 2021.

To date, there has been a lack of research to corroborate these decent work deficits and to build a knowledge base to develop policies to realize occupational safety and health (OSH) and interrelated fundamental principles and rights at work (FPRW) issues in the tea sector. Assessing the realization of OSH and interrelated FPRW can help develop policies to promote decent work, including a safe and healthy working environment, for all in the tea sector.

1.2. Fundamental principles and rights at work in Nepal

Nepal, like all ILO Member States, is obligated to promote and realize the principles concerning FPRW. As of a decision at the 110th Session of the International Labour Conference in June 2022, the ILO Declaration on Fundamental Principles and Rights at Work includes the right to a safe and healthy working environment.

ILO Member States are obligated and committed to:

- ▶ freedom of association and the effective recognition of the right to collective bargaining;
- ▶ the elimination of all forms of forced or compulsory labour;
- ▶ the effective abolition of child labour;
- ▶ the elimination of discrimination in respect of employment and occupation; and
- ▶ a safe and healthy working environment.

To date, Nepal has ratified 11 ILO Conventions, including 7 fundamental conventions. These include: the Forced Labour Convention, 1930 (No. 29); the Right to Organise and Collective Bargaining Convention, 1949 (No. 98); the Equal Remuneration Convention, 1951 (No. 100); the Abolition of Forced Labour Convention, 1957 (No. 105); the Discrimination (Employment and Occupation) Convention, 1958 (No. 111); the Minimum Age Convention, 1973 (No. 138); and the Worst Forms of Child Labour Convention, 1999 (No. 182). However, Nepal has not ratified the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Occupational Safety and Health Convention, 1981 (No. 155); and Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), though all ILO Member States have the obligation to respect, promote and realize all FPRW, including on safety and health at work.

The Government of Nepal has also taken a number of actions to safeguard the FPRW of workers. In 2015, Nepal promulgated its Constitution which guarantees FPRW for all workers. Meanwhile, the Labour Act, 2017, contains provisions for OSH, gender equality and non-discrimination in the workplace, as well as for freedom of association and collective bargaining. The Right to Employment Act (2018) protects workers from discrimination and provides that no person should be discriminated against on the grounds of gender, nationality, religion, skin colour, language, religion, migrant status, or other characteristics.¹²

¹² Nepal Law Commission, [The Labour Act, 2017](#), 2017; and [Right to Employment Act, 2018](#), 2018.

The ILO Country Office for Nepal has provided technical and financial assistance to the Government to help promote and achieve FPRW.¹³ However, significant challenges remain for Nepal in ensuring that FPRW are upheld, including in building awareness of the fundamental rights and in reaching often remote target groups.¹⁴ Child labour remains an issue in over a fifth of rural areas.

In 2018, 1.1 million children were subjected to child labour, 87 per cent of whom were working in agriculture, and with a significant number of children having to carry out hazardous work. Women's labour force participation in Nepal is less than half that of men, and women are more likely to be in long-term unemployment. Meanwhile, Dalits, a traditionally marginalized class, earn on average 47 per cent less than Khas Arya, and while bonded labour systems were abolished in 2000, former victims and their descendants are often vulnerable and face limited opportunities for decent work. In recent years, there has been heightened recognition by tripartite constituents of the need to intensify the promotion of a safe and healthy working environment, and its important role alongside the realization of other interrelated FPRW, including in economic sectors with hazardous work such as agriculture and plantations.¹⁵ Furthermore, while Nepal's Constitution recognizes the fundamental right of workers and employers to associate freely and engage in collective bargaining, collective bargaining and workplace cooperation have been in decline in Nepal and within existing subnational social partner structures, awareness of the legal and policy frameworks for promoting decent work remains insufficient.¹⁶

These challenges highlight the need for more work to be done to ensure the effective realization of OSH and interrelated FPRW in Nepal. A focus on these issues can help promote decent work and the sustainable development of the sector.

1.3. Relevant labour laws and policies relating to working conditions and safety and health at work

1.3.1. Labour provisions

The primary legal instruments concerning labour law in Nepal are the Labour Act, 2017 and the Labour Rules, 2018. These instruments set minimum standards on general working conditions and FPRW. The Labour Act prohibits forced labour (Clause 3), child labour (Clause 5), discrimination on the basis of gender, origin, religion, colour and various other grounds (Clause 6), provide for Equal remuneration for work of equal value (Clause 7), rights to form and join trade unions (Clause 8), and rights to remedy in case of infringements of rights conferred under the law (Clause 9).

The Labour Act categorizes employment into five types:

- i. **Regular employment:** regular work that is not based on fixed times, casual or piece-rate work;
- ii. **Work-based employment:** employment provided specifying the performance of particular work or service;

¹³ ILO, 'Nepal - International Labour Standards country profile'.

¹⁴ ILO, *Nepal Decent Work Country Programme 2018-2022*, 2018.

¹⁵ ILO, *Decent Work Country Programme for Nepal 2023-2027*, 2024.

¹⁶ ILO, 'Decent Work Country Programme for Nepal 2023-2027', 2024.

- iii. **Time based employment:** work covering a fixed period;
- iv. **Casual employment:** work that lasts seven days or less in a calendar month; and
- v. **Part-time employment:** work of less than 35 hours per week, typically paid at an hourly rate.

The Labour Act contains a number of provisions relevant to the working conditions of tea workers. These include provisions on:

- ▶ **Working hours:** 8-hour workdays and 48-hour working weeks. Overtime should not exceed 4 hours a day or 24 hours a week, remunerated at 1.5 times regular pay. 30-minute breaks mandated after every 5 hours of work;
- ▶ **Minimum wages:** hourly (NPR 66), daily (NPR 500) and monthly (NPR 13,893); as well as provisions for deductions, holiday pay etc.¹⁷
- ▶ **Leave:** workers should have one leave day per week, 14- and 13-days public leave for women and men respectively, and one day of home leave every 20 days. Replacement leave is provided for workers working on public holidays.
- ▶ **Maternity and paternity:** up to 14 weeks fully paid maternity leave, with compulsory leave from two weeks before to six weeks after delivery.
- ▶ **Social security:** mandated by the Labour Act and supported by the Social Security Act 2017 and Social Security Regulations, 2018. Contributions are set at 31 per cent of the basic salary (11 per cent from the employee and 20 per cent from the employer). This covers medical treatment, health, maternity protection, accident and disability protection, dependent family protection, and pensions.
- ▶ **Medical insurance:** the employer must provide medical insurance of at least NPR 100,000 annually and accident insurance of at least 700,000 annually for all workers.
- ▶ **Compensation:** Disputes regarding occupational diseases are settled by a committee of specialized medical practitioners and published.

The Labour Act also includes specific provisions for tea estate labourers, including:

- ▶ **Suitable living accommodation:** to be provided within the estate for both labourers and their families;
- ▶ **Free first aid:** provision and services and trained medical staff to treat minor injuries;
- ▶ **Availability of daily consumable goods:** if no market is available nearby; and
- ▶ **Welfare facilities:** for physical and mental development such as sports and entertainment.

The Labour Act covers all workers and all employers, regardless of the number of workers employed. This means it includes all workers in the tea sector, including those who are often self-employed, employed temporarily, and who work informally.

¹⁷ Nepal Gazette Part 5, Volume 73, Number 24, dated August 17, 2023 (2080-04-32).

However, implementation of the Labour Law to these workers remains challenging, without formal contracts, often performing seasonal work, in remote areas where labour inspection and enforcement is often limited.

1.3.2. OSH laws and policies

Chapter 12 of the Labour Act includes a number of OSH provisions that apply to workers in the tea sector. These include duties for employers to:

- ▶ provide a safe and healthy working environment, ensure no adverse effects from chemical or physical materials, provide OSH training, maintain safe workplace access, and provide personal protection equipment (PPE) at no cost to the worker;
- ▶ formulate a workplace policy on safety and health;
- ▶ form a safety and health committee including employer and worker representatives in enterprises with 20 or more workers;
- ▶ report accidents or occupational diseases to the Labour and employment Office within seven days of occurrence;
- ▶ make arrangements to prevent communicable diseases and provide additional leave for treatment if necessary;
- ▶ make arrangements for pregnant workers not to be assigned tasks that adversely affect their pregnancy; and
- ▶ be responsible for medical expenses and/or compensation for occupational diseases unless covered by the Social Security Fund.

The adoption of the Labour Act was followed by the adoption of the National OSH Policy, 2019, and a National OSH Profile. Based upon the provisions in the Labour Act, the National OSH Policy provides a structured approach to achieving safety and health at work across all sectors in the country. It includes provisions related to promoting a culture of prevention, strengthening the legal framework, building institutional capacity, promoting social dialogue, awareness raising and education, data collection and monitoring and protecting vulnerable workers. In April 2023, the Ministry of Labour, Employment and Social Security (MoLESS) entered into a decision to form a national tripartite OSH committee for the process of developing a national OSH programme. The ILO *Safety + Health for All Workers in South Asia* worked with MoLESS in the process of developing this programme, which included consultations with employers and employers' associations, workers and workers' organizations, local government, provincial government, federal government, OSH experts, inter-ministerial concerned officials and other stakeholders. The OSH programme reviews legal provisions, policies, and administrative structures for implementation and inspection and highlights institutional roles, identifying gaps in policy and capacity, and presenting recommendations for policymakers and is seen as a launch point for developing further interventions for improved OSH management systems in the workplace.¹⁸

¹⁸ See, ILO, [Occupational safety and health profile for Nepal](#), 2022.

1.3.3. Discrimination

The Labour Act protects all workers against discrimination in respect of employment in two key areas:

- i. **Prohibition on discrimination:** Clause 6 of the Labour Law prohibits discrimination “the ground of religion, colour, sex, caste, tribe, origin, language, ideological conviction or other similar ground”. Giving preference of suitable tasks to women or people with disabilities is explicitly excluded from discrimination as a positive measure.
- ii. **Prohibition on discrimination in remuneration for equal work:** Clause 7 of the Labour Law provides that workers receive equal remuneration for work of equal value, regardless of gender, or the other characteristics outlawed from discrimination in Clause 6.

Nepal's Labour Laws, 2018, reinforce the anti-discrimination provisions of the Labour Act, prohibiting discrimination, safeguarding equal remuneration for work of equal value and outlining grievance mechanisms for workers who feel they have been subject to discrimination.

1.3.4. Freedom of association and collective bargaining

The Trade Union Act 1992 and Trade Union Rules 1993 protect workers' right to organize and bargain collectively. Workers can form enterprise-level trade unions, engage in collective bargaining, and follow decisions made by authorized trade unions. The government appoints registrars for trade union registration and can restrict activities that disturb enterprises.

2. Objectives

The objective of the study was to assess the realization of the fundamental right to a safe and healthy working environment in the tea sector in Nepal. It also looked at interlinkages with the elimination of discrimination in respect of employment and occupation and freedom of association the effective recognition of the right to collective bargaining. Despite the potential for issues regarding child labour and forced labour to arise in the tea sector, identified in section 1.2. above, assessment of the realization of the FPRW for the elimination of child labour and abolition of forced labour were considered outside of the coverage of the assessment, as they require specific focus and expertise that extend beyond the scope of this study.

The assessment reviewed the legal framework applicable in the sector and conducted direct observations, interviews and group discussions in tea plantations and processing facilities to identify strengths, weaknesses, and gaps in the realization of OSH and its interlinkages with two other FPRW.

This analytical summary reviews and analyses the findings of the assessment of the tea sector, to bring to light the key observations that the report has made on the realization of OSH and interrelated FPRW and provide actionable recommendations to constituents to promote a safe and healthy working environment in the sector.

Nepal is set to graduate from Least Developed Country (LDC) status in 2026, a process that will create new opportunities for economic growth and integration with the global economy, but that will also create new challenges for export-oriented sectors, in maintaining and developing their competitiveness. The graduation process further means there will be higher expectations for the realization of OSH and interrelated FPRW in Nepal. It is therefore intended that this report will support constituents in achieving this goal within this key strategic sector of the economy.



3. Methodology

3.1. Design of tools and data collection methods

The methodology for the diagnostic assessment of the realization of OSH and two interrelated FPRW in the tea sector in Nepal was based upon the guidance included in a draft of the ILO Research Manual *Assessment of the implementation of fundamental principles and rights at work in the workplace*. The Research Manual contains practicable steps on assessing FPRW situations at the workplace, identifying and analysing constraints in their application, establishing the concerns and needs of tripartite constituents and other stakeholders in the sector, and identifying opportunities and approaches to improve their realization. It also contains primary research tools, including tools and handbooks for delivering questionnaires, focus group discussions and semi-structured interviews.¹⁹

As per the Research Manual, the methodology was based on combined analysis of standardized information (through questionnaires), qualitative information (through semi-structured interviews) and of existing information and secondary data (using statistics, publications, project documents etc.). The diagnostic assessment primarily utilized qualitative data, supported by quantitative data, in order to evaluate the realization of OSH and interrelated FPRW in the tea sector. The data collection methods included:

- ▶ desk study;
- ▶ in-depth interviews (IDIs);
- ▶ key informant interviews (KIIs);
- ▶ focused group discussions (FGDs); and
- ▶ observations.

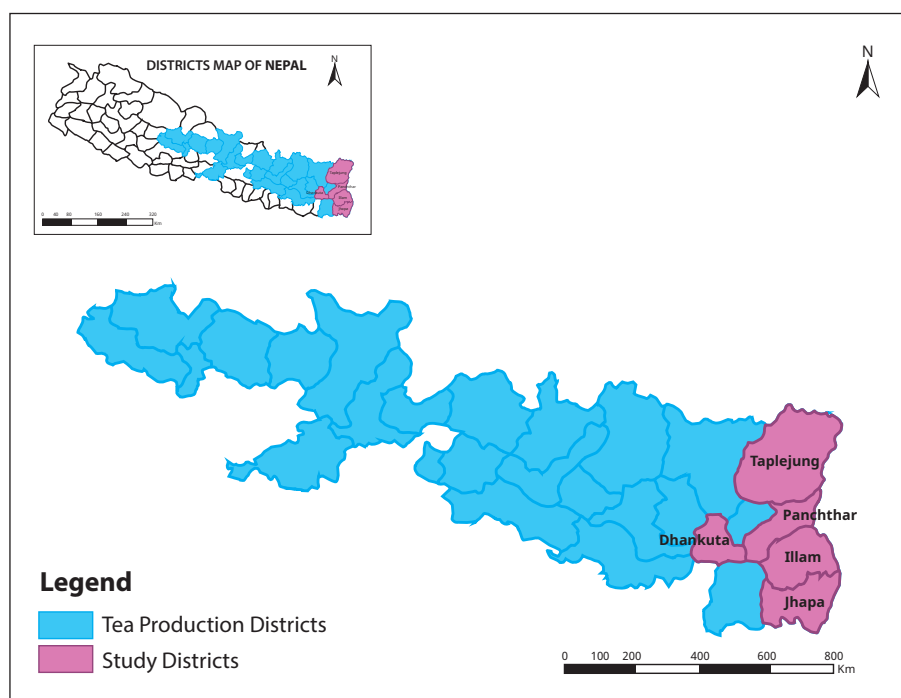
The guidance and tools provided in the ILO Research Manual were adapted to the national context using Nepalese legislation and through consultations between the national service provider and the ILO country office. A checklist was developed comprising OSH provisions of the Labour Law, 2017 and listing potential hazards in the tea sector based on desk review and discussions with sectoral experts. After translation to Nepalese, the tools and checklist were validated and amended to the local context through pilot testing.

¹⁹ ILO, [Research Manual - Assessment of the implementation of fundamental principles and rights at work in the workplace](#), 2023.

3.2. Assessment process

Of the tea producing districts in Nepal, five of the main producing districts in the east of Nepal (Dhankuta, Ilam, Jhapa, Panchthar and Taplejung) were selected for assessment (see Figure 1). Of these districts, Jhapa produces CTC tea, while the remaining four districts produce orthodox tea.

► **Figure 1: Districts studied in the diagnostic assessment**



Using purposive sampling, enterprises were selected to study for both CTC and orthodox tea cultivation. Respondents within each enterprise were then selected using random sampling. In order to access tea workplaces, support was provided by the employers' organization Federation of Nepalese Chambers of Commerce and Industry (FNCCI), its member the Nepal Tea Producers Association, the Central Tea Cooperative Federation (CTCF) cooperatives' association, and government offices i.e. Nepal Tea and Coffee Development Board and the Labour and Employment Office. Four categories of enterprises were selected:

- i. **estates:** with tea gardens and factories;
- ii. **factories:** that purchase and process tea;
- iii. **cooperatives** that collect tea from their member farmers and process at cooperative owned industries, or work with members to have tea gardens and sell produce to factories through the cooperative; and
- iv. **small farmers** who also have tea gardens and factories.

Within these four categories, random sampling was also used to identify IDI and FGD respondents. From these samples:

- ▶ **65 enterprises were selected** across the four groups, with 32 CTC enterprises in Jhapa, and 33 orthodox enterprises across the other 4 regions;
- ▶ Of these 65, **12 estates, nine factories, nine cooperatives and 35 small farmers** were selected;
- ▶ **170 IDIs were conducted** in the CTC sector: 32 with employers and 138 with workers;
- ▶ **109 IDIs were conducted** in the orthodox sector: 33 with employers and 76 with workers;
- ▶ **10 KIIs were conducted** with relevant tripartite representatives (representatives from the labour inspectorate, employer representatives/ chambers of commerce, trade union representatives etc.); and
- ▶ **8 FGDs were conducted** with workers, with the Nepal Tea Producers Association and with trade union representatives.

The data was collected between September and October 2022, guided by the tools of the adapted ILO Research Manual and national checklist. The raw data was then processed through transcription, coding, analysis and interpretation in the diagnostic assessment. Finally, this analytical summary will be published and shared with tripartite constituents for their information and use.

3.3. Limitations of the study

While the study of the tea sector follows the methodology of the ILO Research Manual, there are several limitations to its application that could affect the reliability and/or applicability of the findings. Firstly, the study was limited to five of the major tea producing regions which, while accounting for the majority of tea production (see chapter 4 below), may not provide an entirely representative depiction of the situation in the whole tea producing region. Secondly, the ILO had not previously worked with the employers and workers in the study, meaning that there is no guarantee that respondents fully grasped often complex concepts such as OSH and FPRW, in order to effectively engage with the process. Regarding questions on discrimination, the data gathered from the survey team revealed little regarding the potential issues, likely signalling either an issue with workers' understanding of the associated terms and concepts, or with the application of the study. Thirdly, the sample size itself was limited, with only 65 enterprises surveyed selected using purposive sampling rather than random sampling, meaning the selection itself may introduce bias. Finally, data collection methods such as IDIs, KIIs and FGDs rely on the self-reporting of data, from employers, workers, government, and other stakeholders. This can further introduce bias to the data, particularly regarding often sensitive subject matters such as working conditions, wages, occupational accidents and work-related diseases, discrimination and unionization.

These limitations do not negate the findings of the study but mean that they should be interpreted with caution and awareness of potential biases. The gaps and limitations of the study can also provide the basis for further research which supplements the findings and addresses some of its limitations to further develop a knowledge base for the tea sector in Nepal.



4. Overview of the tea sector and its stakeholders

4.1. Tea production in Nepal

Nepal is a major producer of tea, with total production amounting to almost 24,000 metric tons per year.²⁰ Tea is an important export commodity for Nepal, with exports totalling US\$32.5 million in 2022, ranking tenth in the country's export basket.²¹ The majority of the tea exported by Nepal (95 per cent) is exported to India. While there exists a potentially lucrative export market for tea, its export value, particularly to international markets other than India, is yet to be fully developed or capitalized upon and it is therefore seen as a sector with untapped potential.²²

Nepal mainly produces three types of tea: two types of CTC tea (*Camelia asamica* and *C. asamica spp lasiocalyx*) and one type of orthodox tea (*camellia sinensis*). Tea is primarily grown across five eastern districts: Jhapa, Ilam, Panchthar, Dhankuta, and Terathum. Jhapa is by far the largest producing district, accounting for more than 75 per cent of production.²³ Tea producers comprise 146 estates and over 14,000 small farmers, covering 7,070 hectares and 9,850 hectares of plantations respectively.²⁴

► **Table 1: Number and Area of Tea Production in Nepal**

Tea	Estates (No.)	Estate Plantation, ha	Small Farmers (No.)	Small Farmers Plantation Area, ha	Production, MT
CTC	70	4062	1993	3277	15654
Orthodox	76	3008	12046	6573	7168
Total	146	7070	14039	9850	22822

Source: Nepal Tea and Coffee Development Board, 2021.

4.1.1. CTC production

Production of CTC tea in Nepal involves several distinct processes in order to cultivate tea and transform the fresh leaves into a consumable product. Each of these processes are associated with particular OSH hazards (see Table 2). Stages of CTC production include:

- i. **tea planting and growing:** seeds are typically first grown in nurseries, then transplanted to the field. This is a labour-intensive process which is done by hand. Planting and growing of tea involve hazards and risks such as slips and

²⁰ Nepal Trade Information Portal, [Tea](#), no date, accessed 26 July 2024.

²¹ East Asia Forum, [Brewing new markets for Nepal's tea trade](#), 2024.

²² Nepal Trade Information Portal, [Tea](#), no date, accessed 26 July 2024.

²³ Ibid.

²⁴ Ministry of Agriculture and Livestock Development, [Statistical Information on Nepalese Agriculture 2076/77 \(2019/2020\)](#), 2021.

trips, environmental hazards such as insect and snake bites, exposure to heat and sunlight, physical strain from manual labour and musculoskeletal disorders and exposure to agricultural chemicals.

- ii. **green leaf tea collection:** fresh tea leaves are collected from tea gardens. This stage involves potential risks such as slips, trips, environmental hazards such as insect and snake bites musculoskeletal disorders and dehydration.
- iii. **withering:** tea leaves are spread thinly on troughs and exposed to warm air to reduce moisture content. This process can involve risks such as burns and cuts;
- iv. **CTC processing:** withered leaves are passed through machines that crush, tear, and curl them into small pellets, giving the tea its name. This can involve hazards such as cuts and electrocution;
- v. **fermentation:** the crushed leaves are allowed to ferment for 60 to 100 minutes, depending on leaf quality and climatic conditions;
- vi. **drying:** the fermented leaves are dried using hot air to stop fermentation and remove moisture. The process is conducted at temperatures between 100 to 130 degrees Celsius and involves risks such as heat stress and exposure to tea dust;
- vii. **sorting and grading:** the dried tea is sorted into various grades based on size and quality to meet trade requirements. This process enhances the tea's quality and value; and
- viii. **storage and packaging:** the tea is cooled, sorted, and passed under magnets to remove any metal particles before being packed. This step ensures the tea is safe, hygienic and free from contaminants.

CTC tea production in Nepal is characterized by four seasonal flushes (i.e. different periods during the year when tea leaves are harvested). These are the first flush, second flush, monsoon flush, and autumn flush. CTC tea production is characterized by these flushes, but the quality of the tea remains more or less uniform across the year. Notably, the flushes do not entirely correspond to those of orthodox tea, owing to differences in topographical conditions.²⁵

²⁵ WIPO, [A tea lover's guide to climbing IP mountains](#), 2012.

► **Table 2: Summary table of hazards and risks associated with CTC tea production**

Process	Tasks involved	Potential OSH hazards and risks
1. Planting and growing	Seeding, planting, weeding, maintenance and care.	Exposure to sunlight, high humidity, and extreme temperatures leading to dehydration and heat stress; physical strain from manual labour, risk of injuries from improper tools, exposure to chemicals; environmental hazards such as insect and snake bites.
2. Green Leaf Tea Collection	Fresh tea leaves are collected from the garden	Musculoskeletal strain from bending and carrying loads; exposure to harsh weather conditions; risk of cuts from handling leaves and branches; environmental hazards such as insect and snake bites
3. Withering	Spreading leaves to reduce moisture content	Exposure to dust and allergens; musculoskeletal strain from spreading and turning leaves; risk of slips and trips in the processing area.
4. CTC Processing	Crushing, tearing, and curling the leaves using machinery	Risk of injury from machinery; repetitive motion leading to musculoskeletal disorders; exposure to tea dust causing respiratory issues.
5. Fermentation	Allowing rolled leaves to ferment	Exposure to humid environments; risk of mould exposure; potential slips and trips on wet floors.
6. Drying	Drying fermented leaves in dryers	Heat stress and burns from hot machinery; exposure to tea dust and fumes; risk of fire or electrical hazards from drying equipment.
7. Sorting and Grading	Sorting leaves by size and quality	Exposure to dust leading to respiratory issues; repetitive motion causing musculoskeletal strain; risk of cuts from sharp sorting tools.
8. Storage and Packaging	Storing and packing tea for distribution	Musculoskeletal strain from lifting and carrying; exposure to dust; risk of cuts and injuries from handling packaging materials.

► **Figure 2: A CTC tea garden in Jhapa**



► *Figure 3: The processing of CTC tea*



4.1.2. Orthodox production

Production of orthodox tea goes through similar processes as CTC tea production but with some distinctions, each also associated with OSH hazards (see Table 3). These include:

- i. **tea planting and growing** orthodox tea is growing on very steep hills, which means in addition to the risks associated with CTC planting, there is additional risk of slips and falls;
- ii. **green leaf collection:** involves potential risks such as slips, trips, musculoskeletal disorders and dehydration;
- iii. **withering:** leaves are spread over withering troughs, and moisture is removed by passing air at around 30 to 33°C through the leaves. The process takes 8 to 12 hours, removing approximately 70 per cent of the moisture content. Potential hazards include burns and cuts;
- iv. **rolling:** withered leaves are rolled for 70 to 80 minutes to release their juices. The rolled leaves are sifted into fine and coarse tea. Risks include accidents and electrocution;
- v. **fermentation:** fine and coarse leaves are placed on fermenting trays for 2 to 3 hours, where oxidation occurs, creating the tea's flavour. This process starts from the beginning of the rolling process.
- vi. **drying:** fermented leaves are dried using hot air at temperatures between 100 to 130°C to stop fermentation and remove moisture. The process takes 20 to 25 minutes and involves risks such as heat exposure and tea dust inhalation;
- vii. **sorting and grading:** coarse leaves are sorted into grades like such as super fine, fine and lower grades; and
- viii. **packaging:** the sorted tea is packed, ready for shipment, with risks including exposure to tea dust.

Orthodox tea is characterized by the same flushes as CTC tea: first flush, second flush, monsoon flush, and autumn flush. However, with orthodox tea, each flush produces tea with distinct characteristics due to the varying climatic conditions and stages of growth, changing liquors and aromas of the tea and their quality (first flush and autumn tea are of higher quality and greater value).²⁶

► **Table 3: Summary table of hazards and risks associated with orthodox tea production**

Process	Tasks involved	Potential OSH hazards and risk
1. Planting and growing	Seeding, planting, weeding, maintenance and care.	Exposure to sunlight; high humidity and extreme temperatures leading to dehydration and heat stress; physical strain from manual labour; slips and trips; risk of injuries from improper tools, exposure to chemicals, environmental hazards such as insect and snake bites.
2. Green Leaf Collection	Fresh tea leaves are collected from the garden	Musculoskeletal strain from bending and carrying loads; exposure to harsh weather conditions; risk of cuts from handling leaves and branches, environmental hazards such as insect and snake bites.
3. Withering	Spreading leaves to reduce moisture content	Exposure to dust and allergens; musculoskeletal strain from spreading and turning leaves; risk of slips and trips in the processing area.
4. Rolling	Rolling leaves to break cells and release juice	Risk of injury from machinery; repetitive motion leading to musculoskeletal disorders; exposure to tea dust causing respiratory issues.
5. Fermentation	Allowing rolled leaves to ferment	Exposure to humid environments; risk of mould exposure; potential slips and trips on wet floors.
6. Drying	Drying fermented leaves in dryers	Heat stress and burns from hot machinery; exposure to tea dust and fumes; risk of fire or electrical hazards from drying equipment.
7. Sorting and Grading	Sorting leaves by size and quality	Exposure to dust leading to respiratory issues; repetitive motion causing musculoskeletal strain; risk of cuts from sharp sorting tools.
8. Packaging	Packing tea for distribution	Musculoskeletal strain from lifting and carrying; exposure to dust; risk of cuts and injuries from handling packaging materials.

²⁶ Teabox, [Difference between orthodox vs CTC Teas: production process & flavor](#), no date, accessed 26 July 2024.

► Figure 4: An orthodox tea garden in Ilam



► Figure 5: The rolling of orthodox tea



4.2. Tripartite constituents and stakeholders in the sector

The Nepalese tea sector involves various key actors including government bodies, employers' associations, trade unions, and stakeholders such as development organizations and certification agencies.

4.2.1. Government

Government bodies involved in the tea sector include:

- **Department of Food Technology and Quality Control (DFTQC):** ensures food quality, safety, and certification.
- **Labour and Employment Office:** tasked with enforcing labour laws, ensuring minimum wages, social security, and upholding OSH standards, under MoLESS, as stipulated in the Labour Act, 2017. The Office is responsible for ensuring a safe and healthy workplaces, free from risks and hazards, and the settlement of individual and collective bargaining and disputes.
- **Ministry of Agriculture and Livestock Development (MoALD):** responsible for agriculture policy formulation, program planning, budgeting, and implementation under MO. It oversees the Department of

Food Technology and Quality Control (FTQC), Nepal Agricultural Research Council (NARC), and National Tea and Coffee Development Board (NTCDB).

- ▶ **Ministry of Commerce Trade and Export Promotion Centre (TEPC):** facilitates trade and export, provides trade data, supports international trade fairs and develops trade policies. TEPC produced a national strategy for the development of the tea sector between 2017 and 2021.
- ▶ **National Tea and Coffee Development Board (NTCDB):** established in 1993, the NTCDB regulates the tea sector, implements policies, promotes tea, manages trademarks, and provides technical and financial support.
- ▶ **Nepal Agriculture Research Council (NARC):** conducts qualitative research in agriculture, including tea varietal selection.

4.2.2. Employers' associations

Employers' associations in the tea sector in Nepal include:

- ▶ **Agro Enterprise Center (AEC):** part of the FNCCI, it supports agribusiness development and promotion, through trade fairs, trainings, workshops, policy advocacy, business plan formulation etc.²⁷
- ▶ **Central Tea Cooperative Federation (CTCF):** an umbrella organization for 97 orthodox tea cooperatives, involved in capacity building, technology dissemination, and market linkage, as well as advocating activities at various levels.²⁸
- ▶ **Himalayan Orthodox Tea Planters Association (HOTPA):** represents 20 medium to large scale orthodox tea processors in Nepal, focusing on quality improvement, market promotion, national level advocacy and trade issues.²⁹
- ▶ **Himalayan Tea Producers' Cooperative (HIMCOOP):** a marketing cooperative promoting Nepali Himalayan tea internationally.³⁰
- ▶ **Nepal Tea Association (NTA):** promotes growth and innovation in the tea industry, serving as a bridge between the industry, trade and government.
- ▶ **Nepal Tea Producers Association (NTPA):** represents CTC tea producers and has advocated for export issues such as shutout hurdles of CTC export to India.

4.2.3. Trade unions

There are three types of union structures in Nepal, as established by the Trade Union Act 1992: plant/enterprise-level unions, national federations, and national confederations. The Joint Trade Union Coordination Centre (JTUCC) serves as the umbrella body coordinating major trade unions, including affiliates of the International Trade Union Confederation (ITUC) such as All Nepal Federations of Trade Unions (ANTUF), General Federations of Trade Unions (GEFONT), and Nepal Trade Union Congress (NTUC).³¹

²⁷ Federation of Nepalese Chambers of Commerce & Industry, [Agro Enterprise Centre](#), no date, accessed 26 July 2024.

²⁸ Agri Terra, [Central Tea Cooperative Federation](#), accessed 26 July 2024.

²⁹ USAID Nepal, [Value chain/market analysis of the orthodox tea sector in Nepal](#), 2011, p. 24.

³⁰ HIMCOOP, [About us](#), no date, accessed 26 July 2024.

³¹ International Labour Organization, [Workers and Employers Organization in Nepal](#), no date, accessed 26 July 2024.

The diagnostic assessment found that while trade unions are present in tea gardens and factories, they are absent in cooperatives. The central trade unions (NTUC, GEFONT, and ANTUF) have tea sector-based affiliated trade union, with the Nepal Tea Garden Labour Union falling under NTUC and the Federation of Agriculture and Plantation Workers Unions of Nepal under GEFONT.

4.2.4. Development organizations

In addition to the work that the ILO does to advance decent work in the tea sector in Nepal, several other organizations have provided support to its development. These include:

- ▶ **Agriterra Netherlands:** Has worked with cooperatives on capacity building and business development.³²
- ▶ **United Nations Capital Development Fund (UNCDF):** Implemented the UNNATI Inclusive Growth Programme alongside the ILO, and co-funded by the Government of Denmark, in order to improve orthodox tea productivity, quality, and marketing.³³
- ▶ **USAID:** Has supported tea business improvement through the Nepal Economic Agriculture and Trade (NEAT) project from 2012-2015.
- ▶ Other organizations such as SNV Netherlands Development Organisation and Deutsche Gesellschaft für Internationale **Zusammenarbeit** GmbH (GIZ) have also worked in the country on value chain upgrading of Nepalese orthodox tea.

4.2.5. Organic certification agencies

Organic certification agencies like National Association of Sustainable Agriculture, Australia (NASAA), IMO India, CERES (Germany), and the Rainforest Alliance provide organic certification in Nepal. Where inspections are carried out for certifications, these usually come from abroad. Certification costs can range from US\$6,000 to US\$12,000 annually, which can be prohibitively expensive for small farmers and factories.

³² Agriterra Netherlands, [Nepal](#), no date, accessed 26 July 2024.

³³ UNCDF, [UNNATI Inclusive Growth Programme in Nepal](#), 2016.

5. Findings

5.1. CTC sector

5.1.1. Types of enterprises

The processes involved in CTC production vary between types of enterprises. Estates manage the entire production chain from cultivation to processing, ensuring control over quality and production. Factories focus on tea processing, which produces the final product and determines its overall quality. Meanwhile, cooperatives and small farmers engage in both farming and selling, often leveraging collective resources to enhance their market reach and profitability. Tea gardens (including those of estates, cooperatives, and small farmers) operate regular working hours of 48 hours a week, though the exact hours can vary depending on the season and flush. Factories (including those of estates and cooperatives) operate longer hours of 72 hours a week. This means that workers' hours often exceed regular working hours, with workers working shifts that can last 10 or 11 hours.

5.1.2. Employment conditions

5.1.2.1. Employment composition

The number of workers employed under permanent contracts (typically meaning workers who are permanent throughout the year, with contracts and provision to benefits) was low in all cases (see Table 4). The majority of workers were hired on a temporary basis (including workers who are seasonal and with daily wages, typically without contracts). Rates of permanent workers were higher in cooperatives and factories, while in small CTC farms, all workers employed on a temporary basis. The percentages of surveyed workers hired on a permanent and temporary basis were:

- ▶ **Estates:** permanent workers ranged from 5 to 8 per cent, including women workers. Temporary workers ranged from 92 to 95 per cent, with women comprising 59 to 60 per cent.
- ▶ **Factories:** permanent workers ranged from 8 to 18 per cent, including women workers. Temporary workers ranged from 82 to 92 per cent, with women comprising 4 to 22 per cent.
- ▶ **Cooperatives:** permanent workers ranged from 4 to 13 per cent, including women workers. Temporary workers ranged from 88 to 96 per cent, with women comprising 70 to 81 per cent.
- ▶ **Small farmers:** No permanent workers were employed. All workers are temporary; women comprise 21 per cent of the workforce.

Job security is therefore typically highest in factories, with a higher number of permanent jobs reflecting a need for a stable and adequately skilled workforce in order to process CTC tea. In cooperatives, a slightly higher upper limit than estates reflect a need for processing workers as well as farmers, and particularly a need to retain workers for processing roles. In estates, some workers receive permanent contracts, with higher levels of job security and stability, but fewer workers than in factories and cooperatives. Meanwhile, the absence of permanent workers in small farms in part reflects the nature and seasonality of small-scale agriculture and family farming.

From these findings, several observations can be drawn on employment:

- ▶ the high percentage of temporary workers on estates reflects a preference for flexibility among employers in order to adjust the size of their workforce based on seasonal demand;
- ▶ factories also rely heavily on temporary workers, but a slightly lower percentage reflects a greater need for skilled labour in processing. The lower percentage of women employed in factories indicates a lower level of gender inclusivity in this area of work;
- ▶ cooperatives implement an operational model which involves seasonal peaks in labour demand and hire temporary workers to satisfy these peaks; and
- ▶ temporary workers and family labour are typically characteristic of small-scale farming. The lower percentage of women engaged in small farms is likely due to cultural or practical constraints on their participation in the labour force.

No workers working as temporary or seasonal workers were identified as having formal employment contracts. In each case, employers and workers relied on verbal agreements to establish working arrangements. This high incidence of informal working contracts exposes workers to vulnerabilities, as it makes them more likely to fall through the gaps in labour regulations and social security, while also suffering from low levels of job security. Promoting formal written contracts for temporary workers can provide clarity on terms of employment, enhance job security, and strengthen compliance with labour regulations.

▶ **Table 4: Percentage of workers surveyed employed in permanent and temporary work in the CTC sector**

Type of Worker	Estate (%)	Factory (%)	Cooperative (%)	Small Farmer (%)
Permanent	5 - 8	8 - 18	4 - 13	0
Temporary	92 - 95	82 - 92	88 - 96	100
Women (Permanent)	Varies	Varies	Varies	N/A
Women (Temporary)	59 - 60	4 - 22	70 - 81	21

5.1.2.2. Affiliation to social security fund

None of the estates, factories, cooperatives, or small farmers surveyed were associated with the national social security fund. This indicates that workers are falling through the cracks of the legal and regulatory provisions put in place to protect them, and that there is consequently a critical deficit for social protection for workers in the CTC tea sector. It highlights a need to bring workers in tea producers of all sizes under the national social protection scheme in order to improve workers' wellbeing and security, through ensuring access to health, pensions, sick pay and compensation, etc.

5.1.3. Occupational safety and health issues

5.1.3.1. Accidents at work

Most employers and workers across the sample groups did not consider accidents at work to be a significant issue. Overall, 16 per cent of enterprises considered accidents to be a secondary problem, while 75 per cent considered accidents to be “not a problem”, with a high percentage of estates (71 per cent), factories (50 per cent), and all cooperatives and small farmers viewing accidents in such a manner. Among the workers of the estates and factories, most of them (62 per cent and 63 per cent respectively) considered their work to be non-hazardous and remaining (38 and 37 per cent) perceived their work to be a little hazardous.

Of the incidents reported, minor cuts from machinery and pruning were the most commonplace. This indicates that machinery in factories and physical tasks in the tea gardens are the primary sources of workplace injuries for workers. One or two workers were reported to have had minor accidents such as small cuts from machinery or pruning tools in 14 per cent of estates, 33 per cent of factories and 25 per cent of cooperatives, while no accidents were reported to the survey team from small farms.

Given the risks associated with many of the tasks involved in work in the CTC tea sector (see section 4.1.1.) and the reported OSH deficits in the sector, this may indicate a lack of awareness and understanding regarding workplace safety and health and associated hazards. This lack of understanding for employers and workers could be a significant concern for worker safety and health in its own right. Educating and training workers on OSH, raising awareness of workplace safety, and developing effective OSH management systems with appropriate reporting mechanisms can help address this issue and build preventative safety and health cultures in the sector.

5.1.3.2. Worker health

Employers across the sample groups tended to report that workers' health was not a problematic issue in the running of their businesses, with 82 per cent considering it “not a problem”. The only enterprises surveyed that considered worker health a problem at all were the factories, with 50 per cent considering it a secondary problem. Meanwhile, 86 per cent of workers on estates, 63 per cent in factories, 78 per cent in cooperatives, and all smallholders perceived that their work did not harm their health, while most of the remaining workers perceived that it harmed their health “a little”.

Major health risks identified among the surveyed workers included chemical exposure, high temperatures, and physical fatigue. Pregnant workers continued to do their regular work tasks when pregnant, rather than have their tasks and workstations adapted to their physical condition and health requirements. Worker perception of health issues is summarized in Table 5.

While workers didn't perceive their work to have negative health impacts, some workers reported occasional breathing problems (15 per cent), muscle and bone issues (23 per cent), and some reported chronic sight issues (10 per cent) and skin problems (14 per cent). This may be because workers are not aware that exposure to hazards and risks can manifest as ill health years after performing the tasks, particularly from prolonged exposure.

Despite the potential health risks identified in the sector, the low importance attributed to the issue likely reflects poor awareness and understanding of the risks and relationship between OSH and worker health, the responsibilities of employers, and/or inadequate monitoring and reporting of worker health issues. There is thus a necessity for improved health surveillance, through occupational health services. Effective occupational health services can help promote worker wellbeing and improve productivity in the sector.

► **Table 5: Summary table on worker health among surveyed workers in the CTC sector**

Category	Details
Employer perception of worker health	71% of estate employers believed worker health is not a problem.
	50% of factory employers saw worker health as a secondary problem, while the rest did not see it as an issue.
	100% of cooperative employers believed worker health is not a problem.
	80% of small farmers believed worker health is not a problem.
Worker perception of health	86% of estate workers believed that their work did not harm their health.
	63% of factory workers believed that their work did not harm their health.
	78% of cooperative workers believed that their work did not harm their health.
	100% of workers on small farms believed that their work did not harm their health.
Health Risks and hazards Identified	Chemical exposure, biological hazards, high temperature and dehydration, physical effort and fatigue.
Perceived causes of Sickness	Dust, pesticide exposure, physical strain, and heat were identified as causing sickness.
Worker illnesses	86% of estates, a third of factories, and 75% of cooperatives reported 1 to 3 workers who had fallen ill. No reports from small farmers.

5.1.3.3. Alcohol and substance use

The surveyed enterprises were asked if they perceived that the consumption of alcohol or drugs was contributing to worker ill-health. A significant number of enterprises believed this to be the case, with 29 per cent of estates, 33 per cent of factories and 50 per cent of cooperatives affirming this to be the case. Small farmers were an outlier, with none of the surveyed enterprises believing alcohol and substance use to cause sickness. Workers were not surveyed on this issue, leaving a gap in the data on worker alcohol and substance use, though employer concerns suggest they are significant issues in the CTC sector.

5.1.3.4. Absenteeism and sick leave

Perceptions on absenteeism in the CTC tea sector were mixed. Some estates reported absenteeism to be a primary problem, while others a secondary concern. For other estates, cooperatives or factories, it was either a secondary problem or not considered to be a problem at all. All small farmers reported that absenteeism was not a problem. While these findings are somewhat inconclusive, the fact that all non-small farm employers reported issues of absenteeism, indicate that there is a possibility that health issues or low job satisfaction due to poor OSH standards could contribute to worker absenteeism. While further research would be needed to establish this connection, addressing these issues through effective OSH management could help in reducing rates of absenteeism and increasing productivity.

5.1.3.5. Access to water and sanitary facilities

The surveyed employers were asked about the provision of water and sanitary facilities. All employers across estates, factories, cooperatives, and small farms reported access to clean drinking water for workers. Meanwhile, all estates, factories, and cooperatives reported providing toilet facilities for workers, though only 20 per cent of smallholders stated that workers had access to toilets. Where toilets were provided, most did not provide separate facilities for women and men. Workers' perceptions of the provision of water and sanitary facilities were not gathered by the survey team, leaving a gap in the data for analysis.

5.1.3.6. Medical services and clinics

Employers across all sectors (estates, factories, cooperatives, and small farmers) reported no formal on-site medical services or clinics. Medical treatment for workers who fell sick or were injured was generally covered, either by group insurance (where applicable) or directly by the employer. Temporary workers were not entitled to sick leave or paid time off during illness. Employers generally believed that their workplaces did not pose significant health risks and therefore did not require dedicated medical services.

Workers stated that they relied on external medical services for treatment, which they affirmed were sometimes covered through insurance or direct payment. Notably, there were no complaints about the lack of on-site medical services, possibly due to a limited expectations and awareness of the benefits of employers providing such services.

It should also be noted therefore that nothing is in place to cover the aspects to be considered as occupational health services, in line with the ILO Occupational Health Services Convention, 1985 (No. 161) and its accompanying Recommendation (No. 171). Providing occupational health services in the tea sector, as per the guidance is Convention No. 161 and Recommendation No. 171, can play critical role in safeguarding workers' safety and health, reducing and lowering the impact of accidents and diseases, improving overall wellbeing of workers and contributing to increased productivity.

5.1.3.7. OSH committees

The diagnostic assessment indicated that OSH committees were generally not well-established among surveyed enterprises in the CTC sector. In most of the CTC enterprises surveyed, there were either no formal OSH committees or those that had been established were inactive. Some employers in the sector were not aware of the requirement to establish OSH committees, while others were aware of the requirement but had not yet taken the necessary steps to achieve it. Employers cited resource constraints, prioritizing other business concerns and a lack of regulatory pressure as reasons for the absence of active OSH committees.

Some of the surveyed workers acknowledged that an absence of OSH committees could lead to inadequate safety provisions and recognized that they lacked formal channels to raise OSH issues, despite a limited understanding of these concepts. Where workers reported having had safety discussions, they were generally ad hoc and informal, and lacked the structures for decision making that formal OSH committees entail.

The absence of OSH committees among surveyed enterprises in the CTC sector is indicative of a lack of OSH management and systems dedicated to monitoring and improving workplace safety and health in the tea sector. This highlights a need for improved OSH management systems, including the establishment of OSH committees, in line with the legal provisions in the Labour Act, 2017.

5.1.3.8. Risk assessments

Risk assessments were rarely conducted across the surveyed enterprise CTC tea sector. Only one factory reported that they conduct risk assessments, which were done primarily for machinery and equipment and the use of chemicals.

Workplace risk assessments are one of the key tools for improving OSH conditions and promoting safe and healthy workplaces. The lack of risk assessments indicates a need for better safety protocols and preventive measures. Conducting regular risk assessments can help identify potential risks and implement appropriate measures to help eliminate the safety and health risks associated with work in the sector.

5.1.3.9. Use of PPE

The provision of PPE was inconsistent across the groups of enterprises surveyed (see Table 6). Some estates and factories did provide PPE to their workers, and some recognized their importance in worker safety and to adhering to safety protocols more fully. This may be attributed to better financial resources or management practices that prioritize safety and health in these types of enterprises. Cooperatives that provided PPE often did so because they were more community-oriented organizations, who had better access to collective resources or external funding. Very few small farmers provided workers with any description of PPE.

► **Table 6: Provision of PPE across groups of employers surveyed**

Type of Enterprise	% Providing PPE	Common PPE Provided	Challenges and Needs
Estates	Moderate	Gloves, boots, masks, aprons	Financial constraints, awareness, prioritization
Factories	Higher	Earplugs, gloves, goggles, protective clothing	Budget limitations, management practices
Cooperatives	Inconsistent	Basic protective gear (varies)	Financial limitations, organized safety protocols
Small Farmers	Low	Minimal/basic PPE	Limited resources, lack of awareness

While the provision of PPE is inconsistent, training on PPE use was lacking across all types of enterprises. This highlights that both the provision of PPE and training on its use are an important area for improvement in worker safety and health. While the most critical interventions for the sector involve ensuring effective OSH management in order to eliminate and controls risks, where risks remain, PPE should be used to mitigate the risks to workers in the coconut sector and appropriate trainings on their use should be conducted.

5.1.4. Realization of other fundamental principles and rights at work

5.1.4.1. The elimination of discrimination in respect of employment and occupation

The diagnostic assessment examined whether there were instances of discrimination in respect of employment and occupation in the CTC sector, in terms of gender, origin, skin colour, religion, political opinion, social background, migrant status, disability, sexual orientation and marital status. Across various interviews, including those with trade unions and employer organizations, no significant cases of discrimination or harassment at the workplace were identified or perceived by employers and workers.

The overall consensus from the KIIs with the Nepal Tea Producers Association, trade unions, and other stakeholders was that equal wages were being provided to both women and men for work of equal value. All surveyed estates, factories, cooperatives and small farmers stated that they had adopted provisions to pay equal pay to women and men. Workers neither perceived that their employers were discriminating against them, nor felt as if they had received ill treatment based on discriminatory grounds. Nevertheless, trade unions said that they had implemented programmes to educate workers on the issue of discrimination and ensure that they are aware of the mechanisms to report and address grievances.

While employers and workers did not report discrimination in the diagnostic assessment, this does not mean that discrimination does not take place. Factors such as a lack of knowledge and understanding as to what constitutes discrimination, a lack of effective mechanisms to report discrimination, and a cultural reluctance to discuss discrimination could all lead to an underreporting of cases to the survey team. Where workers are widely discriminated against, they may not perceive any difference in how others are treated. It can reasonably be

assumed that the diagnostic analysis did not accurately capture the discrimination that workers face in the sector and this, therefore, remains an area for further research.

It should be noted that the persistence of informal work in the sector, including among small-scale farmers, makes it difficult to ensure that the rights enshrined in national law are effectively realized. Furthermore, despite evidence that trade unions had implemented specific programmes on discrimination, there remains a question of whether workers sufficiently understand the issues and their rights regarding discriminatory practices. Providing resources, conducting labour inspections, and implementing regular awareness and training programmes could all help eliminate instances of discrimination in the CTC sector in Nepal.

5.1.4.2. Freedom of association and the effective recognition of the right to collective bargaining

The diagnostic assessment found that the constituents and stakeholders interviewed recognized the importance of freedom of association and collective bargaining. However, the application of the practices varied throughout the sector, particularly in cooperatives and smaller farms. Three main levels of interventions were found:

- ▶ **district and national level:** collective bargaining at the district and national levels was conducted every two years to fix minimum wages in a formally structured manner. However, other issues such as working hours, leave, OSH, discrimination and equality etc. had not been subject to collective bargaining processes.
- ▶ **enterprise level:** this had recently started in a few factories and gardens, reflecting a growing recognition of the importance of collective bargaining at the industry level.
- ▶ **strikes and trade union actions:** trade unions had organized strikes to implement minimum wages. This indicates that some workers had been engaging in industrial action, but also highlights that there had been issues with non-payment of minimum wages by employers.

While there was evidence of collective bargaining and union presence and activity among surveyed workers, including awareness programmes, it is clear that there are barriers to effective freedom of association in the CTC sector. The prevalence of informal and temporary work has created issues in organizing the majority of the workforce to engage in the collective bargaining process. Furthermore, the COVID-19 pandemic essentially put a stop to union activities aimed at increasing unionization rates for two years, causing further disruption.

Freedom of association and collective bargaining are important for safeguarding workers' rights, promoting safe and healthy workplaces and effective OSH management systems, and for promoting sound industrial relations that benefit both workers and employers through peace and stability. Steps to formalize work in the sector can be a critical step towards promoting collective bargaining in the sector, supplemented by practices such as awareness raising and training on workers' rights, strengthened regulatory enforcement of the rights enshrined in national law and programmes to provide technical capacity support and resources to representative organizations or workers and employers. The ILO Collective Bargaining Recommendation, 1981 (No. 163) provides guidance in this regard.

5.1.5. Labour inspection and labour disputes

5.1.5.1. Labour inspection

The surveyed enterprises were asked about labour inspections within the three-year period prior to the study. Of the two sectors, labour inspections were more commonplace in CTC tea production and processing. This was typically due to the fact that many CTC farms and factories are located in areas that are easier for inspectors to access, in comparison to the orthodox sector. All factories (100 per cent) and 43 (per cent) of estates had been visited by labour inspectors, while 25 (per cent) of cooperatives reported being inspected. No inspections were reported for small farmers, which are generally much harder to reach and to cover for labour inspectors.

Employers generally viewed labour inspections as routine formalities and noted that they typically focused on more routine-level compliance, rather than thorough inspections of FPRW, including OSH standards. They also stated that when they occurred, they were predictable and did not cause disruption to operations.

Worker perceptions regarding labour inspections were mixed. Some believed that labour inspections had made improvements to the workplace, while others felt that inspections were too infrequent to have a meaningful impact. However, there was a common perception among workers that labour inspectors were not sufficiently knowledgeable about the specific hazards associated with CTC production, particularly in the fields.

Labour inspectors believed that their visits to CTC farms and factories were not frequent enough and attributed this to logistical reasons. They highlighted challenges such as limited resources and personnel, which hindered their ability to conduct larger numbers of and more in-depth labour inspections. Inspectors noted that, given limited resources, they often felt the need to prioritize aspects of compliance, including regarding wage laws, to more complex inspection issues, such as OSH compliance.

5.1.5.2. Labour disputes

Employers in the CTC sector either viewed labour disputes as a secondary problem or not a problem at all. Given the lack of effective labour relations in the sector, this is likely to indicate a lack of mechanisms for workers to report disputes. Promoting the effective organization of labour, establishing grievance and redressal mechanisms at the workplace and promoting open communication between workers and management can better manage labour disputes.

5.2. Findings in the orthodox sector

5.2.1. Main activities of enterprises

As with the CTC sector, in the orthodox sector, the main activities of enterprises vary depending on the type of enterprise. For the four groups of enterprises:

- ▶ **Estates:** are primarily involved in high-quality tea farming and processing.
- ▶ **Factories:** focus on processing high-grade orthodox tea leaves.
- ▶ **Cooperatives:** typically engage in farming, processing, and selling, and occasionally emphasize organic and specialty teas.
- ▶ **Small Farmers:** Focus on both farming and selling, typically of a lower quality but with a growing interest in high-quality and organic production.

As per the CTC sector above, factories operate 72 hours per week, which can require workers to work longer than regular hours, while gardens operate a standard 48 hours per week.

5.2.2. Employment conditions

5.2.2.1. Employment composition

Compared to the CTC sector, the percentage of permanent workers among the survey sample tended to be higher in estates in the orthodox sector. However, rates in all other enterprise groups were similarly low (see Table 6). In summary:

- ▶ **Estates:** the rates of permanent workers were wide, ranging between enterprises from 9 to 100 per cent, though all but one estate employed less than 50 per cent of workers on a permanent basis. In general, a larger percentage of women were hired on a temporary basis than men, with fewer permanent women workers in all but one enterprise.
- ▶ **Factories:** only one factory had permanent workers. In this one factory, 53 per cent of workers were permanent, with three of these workers being women. In all others, all workers were temporary. Overall, temporary workers ranged from 47 to 100 per cent. Women hired on a permanent basis ranged from 11 to 33 per cent.
- ▶ **Cooperatives:** All of the workers were temporary. Women comprised 89 to 95 per cent of the workforce.
- ▶ **Small farmers:** All workers were temporary, with women comprising 54 per cent of the workforce.

While observations are similar to CTC sector above, several further remarks can be made regarding employment in the orthodox sector:

- ▶ while **orthodox estates** typically hired more permanent workers, reliance on temporary workers increased in peak seasons with a need for additional labour;
- ▶ **factories** hire more permanent workers in general due to a need to retain skilled labour in processing; and
- ▶ **cooperatives and small-scale farmers**, as per above, hire temporary workers due to their operational models and the manner of family labour respectively (see CTC above).

As per the CTC sector, all workers working temporarily did so informally, relying on verbal agreements rather than working contracts (see CTC above for analysis). Table 7 below shows percentages of workers employed on a permanent and temporary basis in the sector.

► **Table 7: Percentage of surveyed workers employed in permanent and temporary work in the orthodox sector**

Type of Worker	Estate (%)	Factory (%)	Cooperative (%)	Small Farmer (%)
Permanent	9 - 100	0 - 53 (one factory hired permanent workers)	0	0
Temporary	0 - 91	47 - 100	100	100
Women (Permanent)	Varies	Varies	N/A	N/A
Women (Temporary)	75 - 85	11 - 33	89 - 95	54

5.2.2.2. Affiliation to social security fund

Among the orthodox tea producing estates surveyed, one was affiliated to the social security fund. However, affiliation with the social security fund was only available to factory workers and not to garden workers. One of the three factories surveyed under this study was affiliated with the fund. Meanwhile, none of the cooperatives or small farmers surveyed contributed to the social security fund.

While levels of affiliation to the social security fund were slightly better in the orthodox sector than the CTC sector, it is clear that the level remains very low, and that serious concerns remain about ensuring all workers are covered by social security protection.

5.2.3. Occupational safety and health issues

5.2.3.1. Accidents at work

Similarly to the CTC sector, accidents were not considered a major issue by most of the surveyed employers. This might indicate potential underreporting or lack of awareness over safety and health issues. Across the four enterprise groups, the majority of employers believed that accidents at work were not an important issue in running their businesses.

Similarly to the CTC sector, the most common incidents reported were minor cuts from machinery and pruning, particularly in factories, where the processing of tea involves mechanical operations. These minor incidents typically involved only one or two workers at the enterprise. For these minor cuts, one or two workers reported having had an accident in 40 per cent of estates, 33 per cent of factories, 30 per cent of cooperatives, and 5 per cent of small farms.

Given the similarities of the situations and statistics reported in the diagnostic assessment, the comments above regarding the CTC sector also apply to the orthodox sector.

5.2.3.2. Worker health

Similarly to the CTC sector, worker health was not considered to be a major concern for the majority of employers in running their businesses, with only a small number (20 per cent) of cooperatives seeing it as a secondary problem (see Table 8). The majority of surveyed workers perceived that their work was not hazardous for their health: 62 per cent in estates, 63 per cent in factories, 78 per cent in cooperatives, and all of workers on small farms. The remainder believed that their work could be a “little hazardous”.

Typically, where potential health issues were identified, similar concerns were reported by employers and workers, such as: risk of chemical exposure (particularly reported among small farmers and cooperatives), physical effort and fatigue (particularly in tea gardens from plucking and carrying heavy loads) and heat and dehydration (particularly working out in the gardens or while drying and processing tea).

While employers and workers did not perceive their work as causing ill health, some health issues were reported. Some workers reported having occasional breathing (17 per cent) or muscle and bone problems (27 per cent), while others reported chronic sight issues (12 per cent) or skin diseases (9 per cent). It is noted that there is a clear contradiction that employers and workers recognized health hazards and risks at work but did not feel they were contributing to ill health, that may be down to misunderstanding of the questionnaire.

Employers and workers also indicated a general lack of training and awareness related to OSH risks and prevention in the sector. As in the CTC sector, this could lead to underreporting of worker health issues. The comments above regarding ensuring effective OSH management systems in the CTC sector also apply.

► **Table 8: Summary table on perceptions related to worker health in surveyed workplaces in the orthodox sector**

Category	Details
Employer perception	All estates believed worker health is not a problem.
	Two thirds of factory employers saw worker health as a secondary problem, while the rest did not see it as an issue.
	80 per cent cooperatives believed worker health was not a problem, 20 per cent a secondary problem.
	75% of small farmers believed worker health was not a problem.
Worker perception	62% of estate workers believed their work did not harm their health.
	63% of factory workers believed their work did not harm their health.
	77.78% of cooperative workers believed their work did not harm their health.
	All workers on small farms believed their work did not harm their health.
Health Risks Identified	Chemical exposure, biological hazards, poor air quality, physical effort and fatigue
Perceived Causes of Sickness	Dust, pesticide exposure, physical strain, and heat were identified as causes.
Worker illnesses	60% of estates, two-thirds of factories, and 80% of cooperatives reported between 1 to 3 workers falling ill. No reports from small farmers.

5.2.3.3. Alcohol and substance use

In the orthodox tea sector, 40 per cent of employers believed that alcohol and drugs were contributing to worker health issues in estates, 67 per cent in factories, 60 per cent in factories, and 20 per cent among small farmers. This indicates a significant recognition of issues of worker use of and issues relating to alcohol.

5.2.3.4. Absenteeism

As with the CTC sector, there were mixed views on absenteeism, with some employers seeing it as a problem while others did not, reflecting varied management practices. The analysis for CTC above also applies to the orthodox sector.

5.2.3.5. Access to water and sanitary facilities

Similarly to the CTC sector, all employers across enterprises reported access to clean drinking water for workers. Toilets were provided in all estates, factories

and cooperatives, while 79 per cent of small farmers reported that there was access to toilets. Most enterprises did not provide separate facilities for women and men.

5.2.3.6. Medical services and clinics

None of the estates, factories, cooperatives, or small farmers reported having on-site medical services or clinics for workers. No enterprises had a mandatory requirement for health certifications for new employees or conducted regular professional medical checkups for their workers. When workers fell ill, most employers stated that they directly covered the costs of medical treatment, with one of the estates saying that worker insurance was used to cover costs. Workers confirmed that employers covered medical treatment costs, only in cases of injury or illness directly linked to work.

5.2.3.7. OSH committees

The situation regarding OSH committees in the orthodox tea sector mirrors that of the CTC sector, with few enterprises having OSH committees, and even fewer smaller farms and cooperatives having established OSH committees. Like the CTC sector, the orthodox sector suffers from a lack of formalized structures to address OSH issues, with the remote locations of orthodox farms compounding the issues faced.

Employers cited similar reasons for a lack of OSH committees as in the CTC sector, such as lack of awareness of the requirement, resource constraints and lack of regulatory enforcement. Workers echoed the sentiments of workers in CTC, citing concerns about the lack of OSH committees and apprehension over the workplace hazards this might expose them to.

5.2.3.8. Risk assessments

As with the CTC sector, the data suggests that risk assessments are rarely conducted across the orthodox tea sector. Across the categories:

- ▶ **Estates:** very few reported conducting regular risk assessments. Those that did often focused on specific hazards e.g. the use of sharp tools during harvesting;
- ▶ **Factories:** a slightly higher percentage of factories reported conducting risk assessments compared to estates, with a focus on machinery, electrical hazards, and noise levels;
- ▶ **Cooperatives:** use of risk assessments was inconsistent, with some conducting assessments more regularly than others, with a focus on tools and machinery; and
- ▶ **Small farmers:** use of risk assessments was very rare and informal/ based on personal judgement.

Given the limitations in risk assessments, the analysis above on risk assessments in the CTC sector applies.

5.2.3.9. Use of PPE

The provision of PPE in the orthodox tea sector shows similar inconsistencies aligning with the same groups of employers as seen in the CTC sector (see Table 5, which also applies to the orthodox sector). While some of the estates surveyed provided PPE, PPE provision was in general higher in factories, where equipment such as earplugs, gloves, goggles, and protective clothing to safeguard workers from machinery-related risks, noise exposure, and the handling of chemicals in provided. Similarly to CTC, provision in cooperatives was inconsistent, with some community cooperatives, particularly those engaged in processing, providing PPE. Meanwhile, due to lack of resources and awareness, very few small farmers provide PPE.

Given the similarities in the provisions of PPE across the sectors, the analysis above on the CTC sector also applies to the orthodox sector.

5.2.4. Realization of other fundamental principles and rights at work

5.2.4.1. The elimination of discrimination in respect of employment and occupation

The diagnostic assessment examined whether there were instances of discrimination in respect of employment and occupation in the CTC sector, in terms of gender, origin, skin colour, religion, political opinion, social background, migrant status, disability, sexual orientation and marital status. Across various interviews, including those with trade unions and employer organizations, no significant cases of discrimination or harassment at the workplace were identified or perceived by employers and workers.

The consensus from the KIIs with the Nepal Tea Producers Association, trade unions, and other stakeholders was that equal wages were being provided to both women and men for work of equal value. All surveyed estates, factories, cooperatives and small farmers stated that they had adopted provisions to pay equal pay to women and men. Workers neither perceived that their employers were discriminating against them, nor felt as if they had received ill treatment based on discriminatory grounds. Nevertheless, trade unions said that they had implemented programmes to educate workers on the issue of discrimination and ensure that they are aware of the mechanisms to report and address grievances.

While employers and workers did not indicate discrimination in the diagnostic assessment regarding discrimination, this does not mean that discrimination does not take place. Factors such as a lack of knowledge and understanding as to what constitutes discrimination, a lack of effective mechanisms to report discrimination, and a cultural reluctance to discuss discrimination could all lead to an underreporting of cases to the survey team. Where workers are widely discriminated against, they may not perceive any difference in how others are treated. It can reasonably be assumed that the diagnostic analysis did not accurately capture the discrimination that workers face in the sector, and this remains an area for further research.

According to the KIIs conducted in the diagnostic assessment, the situation regarding discrimination in surveyed enterprises in the orthodox tea sector was overall similar to that reported in the CTC sector. There were no significant reports

of discrimination and harassment in the workplace and employers and trade unions reported to having committed to ensuring that women and men receive equal pay for equal work, including within company policies. Trade unions had been engaged in awareness raising of workers' rights regarding discrimination, however, at the same time trade union presence was lower than in the CTC sector.

While many of the issues in the two sectors are similar, it is notable that workers in the orthodox sector, may encounter more issues related to the particularly remote geography of its farms and greater involvement of small farms. Small farms often tend to lack the resources to implement comprehensive anti-discrimination policies and remote farms are subject to weaker regulatory enforcement. Furthermore, as with the CTC sector, the analysis does not mean that discrimination does not take place, with factors such as a lack of knowledge and understanding as to what constitutes discrimination, a lack of effective mechanisms to report discrimination, and a cultural reluctance to all potentially contributing to an underreporting of cases to the survey team. The analysis above on the CTC sector applies in addressing potential issues of discrimination in the sector.

5.2.4.1. Freedom of association and collective bargaining

In the orthodox sector, the employers and workers surveyed suggested that unionization and collective bargaining were less commonplace compared to the CTC sector, particularly in cooperatives and smaller farms. Collective bargaining was weaker than in the CTC sector, with two key differences found:

- i. as opposed to the formal collective bargaining approach taken in cooperatives in the CTC sector, trade unions were absent from orthodox tea cooperatives. Workers were free to join unions, but neither collective bargaining nor union membership were commonplace; and
- ii. enterprise level collective bargaining was still in its infancy, though efforts were being made to standardize and regularize the practice across the sector.

As per the analysis on the CTC sector, government grants, awareness raising and training programmes and strengthened regulatory enforcement can help promote freedom of association across the tea sector in Nepal, as well as the formalization of work, particularly regarding temporary workers. Additional attention is needed for the orthodox sector due to the low levels of unionization and union activity.

5.2.5. Labour inspection and disputes

5.2.5.1. Labour inspection

Labour inspections were reported to be significantly less frequent among surveyed enterprises in the orthodox sector than in the CTC sector. This was attributed to the remote locations of many orthodox tea plantations and factories.

Employers reported that labour inspections were infrequent, with some stating that they had not been visited by an inspector for several years. Due to their infrequency, they were not considered to be major concerns for employers, however, some expressed frustration that when they did occur, they focused more on administrative paperwork than on working conditions. Employers also

felt that labour inspectors lacked the sectoral knowledge to assess specific risks associated with orthodox tea production.

From a worker perspective, most felt that labour inspections were likely to have little or no impact on their working conditions. Many felt that the infrequency of inspections meant that unsafe practices could be allowed to go unchecked, while others reported never having been interviewed by an inspector.

Labour inspectors highlighted the difficulties of carrying out inspections in the orthodox sector, including difficult terrains and limited transport options to reach plantations and factories. As per the CTC sector, they highlighted a lack of resources and staffing to adequately cover work in the sector.

5.2.5.2. Labour disputes

Similarly to the CTC sector, labour disputes were perceived by enterprises to be secondary concerns, or not perceived to be problems at all. The analysis of the CTC sector above applies.



6. Conclusions

The diagnostic assessment examined the realization of the right to a safe and healthy working environment in the tea sector in Nepal, alongside interrelated FPRW on discrimination and freedom of association and collective bargaining. It focused on the two main types of tea cultivation in the country, CTC and orthodox tea production, which both have specific characteristics and OSH challenges. The assessment spanned four categories of enterprise (estates, factories, cooperatives and small farmers), using IDIs, KIIs, FGDs and direct observations made during field surveys for data collection.

Many of the key findings on OSH and interrelated FPRW were broadly similar across the CTC and orthodox tea sectors. Nevertheless, in certain instances there are specific concerns, or deeper concerns, that need to be addressed in particular areas in one sector or the other.

From the findings of the diagnostic assessment, it is possible to draw conclusions in several key areas:

- ▶ **Employment** – the main concern in the tea sector is the prevalence of temporary and informal work across both CTC and orthodox tea production. While some skilled workers have permanent contracts in factories, these are rare. Most workers are employed temporarily, reflecting the seasonal nature of tea production and the need for a flexible workforce. Temporary workers typically lack formal contracts, relying on verbal agreements. This informality creates challenges in extending legal protections for OSH and interrelated FPRW to workers in the sector.
- ▶ **Legal and regulatory framework** – The 2015 Constitution and Labour Act 2017 provide a legal framework for a safe working environment and FPRW protections for tea sector workers. However, challenges persist due to informal work and workers operating in remote rural areas, where enforcement of OSH laws is weak. Low union density limits workers' ability to negotiate conditions, and many are excluded from the national social protection scheme. To address these issues, legal protections should be extended through the newly established tripartite OSH committee and the implementation of the first national OSH programme.
- ▶ **OSH practice** – The assessment revealed numerous risks and hazards at various stages of CTC and orthodox tea farming and processing. Interviews and observations indicated that neither employers nor workers considered accidents or worker health to be major concerns, as they perceived their work to be safe. However, despite this perception, both employers and workers acknowledged certain hazards. A significant number of employers identified alcohol and/or drug use as a major health concern for their workforce. Many employers also noted worker absenteeism as a key issue affecting business operations. Across both CTC and orthodox tea production, regardless of size, formal onsite medical and occupational health services were lacking. Procedures for handling work-related accidents and diseases were generally absent, though employers informally covered these costs. Formal OSH management systems were nearly non-existent; none of the enterprises surveyed had adopted a formal OSH policy or established an active OSH committee. Risk assessments were rarely conducted and, when they were, focused primarily on machinery. Additionally, the provision and

use of PPE are inconsistent across the sector, with particularly low rates in cooperatives and small farms. This highlights a general lack of awareness and knowledge of OSH hazards and risks among both employers and workers. This lack of understanding, combined with ineffective reporting and record-keeping, likely contributes to the underreporting of accidents and diseases, fostering a false perception of safety.

In relation to the realization of two interrelated FPRW:

- ▶ **Discrimination** – across the CTC and orthodox sectors, no significant incidence of discrimination was reported to the survey team. However, discrimination, particularly against women, is an issue that often goes unreported, and it is highly likely that a lack of understanding among employers and workers of rights and responsibilities regarding discrimination led to underreporting of cases throughout the process. While enterprises reported that they have policies in place for equal remuneration for work of equal value, and that unions implemented awareness programmes, the evidence suggests that it is highly likely that more is needed to be done to raise awareness and understanding of discrimination and discriminatory practices in the tea sector, including the use of tools, guidance, education and training, as well as conducting further research to better understand issues relating to discrimination, where the survey team have failed to fully capture them.
- ▶ **Freedom of association and collective bargaining**– processes for collective bargaining exist in Nepal's tea sector for negotiating wages, with national level negotiations taking place every two years between the tea producer's associations and trade unions. However, there is a lack of effective social dialogue for discussing other matters and working conditions, including working hours, leave, safety and health at work and discrimination. Furthermore, due to the high incidence of informal and/or temporary workers, unionization rates and therefore the representativeness of unions and of collective bargaining processes are low, and this was particularly true in work in orthodox tea production. Enterprise level collective bargaining and freedom of association is still in its infancy and needs developing and strengthening, as does organization throughout the orthodox sector in particular.

7. Recommendations

From the assessment and conclusions on the realization of the right to a safe and healthy working environment, alongside freedom of association and the effective recognition of the right to collective bargaining, and the elimination of discrimination in respect of employment and occupation, a number of measures can be taken to promote safety and health at work and ensure the effective realization of worker's rights in the tea sector in Nepal. Governments, employers, trade unions and workers each have important roles to play in advancing decent work in the sector through the realization of safe and healthy working environments and other interrelated FPRW.

These recommendations can help boost the sector in terms of increasing productivity, realizing its potential for sustainable growth and the creation of decent jobs within Nepal.

Government

- ▶ To ensure that workers in the tea sector are effectively covered by the protection extended to them in Nepal's constitution and labour law, there is a need to promote formalized working contracts in the sector as well as benefits in promoting more permanent contracts for workers. While in theory, all workers in Nepal are covered by national labour laws, informal workers are falling through the gaps in protection extended to them through existing law and regulations. This includes in terms of their safety and healthy at work, and in terms of working conditions, wages and access to the national social security system. The situation is exacerbated by inconsistent labour inspections across the CTC tea sector, and particularly the orthodox tea sector, owing to a lack of resources of the labour inspectorate to inspect often remote locations. In formalizing work, the ILO Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) can provide guidance.
- ▶ In order to ensure safe and healthy workplaces in the tea sector, the Government of Nepal should:
 - (1) Ensure that the priorities and related activities planned in the National OSH Programme are implemented in the tea sector, across both CTC and orthodox producing and processing farms and enterprises;
 - (2) Build a culture of prevention through awareness raising of the importance of OSH, including a focus on workers' health and promoting proactive measures to foster safe and healthy workplaces. Promoting tripartite social dialogue between governments, employers' organizations and trade unions on OSH is important in this regard;
 - (3) Strengthen OSH related legislation, policies and frameworks, and clarify the roles and responsibilities of entities at federal, provincial district and municipality levels;
 - (4) Strengthen the capacity of the labour inspectorate to promote and enforce OSH laws, particularly in tea plantations, with the orthodox tea sector requiring particular attention;
 - (5) Engage with the various government entities active at local

level and foster their collaboration – including in the field of employment, labour, agriculture, education, health and trade - to promote OSH and other FPRW through their portfolio;

- (6) Promote the development of occupational health services entrusted with essentially preventive functions and responsible for advising the employers, workers and their representatives on OSH;
 - (7) Improve the system for recording and notification of occupational accidents and diseases to improve understanding of OSH issues and orient policy decisions;
 - (8) Build its expertise and knowledge of specific OSH risks including chemical risks, biological risks and psychosocial risks to better identify and address these in the tea sector and promote further research in the area; and
 - (9) Encourage worker participation through tools, awareness raising and trainings, educating them on topics such as recognition of hazards, implementing safety protocols, preventative measures and use of PPE.
- While discrimination was not widely reported in the study, this may have been due to lack of awareness and understanding of employers and workers of their rights and responsibilities as to what constitutes discrimination, and a lack of formal reporting mechanisms for addressing it. To help eliminate discrimination in respect of employment and occupation in the tea sector, the Government should:
- (1) Promote equality and non-discrimination policies at the employer level;
 - (2) Engage in and encourage social dialogue on issues relating to discrimination at both the national and enterprise levels;
 - (3) Implement awareness raising and education programmes on recognizing and preventing discrimination for both employers and workers;
 - (4) Strengthen enforcement mechanisms through working with the labour inspectorate or other independent bodies to conduct workplace inspections, investigate complaints of discriminations, and impose sanctions of violating parties;
 - (5) Improve monitoring and reporting through collecting and analysing data on employment trends, wage gaps, and complaints and incidences of discrimination; and
 - (6) Support victims of discrimination through redress mechanisms including legal assistance, counselling and compensatory schemes.
- The government should promote social dialogue in the sector through the effective realization of collective bargaining and freedom of association. While laws are in place to safeguard this FPRW, more can be done such as:
- (1) Strengthening the existing legal framework to ensure the rights to freedom of association and collective bargaining;
 - (2) Supporting the establishment, development and sustainability of representative organizations of employers and workers, including through programmes offering technical and financial assistance;

- (3) Providing training and capacity building to employers and workers to promote engagement in social dialogue, including through awareness raising programmes and tools;
- (4) Strengthening the capacity of the labour inspectorate to ensure workplace compliance with national and sectoral laws and regulations in the often-remote areas where the tea sector operates in Nepal.

Employers' organizations

- ▶ Employers' organizations in the tea sector should:
 - (1) Develop and promote comprehensive OSH policies that align with the Labour Act, 2017;
 - (2) Provide training and capacity building to employers on OSH standards and practices;
 - (3) Advocate for the integration of OSH into business strategies and help to ensure that OSH is considered a priority among their members;
 - (4) Engage in social dialogue and collaborate with social partners to promote and implement effective OSH management systems; and
 - (5) Adopt and implement anti-discrimination policies and promote diversity and inclusion, including through training and awareness programmes with their members.

Employers

- ▶ Employers in the tea sector should make commitments to the principles of OSH and compliance with OSH regulations and show leadership in OSH at the organization level. Employers should make arrangements for effective OSH management systems, as per the 2017 Labour Act. Employers should:
 - (1) Formulate a workplace level OSH policy, in consultation with workers and representatives;
 - (2) Establish and ensure the efficient functioning of a safety and health committee with workers and their representatives and participate fully in bipartite committees;
 - (3) Integrate health promotion into their OSH policies, developing programmes that address issues such as alcohol and substance use, violence and harassment, physical activity, nutrition and work-related stress;
 - (4) Engage in continuous training and ensure that workers are well-informed about their rights, including the right to withdraw from work in the case of dangerous conditions;
 - (5) Make provisions for the safe use, operation, storage and transportation of chemical, physical and biological equipment, as relates to work in both tea farms and factories;
 - (6) Provide for OSH competence and training, to ensure that all workers been trained and are competent to carry out the safety and health aspects of their duties and responsibilities;
 - (7) Implement appropriate documentation for the OSH

management system and for OSH records (including on work-related injuries, ill health, diseases and incidents), as per ILO-OSH 2001;

- (8) Implement hazard prevention and control measures to eliminate risks, control risks/hazards, minimise risks and hazards that remain;
 - (9) Provide personal protective equipment to the worker at no cost, as a last resort where hazards and risks cannot be controlled, train workers on their proper use and require workers to use them at all times when performing the tasks they are provided for; and
 - (10) Develop a mechanism to report the accidents to Labour Office within seven days.
- ▶ Employers should conduct awareness raising and training exercises with workers to understand their rights and responsibilities in relation to safety and health at work, discrimination and freedom of association and collective bargaining. Awareness raising tools, guides, posters, flyers etc. may be disseminated to promote good practices.
 - ▶ Employers should engage with workers in social dialogue at the national and enterprise level to negotiate working conditions, not only on minimum wage, but also on OSH, hours of work, benefits and working contracts, with a view to ensuring more permanent workers hired on permanent contracts. Negotiating these policies with workers can help ensure the effective ownership of policies, including OSH management policies, build strong industrial relations and lead to improved productivity.
 - ▶ Employers should target the increased retention of workers in the tea sector including through use of formalized working contracts. Incentives to train, motivate and ensure safe and health working environments can help lower absenteeism and in retaining a skilled and motivated workforce.
 - ▶ Employers should ensure compliance with national laws and regulations and engage with national schemes for the protection of workers. Through their representative organizations, employers should be encouraged to affiliate to social security fund and provide health and accident insurance to workers.

Trade unions

- ▶ Trade unions operating in the tea sector and their members should:
 - (1) Educate themselves on issues relating to FPRW, including OSH, in order to better engage in workers' issues and participate in social dialogue;
 - (2) Conduct awareness raising and training initiatives to help promote workers understanding of their rights and responsibilities. Unions can play a key role in informing workers in the tea sector on issues such as their responsibilities and rights regarding OSH, identifying and reporting discrimination at work, and about the benefits and practicalities of trade union membership;
 - (3) Engage in social dialogue with the government and employers to promote formal working contracts and permanent work for workers in the tea sector; and

- (4) Extend the coverage of existing collective bargaining agreements for better working conditions, including working hours, improved OSH and anti-discrimination practices.

Workers

- ▶ Workers should actively participate in workplace safety programmes and initiatives, including involving themselves in OSH committees and contributing to the development and implementation of safety policies and procedures.
- ▶ Workers should take responsibility for complying with OSH guidelines and actively participate in the activities of safety committees to address risks.
- ▶ Workers should understand reporting mechanisms and hazards, and promptly report any hazards, unsafe conditions, or incidents to their supervisors or safety officers.
- ▶ Workers should engage in training and education programmes to develop their understandings of workplace hazards, safe practices, and emergency procedures.
- ▶ Workers should be informed of and exercise their right to withdraw from dangerous work conditions and report safety concerns to employers or relevant authorities.
- ▶ Workers are responsible for the proper use and maintenance of PPE is crucial for personal safety, as per the OSH policy and their trainings.
- ▶ Workers should collaborate and participate with their trade unions and participate on actions that relate to OSH, as well as other FPRW, and encourage them to enhance the role of unions in designing and implementing improvements to OSH management.



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