Improving conditions in tea plantations in Assam
Market Systems Action Research
## LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>ABITA</td>
<td>Assam Branch of the Indian Tea Association</td>
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<tr>
<td>CTC</td>
<td>Crush-tear-curl</td>
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<td>ETP</td>
<td>Ethical Tea Partnership</td>
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<td>FAO</td>
<td>Food and Agriculture Organisation (of the United Nations)</td>
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<td>HLO</td>
<td>Hired Labour Organisation</td>
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<td>IDH</td>
<td>Sustainable Trade Initiative</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>ITA</td>
<td>Indian Tea Association</td>
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<td>MSD</td>
<td>Market Systems Development</td>
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<td>OSH</td>
<td>Occupational Safety and Health</td>
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<td>PLA</td>
<td>Plantation Labour Act</td>
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<td>PPE</td>
<td>Personal protective equipment</td>
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<td>RMSA</td>
<td>Rapid Market Systems Analysis</td>
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<td>TRI</td>
<td>Tocklai Tea Research Institute</td>
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<td>TRA</td>
<td>Tea Research Association</td>
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<td>VCA</td>
<td>Value Chain Analysis</td>
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India is the second largest producer of tea globally, accounting for 23 percent of world production in 2015. Although around 78 percent of this is consumed domestically, the sector is a valuable source of foreign exchange earnings, valued at about US$670 million and accounting for around 13 percent of global tea exports in 2015. The tea sector is particularly important due to its high labour intensity. Challenges around static market prices, international competitiveness, low worker wages and poor living conditions for workers continue to inhibit the industry. In Assam, North East India (the focal region for this study) these challenges are even more acute, despite being the largest tea producing region of India.

This report aims to understand and analyse the key working and living condition challenges on and around plantations, and develop a set of recommendations to address these. The report uses a market systems approach, which involves identifying underlying causes of market constraints, and recommending temporary interventions that utilise the incentives of market actors. Field research took place on three Fairtrade certified estates in Assam. These are large plantations that rely on a significant hired labour component to function. Major issues impacting Fairtrade certified plantations are a good indication of some of the more deep rooted challenges impacting the industry. Initial programme activities will focus on addressing these challenges on selected Fairtrade tea plantations. However, the programme will be designed so that benefits will also reach workers and residents on other Fairtrade plantations, non-Fairtrade plantations and beyond.

The report explores low wages and poor working and living conditions for plantation workers and residents. This is placed within the context of plantation performance. A slow-down in growth in export markets, static tea market prices, increasing plantation costs, climate change, and poor labour productivity have all contributed to estates’ low investment in worker wages and living conditions.

The report explores deficiencies in four market functions: the market for professional services, in particular covering labour productivity; the suppliers of equipment to plantations directly related to worker and resident quality of life, such as personal protective equipment and domestic products; the various worker organisations on plantations; and access to information for plantation residents. Governing rules and regulations are key to any sector, but they are particularly important to plantations in India and helped explain some of the challenges facing plantations. The report explores four key elements of the enabling environment: the regulatory environment, and in particular the Plantation Labour Act; trade unions and collective bargaining platforms; sector business co-ordination; and certification schemes.

To address the constraints identified, potential intervention areas have been recommended. These cover: increasing the adoption of good practices and products in worker management and health and safety; increased consumer and industry communication; industry co-ordination and collaboration; and increased income earning opportunities for workers and residents.
INTRODUCTION

Tea production plays an important role in the Indian economy. It is a key source of foreign exchange earnings and is the largest provider of formal employment in the country. Challenges around static market prices, international competitiveness, low worker wages and poor living conditions for workers continues to inhibit the industry. In Assam, North East India, these challenges are even more acute, despite being the largest tea producing region of India.

In light of these challenges, international donors, businesses and consumers have called for action that looks to tackle some of these deeply rooted issues. Fairtrade has been working with plantations in Assam for over two decades. While Fairtrade has played a role in addressing working conditions, more needs to be done to tackle some of the more pervasive and structural challenges that hamper sector competitiveness, and working and living standards on the estates.

In collaboration with the Lab, an International Labour Organisation (ILO) project, and key industry stakeholders, Fairtrade undertook a study in Assam to map the significant issues affecting tea plantations, their workers and residents. The findings of the study will be used by Fairtrade to develop a programme aimed at addressing plantation productivity and worker and resident livelihood improvements. This document presents a summary of the findings of the study as well as recommendations for programme development.

STUDY OBJECTIVE AND RESEARCH METHODOLOGY

STUDY OBJECTIVE

This study is a rapid market systems analysis (RMSA) of the tea sector in Assam, North East India. A RMSA is a type of study that enables the quick identification and focus on potential root causes of constraints facing the sector. The objective of the study is to understand what the key challenges facing Assam tea plantations are and to provide recommendations to market actors on possible solutions.

In order to achieve this, the report:

- Provides an overview of the sector, covering the main market actors, the supporting functions and rules that determine the performance of the market system.
- Conducts a rapid assessment of the main system level constraints and critical issues facing the tea industry in Assam, focusing on how the system impacts the poor, analysing points of influence with tea players and prioritises the most significant of these challenges.
- Suggests recommendations and potential interventions which could address these challenges at scale and in a sustainable manner.

RESEARCH APPROACH AND METHODOLOGY

The market systems development (MSD) approach was used as the framework of analysis for this report.

Figure 1: Market systems development approach

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1 The Lab is a three-year research and knowledge generation project on how to measure and maximise labour market outcomes while working in value chains and sectors. The project is implemented by the ILO with funding from Swiss SECO. For more information visit http://www.ilo.org/empent/Projects/the-lab/lang--en/index.htm

2 Fairtrade is a global movement that aims to change the way trade works through better prices, decent working conditions and a fair deal for farmers and workers in developing countries. Fairtrade sets standards (social, economic and environmental) for companies/traders and producers and independently checks that the standards have been met. Products that carry the FAIRTRADE Mark have been produced and traded according to these standards. For more information visit http://www.fairtrade.org.uk/
The basis of this approach is that the poor are dependent on market systems for their wellbeing and livelihood either as producers, employees or consumers. The MSD approach takes a holistic look at a market or sector and seeks to drill down to barriers that prevent the more efficient functioning of the market in a way that benefits the poor and business. By changing the way market systems operate, we can more effectively and sustainably address the needs of the poor and contribute to greater poverty reduction and improved livelihoods. This change in the way the market system functions in a way that benefits a host of market actors is what is referred to as ‘systemic change’.

At its foundation, an RMSA is a three-pronged approach. Firstly, the market system is mapped; secondly, an understanding of systemic constraints is established; and thirdly, based on this analysis, realistic and scalable interventions are proposed. The primary mapping tool of the RMSA is the doughnut (figure 1) (The Springfield Centre, 2015). This study uses the doughnut as the key analytical framework. The doughnut is designed to go beyond traditional value chain analysis (VCA) to capture all supporting and service functions to that value chain, and the formal and informal rules and regulations that dictate the institutional environment.

Challenges faced, such as low plantation productivity and poor working and living conditions, can be symptoms of an ineffective market. Therefore, when looking to address these challenges, understanding the market in its entirety is crucial. Applying the MSD approach will achieve this. Understanding the holistic picture can reveal where market based interventions and activities have long-term positive impacts. The MSD market map for the Assam tea sector that highlights the underperforming functions and rules can be found in annex 1.

Field research took place on three Fairtrade certified estates in Assam. These are large plantations that rely on a significant labour component to function. Major issues impacting Fairtrade certified plantations are a good indication of some of the more deep-rooted challenges impacting the industry. Initial programme activities will focus on addressing these challenges on selected Fairtrade tea plantations. However, as the programme will be designed in line with the MSD framework, benefits will also reach workers and residents on other Fairtrade plantations, non-Fairtrade plantations and beyond.

THE TEA VALUE CHAIN IN INDIA

Tea (Camellia sinensis) is one of the oldest beverages and most widely consumed manufactured drink globally (FAO, 2015; India Brand Equity Foundation, 2017). The tea sector plays a very important role in the Indian economy. It is one of the oldest organised industries and is comprised of a large network of tea producers, distributors, auctioneers, exporters and packers, retailers (ONICRA, 2014). The tea sector is also a major source of employment and foreign exchange earnings. India is the second largest tea producer in the world, the largest consumer of tea, and the fourth largest tea exporter (Tea Board of India, 2016).

Tea production usually takes place on large estates or tea gardens. However, there are smallholder tea producers that sell tea either directly to plantations or to middlemen/traders. After plucking and processing, tea is sold by plantations either directly to tea traders and wholesalers or via agents at the auction centres or sub-agents if upcountry. Tea traders then sell onto blending and packaging companies who sell onto retailers, either under their own-brand or the retailer brand to the end consumer.

The India tea value chain is buyer-driven, meaning that retailers and brand names have significant power in structuring and driving trade (Kadavil, S.M, 2007). The hourglass-shaped value chain has a large number of producers upstream, a handful of processors and big traders in the middle, and many retailers and consumers downstream (Mohan (2016: 55), in Siegmann et al. (forthcoming: chapter 3). This places pressure on tea plantations to be price competitive and exposes them to the risk of price or exchange rate fluctuations.

Figure 2 depicts a typical tea value chain.
Tea plants in India cover 600,000 hectares accounting for 16 percent of the total area under tea cultivation in the world (ONICRA, 2014). In 2015, India produced 1.2 million tonnes of tea (23 percent of world production), of which about 1 million tonnes were produced in North India and 0.2 million tonnes in South India (Tea Board of India, 2016).

**Figure 2: Typical tea value chain**

![Diagram: Typical tea value chain]

(Source: Government of India)

**TEA PRODUCTION**

Tea plantations in India cover 600,000 hectares accounting for 16 percent of the total area under tea cultivation in the world (ONICRA, 2014). In 2015, India produced 1.2 million tonnes of tea (23 percent of world production), of which about 1 million tonnes were produced in North India and 0.2 million tonnes in South India (Tea Board of India, 2016).

**Figure 3: Production of tea in India from 2010 to 2015 (in million tonnes)**

(Source: Consolidated from various Tea Board of India annual reports)

**Figure 4: Major tea growing regions in India**

![Map: Major tea growing regions in India]
Crush-tear-curl (CTC) accounts for about 89 percent of production, and orthodox and instant tea jointly account for the remaining 11 percent (India Brand Equity Foundation, 2017). Tea bushes take between four to seven years to mature after which tea leaves are plucked, processed in the factory, and sifted into different categories. Tea must be processed shortly after plucking. Processing involves withering the leaves under high heated air circulation (Siegmann et al. (forthcoming: chapter 3)).

Tea is produced across 15 states, of which Assam, West Bengal, Tamil Nadu and Kerala are the major tea growing states (See figure 3). Tea production can broadly be divided into (Kadavil, S.M, 2007):

- Smallholdings (averaging around 10,12 ha) and owned by farmers
- Small gardens (averaging around 200 ha) and owned either by single proprietor or partnership firms
- Estates owned by limited liability companies
- Estates owned by big companies
- Estates owned by government undertakings and co-operatives

On a whole, large estates have their own factories and buy additional leaves from smallholders or small traders (Siegmann et al. (forthcoming: chapter 3)).

TRADING/AUCTION AND BLENDING

It is estimated that around 85 percent of the tea processing, retailing, trade, blending and packaging are in the hands of relatively few multinationals (Groosman, M (IDH), 2011). These companies dominate the tea trade and have a strong influence on other supply chain actors such as transport companies. Most source from their own plantations (Groosman, M (IDH), 2011). This leaves tea producers with limited bargaining power on price. Big tea traders purchase tea at auctions which are controlled by a powerful group of traders. Once purchased the tea is blended and retailed (Groosman, M (IDH), 2011) (Siegmann et al. (forthcoming: chapter 3)).

Between 1984 and 2005, producer prices fell dramatically, but have gradually recovered since. The drop in price was assigned to the continual oversupply of tea on the international market. Despite this oversupply tea retail prices continue to remain the same or increase. This illustrates the control over tea prices that rests in the hands of the big tea traders. This concentration of power in the middle of the chain is cited as a major challenge to increasing wages and improving working conditions through value capture upstream (Lalitha et al. (2013: viii), in Siegmann et al. (forthcoming: chapter 3)).

CONSUMPTION

Domestic

Approximately 78 percent of India’s total tea production is consumed within the country (Tea Board of India, 2016). Due to a large population, India is the largest consumer of tea, accounting for 20 percent of global tea consumption (Tea Board of India, 2015). India’s average per capita consumption is 800g per year.

Exports

In 2015, India exported about 19 percent of its total tea production, totalling 0.229 million tonnes. This represents 13 percent of global tea exports, valued at about US$670 million (Tea Board of India, 2016). Exports are predominantly in the form of bulk tea (over 70 percent), followed by packed tea, tea bags, and exports of instant tea.

Table 1: India’s tea exports from 2010 to 2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (Million tonnes)</th>
<th>Value (Crore Rupees)*</th>
<th>Value (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0.222</td>
<td>3058.31</td>
<td>470.56</td>
</tr>
<tr>
<td>2011</td>
<td>0.215</td>
<td>3292.08</td>
<td>506.53</td>
</tr>
<tr>
<td>2012</td>
<td>0.208</td>
<td>3750.76</td>
<td>576.996</td>
</tr>
<tr>
<td>2013</td>
<td>0.219</td>
<td>4355.23</td>
<td>670.10</td>
</tr>
<tr>
<td>2014</td>
<td>0.207</td>
<td>4054.02</td>
<td>623.76</td>
</tr>
<tr>
<td>2015</td>
<td>0.229</td>
<td>4355.32</td>
<td>670.12</td>
</tr>
</tbody>
</table>

Source: Consolidated from various Tea Board of India annual reports

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1 During 2015-2016, India produced 1.1 million tonnes of CTC tea and 0.1 million tonnes of orthodox (Darjeeling and Green) tea (Tea Board of India, 2016).

2 1 Crore Rupee = 10 million Rupees. Exchange rate: 1 INR = 0.015USD, 20 October 2017.
In terms of volume, the top export markets for the 2015-16 term were the Russian Federation (0.048 million tonnes), Iran (0.022 million tonnes) and Pakistan (0.019 million tonnes) (India Brand Equity Foundation, 2017). In terms of value, the top export markets were the Russian Federation (US$102.48 million), Iran (US$87.39 million) and the UK (US$62.8 million) (India Brand Equity Foundation, 2017).

**EMPLOYMENT**

Tea production is the second largest employer in India,\(^5\) employing more than 3.5 million people across approximately 1,686 estates and 157,504 small holdings (Macdonald, K. and Balaton-Chrimes, S., 2016; India Brand Equity Foundation, 2017). About half of the employees are women. Activities involved in the production of tea are diverse and require different sets of skills. Workers are divided according to activity into: i) field workers (pluckers and sprayers); ii) processing and packaging; iii) security, maintenance and cleaners; iv) drivers; v) technical assistance, certification and marketing; vi) administration and finance; and vii) management. Women are particularly prevalent in plucking and do most of the work involved in the field, where lower skills are predominant along with more precarious working conditions and poorer wages. Overall, field workers constitute 87 percent of the workforce plantations, followed by processing workers (7 percent).

A large number of tea workers and their families live on the tea plantations, relying on them for housing, sanitation, water and health services. Some workers live off plantation grounds. Working and living conditions in tea plantations have been greatly influenced by the colonial legacy and workers continue to live under difficult conditions despite several welfare measures as well as social protection policies adopted by the plantation management and the governments at the time. Tea plantations in Assam mandated through the Plantation Labour Act (PLA) provide a decent living in terms of housing, education, water and other welfare facilities for workers and their families. Workers’ lives are inextricably bound to plantations, relying on them for food supplies, accommodation, fire wood, healthcare, social welfare and education. Despite the PLA, the quality of services offered in many regions still suffer. While the PLA was expected to make a significant positive impact in the working and living conditions in the plantations, there is evidence demonstrating that the situation has not improved over the past seven decades (Siegmann et al. forthcoming: chapter 5)).

**THE TEA SECTOR IN ASSAM**

Assam is the largest single tea growing region in the world (Tocklai Tea Research Institute, 2016). With about 750 estates and 100,000 smallholder plots,\(^6\) Assam produces half of India’s tea and about one sixth of the total global tea production (Economic Survey, Assam, 2015; Tea Board India, 2016). Black tea is the main variety produced in Assam, with smaller quantities of green and white tea (Global Network for the Right to Food and Nutrition, 2016).

The tea sector in Assam is important for livelihoods. It employs approximately 1.2 million workers in Assam (Macdonald, K. and Balaton-Chrimes, S., 2016; Trustlaw, 2015). Plantations have witnessed reduced productivity rates in the last two decades.\(^2\) Factors contributing to this decline include rising costs of production, old tea bushes, unskilled workers and financial constraints that are exacerbated by static tea prices. Of particular concern to producers are the risks posed by climate change, which demands frequent innovations and puts pressure on already rising costs. Although tea plantations are mandated to provide adequate working and living conditions for workers and their families, it is often difficult for them to do so given the difficult business environment.

Tea workers in the state of Assam are some of the poorest and most marginalised in the world. Poverty rates in these communities are higher than the national average and life expectancy at birth is significantly lower (Siegmann et al. forthcoming: chapter 5)). Population pressure within the plantations is growing as individuals choose to reside on plantations but work outside of them. Some plantations have to maintain facilities for thousands of people who are not part of the productive workforce of the tea estate. This puts increased pressure on the available welfare facilities and resources (ITA, TRA et al., 2016).

Plantation performance and working and living conditions on tea estates as well as the dynamic that exists between these are explored in the following sections.

**TEA PLANTATIONS**

For an industry to be sustainable, it needs to be able to not only meet the costs of production and decent employment but make a marginal profit that can be reinvested. Tea plantations in Assam are struggling to remain cost competitive due to increased international competition, high production costs, reduced productivity, high levels of worker absenteeism, climate change, outdated legislative frameworks, static market prices, financial constraints and product substitution (ITA, TRA et al., 2016; ONICRA, 2014; India Brand Equity Foundation, 2017).

For the tea estates in Assam, these challenges cause reduced exports and profit margins for plantations. It also has a negative impact on the living and working conditions of tea workers, as tea plantations find it increasingly difficult to adhere to legislation, particularly with investment in housing, health and safety, and securing longer contracts for workers (Tocklai Tea Research Association, 2017). There are a number of factors that are hindering the effective and optimal performance of tea plantations in Assam. These are briefly covered below:

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\(^1\) And the largest private sector employer in India.

\(^2\) Mostly concentrated in the eastern part known as Upper Assam.

\(^3\) The average yield of tea per hectare in Assam has reduced from 1,680 kg in 1990 to 1,593 kg/ha in 2007 showing an overall decline of -0.54 percent, even at all India level tea productivity had negative growth from 1,731 kg/ha to 1,708 kg/ha during the same period with an overall decline of (-)1.46 percent. Please see Khunnar (2015) for more information.
a) High production costs

India has the highest production costs among the major tea producing countries in the world (ONICRA, 2014; Sarkar, K. (NRPPD), 2015). Labour costs account for half of the production cost, and it is estimated that about 80 percent of the production costs are fixed expenses like fuel, power and labour (ONICRA, 2014). As such there is little ability for plantations to pass value down to workers in the form of wages and welfare.

b) Static market prices

The tea sector has been going through a lean phase with a static market price that is bringing down profit margins in the face of rising production costs. The following figures contain the achieved tea auction prices in India from which it is possible to see a static trend in prices starting in 2013. A further pressure on competitiveness is that tea sales are stagnating, and tea is being substituted with other beverages such as coffee by consumers.

Figure 6: Annual tea auction price comparison between 2010 and 2016 (Rs/Kg)

(Source: Tea Board of India)

A very similar situation happens in the Assam tea industry wherein prices are under pressure and have put pressure on profit margins. While the input cost in manufacturing tea has increased in the period from 2006-2016 at a rate of 10 percent per year, tea prices have only increased by 6-7 percent per year (Indian Tea Association, 2016). As most of the input costs, including wages and fuel, are fixed, tea producers resort to underspending on other aspects of welfare.

c) Productivity

Productivity per hectare is decreasing in India. Productivity is very dependent on favourable weather patterns, the age of tea bushes, and labour performance.

I. Climate change

Due to its specific agro-climatic requirements, tea production is geographically limited to a few areas around the world and is very sensitive to climatic variability and climate change (FAO, 2015; Duncan, J. et al, 2016). Increasing temperatures, enrichment of ambient carbon dioxide, variation in total rainfall and distribution patterns, and lower relative humidity have a significant impact on the yield and quality of tea. In addition, climate change increases the probability of pest infestation (FAO, 2016).

Plantations are attempting to mitigate climate change by using irrigation systems, pesticides, and fertilisers to maintain soil fertility, which results in higher production costs and poses a potential risk to human health (Tocklai Tea Research Institute, 2016; Government of Assam, 2015). This further places pressure on the costs of production as plantations need to invest in climate mitigation measures.

II. Old tea bushes

About 32 percent of the tea bushes in Assam are more than 50 years old (Indian Tea Association, 2015). Ageing tea bushes are one of the major contributors to reduced productivity. The Assam tea industry has been investing in the replacement of old bushes at a rate of 2 percent per year, but it causes reduced production and revenue, as it takes four to seven years for the new plant to start contributing to the production cycle and investment in renovation is costly (Indian Tea Association, 2015).

III. Labour performance

Tea production is a heavily labour intensive industry, and so worker productivity is a large contributor to overall industry productivity. Currently, tea estate human resource management systems do not keep a reliable record of worker productivity levels, though declining plantation productivity is pointed to as a reason for limited progress on wage increases. Inadequate working conditions, poor welfare systems and lack of training for workers have led to low productivity of labour across tea plantations.

Absenteeism is a persistent problem for almost all tea producers. While the issue is present throughout the year it has been reported to worsen during the harvesting season when companies need to increase their workforce levels to cope with the peak season produce. Apart from impacting personnel health, peak demand also impacts the working environment. Reasons for the high levels of absenteeism are wide but generally relate to poor health of workers as a result of limited welfare facilities and precarious working conditions. Low wages and the need to supplement family income, through earning opportunities outside of the plantation where daily cash wages are paid, is also cited (Nisanth et al, 2014; Mahanta, 2014). Poor health in the plantation communities places increased pressure on already strained social services and also has a negative effect on plantation productivity and profitability (ITA, TRA et al., 2016). The uptake of iron and folic acid tablets by women pluckers was shown to increase productivity by 10kg of green leaf plucked per worker (ITA, TRA et al., 2016). Labour shortages are impacting plantation productivity. The working age population is increasingly choosing to work outside of the estate and/or migrate to other areas for work (ITA, TRA et al., 2016). Tea companies lack effective recruitment, retention and incentive plans as part of their human resource development strategy. Despite low workforce quality and availability being a major concern, tea producers provide little to no training for workers lower than senior management levels. The work of tea pluckers is considered low-skill and easy to learn on the job. Field supervisors receive no supervisory training despite it being their job to be responsible for managing and motivating workforce levels between 50 and 100 workers. High levels of absenteeism, poorly motivated workers and low skilled supervisors contribute to declining productivity.
WORKING AND LIVING CONDITIONS IN TEA PLANTATIONS

A distinctive characteristic of the tea industry is that it is highly labour intensive with a substantial number of female workers, who represent approximately 52 percent of the total workforce (Government of India, 2015). A high share of the tea plantation workers in Assam belong to India's tribal population that represents one of the most excluded segments of society (Siegmann et al. forthcoming: chapter 5). Government estimates show that on average each worker has around two dependents (Barik, P., n.d.) however this number is in fact much higher. Improving working and living conditions in the sector is directly linked to the current and future development of the lives of more than 1 million people in the state of Assam.

a) Working conditions

I. Wages

In many parts of India, the wages of tea plantation workers are the lowest wages formally registered in any employment sector (Macdonald, K. and Balaton-Chrimes, S., 2016). Low wages also make it difficult for workers to provide better education opportunities and life prospects for themselves and their children, contributing to an ongoing cycle of low wages, poor education and poverty. Although the wages in Assam are agreed through collective bargaining agreements, concerns remain about the ability of the prevailing wages in some tea growing communities to cover the needs of workers and their families (Ethical Tea Partnership, 2017).

Estate worker wages are a combination of cash wages and in-kind benefits, such as rations (firewood, tea and grain for food) and housing. There is continued debate on the value that can be attributed to these in-kind benefits and the extent they contribute to the overall wage package. In relation to wage determination, rates are determined through collective bargaining agreements between employers’ associations and recognised trade unions. As of 2017, the prevailing minimum wage agreed in the sectorial collective bargaining agreement is Rs137 (2017) a day, paid on a weekly basis. There is a striking difference between the North East and the South of India where wages are higher (Rs216) despite their lower levels of production (Sarkar, K. (NRPPD), 2015).

The wage rate and the process of wage determination is an ongoing debate between plantsations, business associations, the government and civil society groups – for example: who should carry the cost of in-kind benefits; what is an acceptable wage rate that is in line with sector competitiveness; where will this increased value come from; how and when can the PLA be reformed?

II. Personal protective equipment (PPE)

Workers are sometimes exposed to pesticides due to inadequate training and use of PPE (Global Network for the Right to Food and Nutrition, 2016). PPE is often not personally assigned to workers, which can cause the PPE to be damaged or not properly maintained and workers use the equipment interchangeably (Global Network for the Right to Food and Nutrition, 2016). In cases where workers are provided with PPE, they find it uncomfortable or too hot, particularly during the summer. Plantations have attempted to alleviate these constraints by allowing sprayers to work in the early morning or in the evening. Furthermore, tea pluckers struggle to use plastic aprons to protect themselves from bush scratches, and to use baskets and umbrellas in the rainy season. Field research indicated that although occupational health and safety conditions on Fairtrade certified tea plantations were reportedly better than those in non-certified plantations, challenges remain.

III. Social dialogue and workers’ organisation

Workers on Fairtrade certified tea plantations are organised through several types of organisations, which include: workers’ committees representing trade unions; mothers’ clubs; youth clubs; and Premium Committees. Their role is to key to organising workers to advocate for workers’ rights and wellbeing in the tea industry as well as address several issues impacting workers’ living and working conditions.

Trade unions are present on all Fairtrade certified plantations (Assam Chah Mazdoor Sangha (ACMS); Barak Cha Shramik Union (BCSU); and Assam Chah Kamarchari Sangha (ACKS)). Freedom of association and dominance by a single trade union is viewed as a challenge that hinders other unions to participate in collective bargaining processes (Macdonald, K. and Balaton-Chrimes, S., 2016), although this is seen by some as key to facilitating decisions and progress when conducting collective bargaining processes.

b) Living conditions

The specific challenges associated with workers’ living conditions include inadequate supplies of safe drinking water, lack of electricity and/or the high cost of electricity, poor condition of living quarters, and poor sanitation and health (Macdonald, K. and Balaton-Chrimes, S., 2016; Global Network for the Right to Food and Nutrition, 2016).

I. Access to water supply

Although water supply is available via water outlets that are built along labour lines, workers reported that these are not sufficient to supply each family and cause delays. The water outlets are placed outside, which contributes to poor personal hygiene as families avoid washing in the open. Some plantations have constructed cement structures to enable bathing in privacy, but these structures are limited to only a few labour lines. In addition, drainage channels have been improved, particularly by using the Premium, but some of the channels contained stagnant and contaminated water.

II. Poor health

Health related issues for workers on tea plantations are mainly linked to the presence of iron deficiency anaemia and diarrhoea among worker communities, of which the latter is partly caused by using dirty water and the limited availability of drinking water. Nutritional anaemia is known to cause higher sickness rates, lower worker productivity and increasing rates of absenteeism (Mahanta, T.G. et al., 2014). The health risks for mothers and children living on tea estates is a particular
concern. Some factors influencing the prevalence of nutritional anaemia are poor cooking habits (lack of nutritional food, no purification of water, extreme frying, among others) and poor access to clean water.

There is a recognised need by tea producers for more health awareness and education on tea communities. Fairtrade Premium Committees have taken the initiative to purchase water filters, mosquito nets and LED bulbs, products that are seen to improve the living conditions of workers and their families. But as it will be noted in the following sections, their capacity to purchase and invest in these key products is still limited. Commercial suppliers are not present on tea plantations and their only connection to this market is through government departments who occasionally oversee the supply of these goods, although this has not been sustainable. UNICEF is an active player in the promotion of health, prevention, hygiene and nutrition, having conducted several activities that target tea communities. In collaboration with ABITA (Assam Branch of the Indian Tea Association), the Assam Medical College initiated a campaign to collaborate with youth clubs as agents of change to promote good hygiene, sanitation and health practices.

Government has also played a key role in the distribution of goods and services that benefit workers. The success of these programmes is still limited.

**SUPPORTING FUNCTIONS**

Within this industry there are several supporting functions (such as transport, logistics, engineering services, access to inputs) that are important for industry success. The report identifies certain supporting functions that are underperforming and most limiting to conditions on plantations. The underperforming supporting functions are: professional services for plantations, suppliers of personal protective equipment and clothing, worker organisations and information provision to plantations.

**PROFESSIONAL SERVICES FOR PLANTATIONS**

There are limited professional services, such as trainers, consultants and researchers, providing services to improve plantation performance. The major actors are larger research institutions that conduct research and training on tea production, specifically the Tocklai Tea Research Institute (TRI), the research arm of the ITA; the Centre for Tea and Agro Studies at Dibrugarh University; and the Indian Institute of Plantation Management in Bangalore.

**Tea industry research**

The Research Directorate of the Tea Board of India has been entrusted to conduct, co-ordinate and evaluate tea research through three research institutes: i) Darjeeling Tea Research and Development Centre (DTR&DC); ii) Kurseong, Darjeeling, West Bengal Tea Research Association (TRA); and iii) Jorhat, Assam and United Planters Association of Southern India Tea Research Foundation (UPASI-TRF) (Tea Board of India, 2017). The research covers plant improvement (breeding and biotechnology), plant production (agronomy and soil science), plant protection (mycology and entomology) and tea quality covering biochemistry, tea tasting and tea processing, electronics and engineering (Tea Board of India, 2017). Work conducted by this research directorate focuses on productivity and specifically agronomy productivity, with very limited research on labour productivity on tea estates.

**Training services for plantations**

Some of the key training institutions include the Tocklai Tea Research Institute (TRI), the Centre for Tea and Agro Studies at Dibrugarh University, and the Indian Institute of Plantation Management in Bangalore. As with the industry research, training mostly focuses on the technical agricultural aspects of tea production rather than on labour productivity or human resource management. For instance, the TRI delivers field management courses focused on managing the soil and planting; a factory management course covering use of machinery for different types of tea; a course on drainage covering flood prevention, managing rains and efficient draining systems; and is starting a new tea training course. These are carried out annually with about 30 to 40 paid attendees for each. Additionally, they provide bespoke training to plantations on request, some manager workshops, and a number of refresher and introductory courses on tea production. Currently, they have no training on how to manage staff.

Dibrugarh University offers the Tea Technology and Plantation Management postgraduate diploma. This is mostly focused on land management and productivity, and less on incentivising labour productivity. The Indian Institute of Plantation Management training offer is more focused on management – both in terms of its students who are more senior, and in terms of its content, which covers human resource management, as part of overall management skills, as well as management of technical production.

Overall, there appears to be a lack of services focused on labour productivity. In particular, on being able to advise plantations on shift patterns and performance based payments mechanisms, or on how supervisors should manage and motivate staff. Additionally, most of the training is focused towards management and senior staff, leaving limited training opportunities for supervisors and human resource staff. This is particularly significant as supervisors are often recruited from plantation workers and have little education yet still have 50 workers under their direct supervision. Supervisor training is provided on the job by watching colleagues and learning from experience. This is likely a key contributing factor to lower productivity, poor working conditions and staff/ supervisor relations. It is expected that training, in particular for supervisors and human resource managers, would likely bring major benefits to both workers and tea companies. Workers would benefit from better working conditions and therefore plantations would benefit from a drop in absenteeism rates and increased productivity.

The major driver, amongst others, seems to be low demand for such services from plantation management. Furthermore, the current training providers in the sector appear to have little exposure to good practice in terms of labour productivity training, and crucially including in the measurement of productivity gains. Although plantations are interested in providing training opportunities to workers, they require a clear business case with evidence that the increased productivity
is larger than the costs associated with the training. Given the high costs of labour, labour productivity and absenteeism was identified as a key industry challenge. It is likely that the business case for these types of services is strong and support is required to remove this potential barrier.

SUPPLIERS OF PERSONAL PROTECTIVE EQUIPMENT AND HEALTH AND ENERGY PRODUCTS

Suppliers of personal protective equipment

Tea companies are aware of the various challenges to improve the timely and correct use of PPE as a measure to protect workers from exposure to hazardous and non-hazardous chemicals. While all the plantations that were interviewed supplied their staff with PPE, the uptake of PPE amongst tea workers is a challenge for the following reasons:

- Aprons are plastic, and overalls are made from thick cotton. Both are heavy and not breathable. It is uncomfortable to wear in the climate in which tea pluckers and sprayers operate.
- Spraying equipment is heavy, and a lack of padding means that wearing these on backs causes blisters and back pain.
- Masks feel uncomfortable and suffocating in hot, humid weather and workers struggle to breathe through them.

Improved PPE is available, however plantation investment into remains low. This is largely due to two factors:

1. Quality PPE has lower durability (3-4 months as opposed to 6 months to 1 year durability of traditional PPE);
2. Costs for quality PPE may increase up to 50 percent per purchase. Higher costs are a particular constraint to plantations in the context of rising input costs.

A factor that seems to contribute to the higher costs is the current mode of business engagement. PPE suppliers are usually located in Kolkata or Delhi with offices in Assam. From here, they send a business representative to establish the relationship with tea producers and distribute purchased equipment. Suppliers and tea companies do not profit from available business spaces and platforms. An opportunity exists to support suppliers of PPE to offer better services to the plantations and to encourage the development of business to business platforms that can showcase new materials and innovations.

Suppliers of hygienic and energy products for plantation residents

The Assam Medical College, in collaboration with the Assam Branch of the Indian Tea Association (ABITA), initiated a campaign to collaborate with youth clubs as agents of change to promote good hygiene, sanitation and health practices. UNICEF also has several interventions that aim to promote health, prevention, hygiene and nutrition in tea communities, as well as distribute health-related products. The government too helps to supply goods and services that benefit workers and residents.

Conversations with trade unions and mothers’ clubs highlighted that there is an increasing interest in the purchase of health and energy products such as LED bulbs and water filters, as a means to reduce electricity and medical costs in the long term. However, community investment remains low.

The reason for the low uptake of health and energy products can be attributed to lack of access and information.

Improved access to health and energy products and services as well as information on the application of these would potentially result in the increased uptake of these within plantation communities, leading to improvements in community wellbeing.

WORKER ORGANISATIONS

Workers on Fairtrade certified tea plantations are organised through several types of structures: including workers’ committees representing trade unions (discussed in section 7.2), mothers’ clubs, youth clubs, and Premium Committees.

Mothers’ and youth clubs

Mothers’ clubs are approved by management and act as agents of change to improve the living conditions on tea plantations by addressing health, hygiene and education issues affecting workers and their children. They have committees who visit the various labour lines to collect information regarding worker needs. In addition, mothers’ clubs also help to address challenges experienced by families living on the plantations, like domestic conflict and alcoholism. Youth clubs consist of workers’ children under the age of 18 and emerged in response to the numerous responsibilities placed on their mothers at home. They help to increase awareness and advocate change regarding health, sanitation and deforestation. Youth clubs are not present in all tea plantations, but their presence has advanced the objectives of Premium Committees and mothers’ clubs.

Premium Committees

Premium Committees are established on Fairtrade certified plantations to receive and manage the Premium on behalf of the workers. There are opportunities for Premium Committees to be strengthened. They include:

1. Improved awareness of the Fairtrade Premium and how it can be used
2. Identifying priority areas for Premium usage
3. Improved financial management of the Premium.

Overall, mothers’ clubs, youth clubs and Premium Committees are recognised for their important role in promoting products and services that improve the quality of life in tea communities. They are however constrained by some of the following key challenges:

13 Like mosquito nets, cooking stoves and water filters for example.
1. They mainly use face-to-face interactions, meaning that their activities have limited outreach as they can only approach neighbouring labour lines or plantations that are close by.

2. They have limited capacity and knowledge to develop and manage savings out of their incomes or the Premium they receive.14

A particular constraint worker organisations face is the lack of capacity and knowledge to develop and manage savings out of their incomes. In the absence of sufficient savings and resources workers are not able to purchase products or services that would otherwise improve their living conditions. There are some particular constraints to the generation of savings; in the first place, incomes are low and are spent in their entirety to offset living costs and emerging needs or debts; in the second place, uptake of advice and information on how to effectively create and manage their savings and to plan and think about the future is limited. Behaviour change around saving and thinking in the longer-term is needed. Finally, financial channels (banks, microfinance institutions) have been lacking.

However, with the advent of India’s demonetisation initiated by the central government, tea plantations are now required to switch from the traditional payment method in cash to bank payment accounts. This has created an opportunity for groups to use banks and the possibility to save with banks may be incentivised to work with Premium Committees and other worker groups to facilitate the opening of payment and savings accounts, as well as to provide technical financial education on how to generate and manage their savings.

**INFORMATION PROVISION TO PLANTATIONS**

Plantation workers receive limited information, rather than learn from past practice and rely on role models within their communities. Opportunities for micro-enterprise growth and support exist but support on opportunity identification, basic business skills and financial management is needed in order for these to be realised.

**Media**

Radio and television are the two main sources of information and entertainment on tea plantations. Radio Brahmaputra is an example of a community station in Assam that is planning to extend its outreach to Fairtrade certified plantations. This non-commercial radio programme, with headquarters in the Dibrugarh district, helps address the information and debate needs of marginalised communities on tea plantations and remote areas. Their content covers public health, education, livelihoods, sanitation and drinking water, ecology and pollution, gender equality, human rights and governance (information provided by Radio Brahmaputra).

**Information provision to micro-enterprises operating on plantations**

Extensive micro-enterprise work is carried out on plantations to represent viable alternative income earning opportunities. They are carried out outside of regular plantation working hours, in potential periods where there is less work, or by family members of plantation workers who are not otherwise employed. Such work is generally supported by plantations, as long as it does not disrupt work or impute a cost to them.

Some of the activities (like vegetable gardens and livestock) are likely to be consistent across plantations, but many of these activities will depend on the specific plantation. Field visits found that one of the plantations had set aside extensive areas for workers to grow rice paddy, while another plantation had distributed fruit tree saplings and vegetable seeds to workers to improve their nutrition.

There does appear to be a ready sales market on plantations, but these enterprises could further maximise their earning potential by addressing the following challenges:

1. Inputs are basic and farming knowledge is based on trial and error.
2. Land is limited and current volumes are small in quantity.

**RULES AND REGULATIONS**

The governing rules and regulations are key to the performance of any sector; this is particularly the case for the tea sector in Assam. The tea sector in India is governed by the Plantation Labour Act (PLA) and is also influenced by trade unions, collective bargaining platforms, sector business coordination and the role of certification schemes (see annex).

**REGULATORY ENVIRONMENT**

The **Plantation Labour Act (PLA) 1951**

The PLA, enacted in 1951, provides for the welfare of plantation labour and regulates the conditions of work on plantations (Government of Assam, 2017). It mandates employers to: i) ensure health of the workers by providing clean drinking water, separate urinals for men and women, medical facilities for workers and their families; ii) to ensure welfare of workers by providing canteens, crèches, recreational facilities, educational facilities, and housing facilities; and iii) regulation of work by stipulating weekly hours of work, daily intervals of rest, annual leave with wages, sickness and maternity benefits (John, J. and Mansingh, P, 2013; Government of Assam, 2017).

Introduced as part of the newly independent India’s focus on social justice, the PLA placed the onus on the plantations to provide key benefits to workers, with the government role (through the Ministry of Labour) being one of enforcement. More recently, the Government of India has passed a number of initiatives designed to benefit in particular the rural poor, including plantation workers; however, benefits are limited. Despite many plantations and gardens adhering to the requirements of the PLA, workers continue to experience challenging living and working conditions as the provision

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14 For example, saving groups were established for mothers’ clubs, but failed to function given their low organisational capacity and limited financial education, and saving initiatives seemingly had never been considered for the Premium Committee.
and quality of these services vary. Reasons for variance in the implementation of the PLA by plantations can be attributed to limited enforcement\textsuperscript{18} of the PLA by government (Global Network for the Right to Food and Nutrition, 2016) and increasing production costs and reduced productivity, placing financial pressure on plantations.

The legislation is deemed by many industry actors to be outdated (ITA, TRA et al., 2016) and some of the services provided by plantations would normally be considered as state responsibilities (OXFAM and Ethical Tea Partnership, 2013).

There is little research on how the PLA affects workers, and on worker perspectives on the PLA. Participatory research on such questions, based on worker experiences, would help bring the worker perspective back to the fore in discussions on reforming the PLA, and provide valuable tools to key advocates for workers, whether they are trade unions, civil society organisations or others.

Wages

The PLA also has a key role in determining wages, alongside other legislation and bodies. In 1948, the Indian Government approved the Minimum Wages Act, which currently stands at Rs250 (USD3.87) a day for unskilled agricultural workers in Assam. However, wages in the tea sector are determined through collective bargaining by representatives from employers, workers unions\textsuperscript{16} and the government (Sarkar, K. (NRPPD), 2015). The last collective bargaining agreement for Assam stipulates that wages should be increased from Rs95 to Rs115 per day at the beginning of 2015, increased to Rs126 at the beginning of 2016, and increased to Rs137 at the beginning of 2017 (Indian Tea Association, 2015). This is substantively below the minimum wage level, and in 2015 the Assam government notified tea companies that they needed to pay a higher wage. This though was appealed against by tea companies at the Assam High Court, who argued that calculations of wages they pay to workers should include non-cash benefits. The court has issued a stay (suspension) on the notification while it takes time to further consider potential options.

Plantations are of the view that increases in cash wages should take into account the value and quality of the service that is being provided under the PLA and other bilateral agreements. Increases in wages without taking into account provisions under the PLA, could negatively impact plantation sustainability.

The Tea Act 1953 and the Tea Board of India

The Tea Act regulates the tea industry pursuant to relevant international agreements and developing the industry, as well as production and marketing of tea (Government of India, 2015)\textsuperscript{17}.

The Tea Board of India was established in 1954 as per the provisions of Section 4 of the Tea Act 1953. The Board is charged with the overall development of the tea industry in India and it is functioning under the administrative control of the Central Government in the Ministry of Commerce and Industry (Tea Board of India, 2015). The Tea Board covers the following functions, as defined under Section 10 of the Tea Act: i) increasing production and productivity of tea plantations; ii) improving quality of tea; iii) promoting co-operative efforts; iv) supporting tea research and development; v) undertaking promotion campaigns; vi) regulatory functions;\textsuperscript{18} vii) welfare measures for plantation workers; viii) collection and dissemination of tea statistics; and ix) other activities assigned by the Central Government (Tea Board of India, 2016). In addition, under Section 25(1) of the Tea Act, tea Cess (tax) is levied and collected by the Central Excise department on all teas produced in India.\textsuperscript{19}

Government schemes

There are several national government schemes that are designed to specifically benefit poor people in rural areas, including plantation workers. For example, the Right to Education Bill that governs free and compulsory education for children aged between 6 and 14, The National Rural Health Mission, and Pradhan Mantri Gramin Awaas Yojana that aims to provide government funded housing for the rural poor.\textsuperscript{20} Various government sanitation schemes and food distribution systems have also been introduced. The government contracts food producers and distributors to sell items at a fixed and beneficial price for tea workers and their families. Rates vary depending on income and number of dependents. These schemes are not being implemented in all the tea communities yet, placing pressure on the plantations to provide these services.

TRADE UNIONS AND COLLECTIVE BARGAINING PLATFORMS

Trade unions are crucial to advocate workers’ rights and represent workers in a variety of social dialogue platforms. They also play an important role to support workers’ communities to enhance not only their voice, but also to provide development services that can improve the conditions of tea workers. Tea wages are determined through tripartite negotiations for a valid period of three years at the sector and state level. It has been noted though that trade unions lack negotiation and representation skills which inhibits their capacity to demand wage increases and other workers’ rights in the presence of more skilled, articulate and professional employers’ representatives.

The presence, cohesion and strength of trade unions in India varies by region, with many lacking organisational and financial capacity. Some of the elements that hinder the effectiveness of trade unions include fragmentation among unions, lack of organisational skills, limited financial capacity,
strong political affiliations, low female participation in union decision-making bodies, lack of awareness, and workers’ dependence on employers which might prevent them from speaking out (Sarkar, K. (NRPPD), 2015). In Assam, weak institutional capacity limits the ability of trade unions to be an effective worker voice, particularly in wage negotiations. Inside plantations, worker committees organise and convene meetings to listen to their needs. Nonetheless, their efforts are hindered by the lack of sufficient financial resources.

Labour rights awareness campaigns, leadership training programmes and joint-action forums exist but only target national federations and central trade unions, effectively leaving out lower levels of representation. Benefits do not seem to be conveyed to the lower levels of workers’ representation. There are a number of capacity building interventions\(^1\) that aim to improve the capacity of trade unions and worker organisations, but they are hindered by the difficulty in finding education officers who work in the field, and uncertainty of funding. Participation poses challenges for trade union representatives and workers as the programmes have a duration of 1-45 days (regional level) and the attendees require authorised time off from employers.

Training programmes have to consider workers’ time limitations and management’s needs in order to make them valuable for both parties in terms of their duration. For most women in particular, the long duration of training programmes makes it impossible for them to participate given their traditional roles and imposed family responsibilities. Training programmes are currently limited in providing modules on enhancing the organisational, financial and operational procedures.

**INDUSTRY CO-ORDINATION**

There are several business associations actively working to improve sector business co-ordination. Areas that were identified where improvements and increased collaboration could be made were covered:

- More frequent space (such as a platform) for tea plantations and other stakeholders to share good practices and experiences
- Establishment of business-to-business (B2B) spaces wherein buyers, tea producers and industry suppliers can interact to exchange information and trade innovative products and services with positive impact on working conditions (eg. quality PPE). Increased awareness on relevant government schemes, or of buyers’ needs and priorities; and
- Communication to other market actors on industry challenges and efforts to improve initiatives.

**CERTIFICATION SCHEMES**

Retailers and consumers increasingly want to see that their purchasing patterns are resulting in changes on the ground for tea workers and their families. This spurred the increased support and adherence to certification schemes. However, certification alone cannot resolve all the structural and deep-rooted challenges in the tea industry.

**Fairtrade**

Plantations in Assam are certified under the Fairtrade Hired Labour Organization (HLO) Standard. Fairtrade standards comprise minimum social, economic and environmental requirements, which producers must meet to be certified, plus progress requirements that encourage the continuous improvement of farmers’ organisations or the situation of estate workers.

Fairtrade principles underlying the standard for organisations which employ Hired Labour are as follows:

- Management of the Fairtrade Premium; The Fairtrade Premium Committee, which includes workers representatives, is responsible for the management of the Fairtrade Premium in accordance with Fairtrade standards.
- Freedom of association and collective bargaining; workers have the right to join an independent union to collectively negotiate their working conditions.
- Working conditions; working conditions are equitable for all workers. Salaries must be equal or higher than the regional average or the minimum wage in effect. Health and safety measures must be established in order to avoid work-related injuries.

In India, Fairtrade currently certifies two small producer tea organisations and 28 hired labour tea organisations. Six of these hired labour organisations are found in Assam and comprise 10 estates. The chart in annex 2 shows how Fairtrade hired labour tea organisations have spent Fairtrade Premium.

A lack of demand for Fairtrade certified tea was identified as the major challenge to broader uptake, with research indicating that more estates would become Fairtrade certified if there was increased demand and a clear buyer. In addition, increasing demand for Fairtrade certified tea from Assam will increase the Premium going back to communities.

Some stakeholders perceive that the HLO Standard and its implementation are not sufficiently adapted to the local context, or that it does not sufficiently support the PLA. In addition, Premium Committees often had limited capacity to work with communities in a participatory way, particularly to identify priorities to spend the Premium on.

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\(^1\) For example, the Centre for North East that conducts research, workshops/ seminars and training on issues related to labour, employment and social protection in the North-Eastern Region (Government of India, 2017). Central Board for Workers’ Education provides financial and capacity building assistance to rural workers and their organisations, including trade unions and other related institutions. Nazdeek focuses on grassroots legal education, monitoring of service delivery, strategic research and advocacy to advance social and economic rights (NAZDEEK, 2016).
Rainforest Alliance and UTZ

Rainforest Alliance certified farms use methods that protect the health of farmers, their livelihoods, their land and the surrounding waterways. Rainforest Alliance works with more than 850 tea estates across India, that produce about 15 percent of the country’s tea (Rainforest Alliance, 2015). UTZ stands for the sustainable farming of coffee, cocoa and tea. The UTZ certified tea programme was launched in 2007, the Code of Conduct and Chain of Custody for tea development was established in 2008, and the first tea producers received certification in 2009 (UTZ Certified, 2017). UTZ requires better farming methods, working conditions, care for nature and next generations, and contributes to better crops, income, environment and life (UTZ, 2017).

Trustea

Trustea was launched in 2013 and is focused on India’s domestic tea industry. It is led by the Tea Board of India, funded by Tata Global Beverages, Hindustan Unilever and The Sustainable Trade Initiative (IDH), and implemented by Solidaridad and the Ethical Tea Partnership in close collaboration with key Indian stakeholders (The Sustainable Trade Initiative, n.d.).

RECOMMENDATIONS AND WAY FORWARD

Following the above analysis, the researchers conclude that a programmatic approach is required to address some of the systemic challenges that face the tea industry in Assam. Although Fairtrade certification has played a role in addressing some of the worker issues, and through the Premium has contributed to community upliftment, it is recognised that certification alone cannot resolve the structural and deep-rooted challenges in the tea industry. The findings of the literature review and field research confirm that the major challenges facing the tea industry in India, that are in the remit of this study, are:

1. Declining plantation productivity
2. Poor working conditions; and
3. Poor living conditions for plantation residents.

The root causes of these challenges have been analysed in the previous chapters. The purpose of such an analysis is to use it as a basis for identifying intervention opportunities that can address the market constraints that inhibit working and living conditions on and around tea plantations in Assam. Using the above analysis as a guide, interventions which can address challenges and systemic constraints have been identified.

It is recommended that the programme adopts a flexible, lean and adaptive approach to programme implementation. This means that the programme must be quick to respond to new market information, development and opportunities. It should identify when activities and interventions are now working and rapidly shift to new areas. New information should guide the development of the programme. A good Monitoring, Evaluation and Learning (MEL) framework should be adopted and implemented to ensure that the programme remains on track to achieve the target outcomes and impacts.

PROPOSED INTERVENTIONS

The key objectives of the interventions areas recommended by this study are broadly as follows:

1. increase worker productivity in tea plantations;
2. improve working conditions for workers on tea plantations;
3. improve income for communities living on tea plantations;
4. improve living conditions for workers and communities living on tea plantations

It is recommended that the programme starts with an initial set of five intervention areas with the idea that this will expand as the programme progresses. The opening set of intervention areas are:

- **Intervention area one: Increase adoption of good practices and products in worker management and health and safety** – Targeted activities should seek to increase labour productivity through improved working conditions and improved PPE (a ‘win-win’ for both workers and plantation owners).

- **Intervention area two: Increased consumer communication** – Increased Fairtrade communications on issues, progress and impact of interventions in Assam to raise public and consumer awareness on the challenges and successes in the region.

- **Intervention area three: Industry collaboration and research into plantations’ and residents’ needs** – Many of the challenges that the sector faces are deeply embedded and require time to change. The programme suggests a number of activities which could catalyse long-term improvement of the sector through strengthening key industry players. The programme will aim to conduct participatory research on residents’ and workers’ aspirations in particular around the provisions of the PLA and share best practices and lesson learning with industry actors (through forums, workshops and publications), encouraging the adoption and replication of improved ways of working by actors.

- **Interventional area four: Increased access to services, products and information promoting good practices on health and wellbeing amongst residents on tea plantations** – Living conditions remain challenging, despite plantation investment. This intervention will aim to improve broader living conditions for plantation residents.

- **Intervention area five: Increase earning opportunities for workers and residents** – Activities will aim to ensure that large numbers of plantation families have increased earning opportunities, additional sources of income, and are better able to manage their money.

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Follow ing consultation with estate workers and managers in November 2017, this intervention area was added by the Fairtrade Foundation.
As female labour participation on tea plantations represents more than 50 percent of the workforce, it is relevant for the set of proposed interventions to appropriately mainstream gender, using not only a no-harm approach, but also actively promoting greater access for women to innovative services and products, and contributing to improving their capacity to make decisions that may benefit their living condition and that of their families.

As such, intervening in the promotion of quality PPE will have a positive impact on female workers as they represent around 60 percent of field workers, who are constantly exposed to heat and high temperatures. The reinforcement of mothers’ clubs will also contribute to increasing women’s decision-making power and capacity to act as agents of change on issues related to working conditions, but paying specific attention to the needs of women on tea plantations. The promotion of quality human resource management systems that are able to address worker productivity issues will also contribute to addressing precarious working conditions that impact women in the workplace.

Annex 1: Market Systems Map for the Assam tea supply chain
Annex 2: Fairtrade Premium spend for hired labour organisations 2015 (total €2.4 million)

Source: CODIMPACT monitoring data set 2015.

Disclaimer: Fairtrade International is not responsible for the accuracy of the data. The report has been compiled to the best of our knowledge and is provided for informational purposes only. Fairtrade International reserves the right to update the monitoring data as new information becomes available. Data quality checks are performed continuously, thus the data presented can change in future reports. The data are provided ‘as is’ and no warranty of any kind is given for the accuracy and reliability of the data. Fairtrade International will not be liable for any claims or damages related to the quality and completeness of the data, as far as it is permitted under law.