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A Critical Engagement with Policy Response

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Emerging Vulnerabilities in India's Tea Plantation Economy:
A Critical Engagement with Policy Response*

M. Vijayabaskar and **P.K Viswanathan****

ABSTRACT

Despite sustained demand, the plantation economy, tea in particular, is in a 'crisis' and hence undermining the livelihoods of workers and small producers involved. Based on secondary literature, we elaborate the factors contributing to this 'crisis' in the tea economy and what we see as problematic in the institutional response to this 'crisis' and hence in ensuring better lives for labourers. First, we point out that the crisis is an outcome of shifts and slippages in governance regimes and a failure of capital to make sustained investments in the sector. We highlight gaps in governance such as exit of capital without ensuring decent livelihoods for labour in large plantations, casualisation of work, reliance on small grower models and concentration of marketing power in tea value chains that allow little room for value redistribution. The paper therefore develops a critique of the premises underlying some of the policy shifts. Second, we point out that viability of the plantation economy cannot be reduced merely to commodity specific interests. Biodiversity, gender, politics of land grab, land titling and sustainability in terms of ecology are emerging as equally important aspects of the plantation question. A value chain approach that emphasises 'upgrading' as a way out to secure better livelihoods, ought to therefore also recognise the role of local ecologies that generate values and currently sustain plantation crop economies. The productivist logic of most interventions in the plantation economy may therefore require a rethink. Finally, we discuss a few micro-level interventions to suggest possible pathways towards a 'high road' to address the crisis.

Keywords: Livelihoods, plantation economy, value chains, governance, small growers

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1. INTRODUCTION

Two episodes involving the plantation workers most evocatively convey the multiple axes of vulnerability amongst plantation labour in India. The first involved a series of starvation deaths since the early 2000s among plantation workers in the globally famed tea plantations of Darjeeling and the Dooars in West Bengal. Between 2000 and 2015, it is reported that more than 1400 people have died due to starvation in the region (Chaudhuri 2015). Conditions in the tea estates of Assam too are not too different with reports of both starvation deaths and malnutrition (ibid.). The deaths drew national and global attention to the tragic fact that despite a world wide reputation for high quality of Darjeeling tea, workers involved in the production of such tea have not been able to secure even their bare lives despite laboring for generations. In other words, economic upgrading that is seen in policy circuits to be crucial to better price realization and 'trickle down' into better returns for labour need not actually happen. In fact, despite producing lower quality of tea, working conditions of workers in south Indian plantations are relatively better. Better conditions do not however imply decent livelihoods as the second episode narrated here reveals.

In September 2015, thousands of women workers from the tea estates of Munnar, Kerala came out protesting spontaneously against both the management and unions, demanding better wages and bonus payments among others. The strike happened in a state that is known for its pro-labour and pro-poor intervention and one that is arguably the best in the country in ensuring workers' welfare (Heller 1999; Deshpande 2000). Known for high levels of unionisation and higher nominal wage rates for plantation workers than in other states, some of the demands placed by the workers during and after the strike were particularly telling. They demanded higher wages pointing out that their wage rates were lower than any other formal occupation in the state or for that matter even casual wage rates in sectors like construction and agriculture. They also demanded BPL (below poverty line) ration cards to access rations from the Public Distribution System (PDS). Being employed in the formal sector, this demand to be classified below poverty line goes to show how poorly the Plantation Labour Act, 1951(PLA), that governs their working and living conditions, has been implemented even in a state like Kerala. They further insisted that the state provide housing for families exiting from the sector. Workers lose their housing entitlement provided by the estate once they stop working. Earlier, this problem was addressed when tea estates relied on subsequent generations of labour from labouring households to access a pool of low cost labour. This allowed the retired workers to stay on in the plantations. At present, poor working conditions in the plantation economy create enough incentives for the younger generation to exit the plantation economy even if it means working in the informal economy. Despite having worked for three generations, workers are not in a position to save enough to invest in housing.[1] Improvements in overall labour institutions and welfare in a specific region therefore do not necessarily trickle down to those labouring in the plantations. Plantations continue to remain as ghettos of poverty and vulnerability even if better prices are realized or governed by a relatively progressive political regime.

The State and capital in this industry responded to such episodes of distress among workers by pointing out that there has been a 'crisis' of profitability among producers and hence, cannot afford to address such concerns of labour welfare. They point out that plantations are already making losses and closing down in many places. Any moves in favour of labour may only further exacerbate the crisis and therefore add to the precarity of those dependent on the sector for their livelihoods. In this paper, we elaborate the factors contributing to this 'crisis' in the plantation economy and what we see as problematic in their response to this 'crisis' and hence in ensuring 'decent' livelihoods for workers. We point out that the crisis is an outcome of past acts of negligence and short-termism of capital in the plantation sector as well as rooted in failures of public governance. We also highlight the limitations of emerging new regimes of value chain governance dominated by private actors. Given that improvements in welfare of producers and workers are also based on institutional interventions outside the value chain, we show that mere value chain governance is inadequate to ensure 'social upgrading'.

Following Neilson and Pritchard (2009), we adopt a value chain or a commodity chain perspective within an 'institutional framework', to understand the relational dynamics of production and distribution of value in the sector. The commodity chains perspective, initially advanced by the world systems theorists (Hopkins and Wallerstein 1986), and enriched by subsequent empirical analyses of Gereffi (1995, 1996; Gereffi and Korzeniewicz 1994; Gereffi, Humphrey and Sturgeon 2005; Cattaneo, Gereffi, and Staritz 2010) and others (Bonacich et al. 1994; Gibbon 2000; Ramamurthy 2000; Rammohan and Sundaresan 2003; Bair 2009 to name a few), facilitates understanding how processes of accumulation in commodity producing sectors marked by global dispersion of production and distribution processes shape actors' access to the value generated in specific nodes.[2] A commodity chain, as defined by Hopkins and Wallerstein (1986 p. 159), refers to "a network of labour and production processes whose end result is a finished commodity." Neilson and Pritchard (2009) argue that while the value chain framework does recognize the importance of locale specific institutions in shaping outcomes within a value chain, studies using this framework do not engage with the question of how territorially embedded struggles and resulting institutional arrangements interact with value chain dynamics. Recognising that distribution of value between actors within a node is determined simultaneously by regional/local institutional regulation of such distribution, they argue for an institutionally embedded global value chain (GVC) framework that does not treat institutions as a set of external constraints or enablers of action within a value chain but to look at how the processes of institution making is tied to actions undertaken by actors who are both embedded territorially and within value chains simultaneously. The episodes that we started this paper with in fact highlight this dimension.

Apart from such institutional embedding, there is a growing recognition of the relationship between plantation and ecological degradation (Rammohan, Soman, and Joseph 2015). Economic upgrading in a sector may often be accompanied by ecological degrading which may not only affect the long term sustainability of value generation within that value chain but may also negatively affect value generation processes in the proximity of that node in a locale. In addition to an institutionally embedded value chain analysis, we therefore argue for the importance of incorporating the idea of 'sustainability' in production networks (Klooster and Mercado-Celis 2015). By 'sustainability', we refer to the distribution of adequate value downstream to ensure 'decent' livelihoods for labour and importantly to sustain agro-ecosystems that are critical to not just production of the commodity but also to sustain human and non-human lives outside the value chains of specific crops. Sustainability is therefore not confined to reproduction of resources required to sustain economic activity within a specific value chain but has a territorial dimension that transcends sector-specific reproduction. We therefore stress the ecological-institutional matrix that sustains value generation in a node. Based on such an understanding of sustainability and upgrading, the paper critiques the premises underlying some of the interventions to address the crisis including a commodity-centric approach to revive the plantation economy. We also highlight challenges in governance, such as poor implementation of the Plantation Labour Act (PLA), exit or diversification of capital without ensuring decent livelihoods for labour in large plantations, direction of R&D and concentration of marketing power that allow little room for value redistribution. Alongside governance within value chains, we point out how issues of land grab, gender and ecological sustainability are emerging as equally important aspects of the plantation question. Finally, we discuss a few possible pathways towards a 'high road' that emphasise the 'sustainability' dimension. The paper focuses on the tea economy given its prominence in the plantation crop basket, particularly in terms of the extent of dependent livelihoods (Rasaily 2016). While most of the discussion is based on secondary literature, we also draw upon our own fieldwork conducted during the period 2014-17.[3]

II. DRIVERS OF CRISES IN TEA PLANTATION ECONOMY

The concern that India's plantation sector, tea sector in particular, is going through a crisis in profitability has been around for nearly two decades (Nielsen and Pritchard 2008). Studies attribute a set of factors to the decline in profits and competitiveness of the tea economy. In the domain of production, quality and quantity of output suffer due to the ageing of the bushes with timely replanting not being undertaken in most estates. This lack of reinvestments in turn is justified in terms of decline in profits due to lower prices in both domestic and international markets and higher cost of cultivation. This circular logic in the domain of production is reinforced by global trends in supply and demand. Trade reforms are also argued to have allowed for cheaper imports, thereby keeping domestic wholesale prices low (Selvaraj and Gopalakrishnan 2016; Viswanathan and Shah 2016). Retail prices for tea have however not fallen and in fact, the gap between wholesale, ie, auction prices and retail prices for tea in the Indian domestic market have been steadily increasing since 1999-2000 (Sarkar 2013). In fact, unlike coffee or rubber which experience cyclicality of prices and greater volatility, price of tea has been witnessing a secular decline/stagnation in its wholesale prices while retail prices have stabilised. This implies that the prices that tea producers receive tend to be lower vis-à-vis their cost of production even as a trading mark-up premium persists (Sarkar 2013). Further, as Mohan (2018) points out, though final consumer prices for a tea bag as measured through the UK Retail Price Index grew by 104% during 1986-2014, the prices received by exporters grew by only 29% during the same period and in fact declined by 15% if we calculate for the period 1970-2014. Importantly, the share of value accruing to producers in the final price realisation is held to have come down over the years. Their inability to pay competitive wage rates to labour is once again attributed to the low share of value accruing to producers. Overall plantation production in India has historically been tied to distant markets. Though the share of exports has fallen particularly for tea at present[4] (Deepika 2015), global prices continue to influence price realisation in the domestic market particularly in the new trade regime that allows for low duty or duty free imports. This decline in profitability has generated a few adverse responses from capital.

III. LARGE PLANTERS' RESPONSE

a. Abandoning and Diversifying

Several estates have been abandoned with owners moving into other sectors and not investing or maintaining their estates (Neilson and Pritchard 2009). Starvation deaths in West Bengal are an outcome of such abandoning. Abandoning has also happened in the states of Tamil Nadu and Kerala (Selvaraj and Gopalakrishnan 2016). Some large players such as the Tatas and Unilever have sold off many estates they owned and confined themselves more to buying from auctions and retailing (Nielsen and Pritchard 2008), where value accretion is highest. There are also instances of owners selling off estates to those with no prior experience in plantations. A classic example is the purchase of 9 estates in Kerala in the late 1970s by the Ram Bahadur Thakur group that had a mining background. After taking advantage of returns from the tea estates when prices were better, with hardly any re-investments, the estates were all closed by 2003 leading to loss of jobs for nearly 18,000 workers. Another case is the G.P Goenka groups' mismanagement of the Duncan Industries Ltd in Bengal that saw them transferring losses from another sector onto the tea division leading to under-investments in the estates (Mazumdar 2016). Further as Raj (2013) points out, plantation owners in Kerala have managed to get the state government to allow use of 10% of the area under plantation for other activities such as eco-tourism. We therefore see two strategies adopted by the bigger producers. One is to consolidate their position in the more remunerative section of the plantation value chain such as in wholesale trade and importantly in retailing through branding. Another set of players have diversified into unrelated segments which are seen as more profitable compared to the tea value chain.

b. Lax Implementation of PLA

The fact that laboring in plantations pose a set of challenges that cannot be resolved through generic labour legislations pushed the government of India to pass the Plantation Labour Act in 1951 in response to demands from several labour unions. The PLA requires employers to provide health care through providing medical facilities for workers, drinking water and sanitation facilities, provide crèche and educational facilities for the children of workers (once the plantations are above 10 ha in size), housing, regulation of work hours by fixing the maximum number of hours that can be worked in a week and compulsory leave with pay as well as maternity benefits (John and Mansingh 2016). Given that most large estates were growing tea, the PLA has become particularly contentious in the tea plantation sector. While the passing of the PLA was enabled by labour mobilization, its subsequent implementation too was made possible through labour organisations. Most political parties maintain a trade union wing in the plantation sector and any gaps in implementation were often addressed through such collective action. As a corollary, implementation was lacking in regions marked by lower political mobilization.

Demands to increase wages or to implement the PLA better are increasingly met with a standard argument on the part of the planters that declining price realisation do not allow them to comply with the PLA (Besky 2014). In fact, planters claim that complying with the PLA add to the cost of production and hence reduce the sector's competitiveness in the market. Over time, estates have drawn upon the 'crisis' discourse to justify undermining of the provisions of the PLA. Many plantations have begun to rely on casual and contract workers as the PLA does not extend to them. Despite an amendment to the PLA that allows for contract workers employed for more than 60 days to claim entitlements (John and Mansingh 2016), this is ignored in practice. In South Indian tea plantations, the workers continue to be employed as temporary workers even after working for 6-7 years. The scenario is much more precarious in Assam tea plantations, where workers remain on temporary rolls even after more than 15 years of working in the plantations.[5] On an average at present, about one third to 40% of the workers are non-permanent workers (Thapa, 2012). In addition, as Viswanathan and Shah (2016) point out, planters began to adopt various cost cutting measures such as reduction in the workforce and intensification of work and cutting down on welfare provisioning. Though shear plucking was introduced in the plantations nearly 20 years ago which enabled workers to double their output, this was not met with compensatory increases in wage rates.

In other words, while labour productivity doubled, returns to labour has continued to stagnate.

c. Movement to the small grower model

The welfare measures mandated under the PLA is applicable only to plantations that are more than 10 hectares. Other than retrenchment or closure of plantations, planters have also therefore adopted a strategy of sub-dividing and fragmenting the plantations into smaller parcels below 10 ha so that they could avoid providing non-wage benefits and welfare measures as stipulated by the PLA. This tendency has been on the rise in Assam and the Nilgiris in Tamilnadu where there has been a surge in the number of registered small tea plantations ever since 1993. At the all India level, the share of area cultivated by small growers, ie, growers with landholdings less than 10 hectares has increased six times from 4.7 per cent in 1981 to 28 per cent in 2012 (Joseph and Viswanathan 2016a). Importantly, 80 per cent of the small growers are subsistence farmers (Rasaily 2016), with women accounting for a substantial share of them. This shift to the small grower model is a combination of both state intervention and strategies adopted by the large plantations in response to the crises in the tea industry. Several regional governments have actively encouraged the small grower model as a means to address the crises in rural livelihoods reliant on other commodities. Movement into production of tea and/or coffee or rubber was seen as a way out to improve rural livelihoods. Simultaneously, large planters have also resorted to leasing some of their land to small farmers as a means to organise production. This has resulted in exclusion of substantial segments of plantation workers from the protective provision of labour legislation (Viswanathan and Shah 2016) except with regard to minimum wage fixation.

Apart from casualization of work, declining profitability of plantations now manifests itself as a crisis of livelihoods among small growers. With the falling prices for tea leaves and higher fluctuations in the post 2000s period, small growers have been in distress (Das 2012). Following a case filed by the growers' association in the Nilgiris demanding a minimum procurement price, court ordered the appointment of a district level monitoring committee comprising of the district collector, and executive director of Tea Board of India (south) to periodically review the industry situation and fix a fair price. However, the bought tea leaf factories association obtained a stay on this, which continues to this day. The move to the small grower model has implications for upgrading and sustainability that we discuss later.

The response of large producers to the crisis mapped above is closely tied to a series of shifts and slippages in public governance of the sector. The policy responses to the crisis too have been inadequate.

IV. SLIPPAGES IN PUBLIC GOVERNANCE

a. Trade Reform, Price Setting and Volatility

In the early years of Indian planning era, the need for foreign exchange led to a centralised governance structure with the setting up of exclusive commodity boards, such as the Tea Board, Coffee Board, Rubber Board, Spices Board (Cardamom Board), that regulated and supported measures to improve both production and marketing of the plantation products. The introduction of market oriented reforms since the early 1990s saw the government moving away from direct controls to that of facilitating producers to improve productivity and to respond to global market signals better. Competitiveness in both global and domestic markets has become a major driver of new policy imperatives. Such moves in a period of growing consolidation of market power at the retail end are argued to have led to considerable fluctuations and/or decline in farm gate prices that have undermined livelihoods of numerous small growers.

Individual crops have certain 'quiddities' that shape price formation. Tea and coffee are highly differentiated by quality and flavour based on agro-climatic conditions, age of the bushes, quality of soil and elevation of the area. This differentiation finds its way into prices realised. As a result, grading and identifying quality is a critical component of price formation. Grades are however, not globally standardised making it difficult to have correct estimates comparable across regions. Auctions in the case of tea serve as mechanisms to capture the heterogeneity of tea as a commodity, but oligopsonistic markets imply that grading decisions tend to be skewed against the sellers. While direct marketing and retailing is now being undertaken by a few plantations, success stories of marketing among the small growers are negligible. Post-reforms, wholesalers, retailers and exporters have consolidated and tightened their power through concentration in addition to use of non-tariff measures. With few exceptions, the commodity boards have not been able to undermine this trend by way of effective regulatory support and governance measures. The boards' functioning have further suffered due to poor staffing in the reforms period (Joseph and Viswanathan 2016b).

b. Failure to hold Plantations Accountable: Slippage in Judicial Governance

Value chain literature emphasise the importance of legislative, executive and judicial governance in ensuring a process of upgrading (Kaplinsky 2000). Commodity Boards seek to regulate production, processing and marketing of the respective commodities including conditions of workers. The Tea Act of 1953 empowers the central government to investigate any estate that has failed to meet its obligations to its workers through any defaults in payment. The Tea Board is also empowered to take over such estates where management has been negligent over issues of labour welfare. Such take- overs are hardly evident despite several violations of the management.

On paper, workers have recourse to the judicial route to ensure that managements comply with provisions of the PLA or other laws governing their terms of work and employment. However, in practice, judicial delays pose huge costs on such claim-making. Since it often takes years for the verdicts, workers or unions have little incentive to rely on judicial interventions. Several estates have not deposited their contribution to their employees' provident funds for years. In many such instances, legal disputes against such lapses have been going on for at least 4-5 years. Workers can ill afford such delays. In this war of attrition, plantation management is clearly better placed to wait. This shows that despite legislative governance in place, ineffective institutions of judicial governance have undermined legal recourse to securing workers' welfare.

c. Poor Formal Standards for Labour Governance

Wage rates in the small grower farms at present are similar to that of the large plantations but workers are casually employed with no or very few social security provisions. It must however be mentioned that wages in these segments are set more by market processes though minimum wage legislations in some of the states do prescribe wage rates. Importantly, in states like Tamil Nadu, workers in recent years prefer to work as casual workers in smaller farms or on large estates rather than seek formal employee status under the PLA. Apart from poor compliance, lack of efforts to renew standards such as that for minimum wages or quality of schooling or healthcare is clearly responsible for such preference (John and Mansingh 2016). This preference for insecure temporary employment compared to employment apparently backed by a degree of security and legal enforcement shows the extent to which formal standards of employment have deteriorated.

Minimum wages in India seldom constitute a living wage and to that extent cannot be held as a 'decent work' standard even in states like Kerala and Tamil Nadu. Such low standards of wage setting translate into high levels of indebtedness and interest payments accounting for a substantial share of monthly incomes. There are also gender differences in wage rates in the smaller estates. Outside of wage and employment contract issues, there has been a steady deterioration of the spaces of reproduction in the estates. Importantly, control over labour continues to be exercised through control over their spaces of reproduction. Housing, health care and educational facilities have all declined. Living space allotted to worker families have declined. Such inadequacies are also tied to rising inequities in quality of overall health and education provisioning in the country.

d. R & D and Over-emphasis on Yields?

The Chinese tea industry is believed to have generated higher returns for producers despite lower yields by emphasizing quality and marketing.

While such a strategy may not be viable at the national level, incorporation of such strategies at the sub-regional or regional levels are likely to be useful. Importantly, mere emphasis on yields through subsidies for inputs may not imply better returns leave alone protection of the sector's ecological services. While state programmes are targeted at diffusing of techniques for quick increases in yield, there is lack of emphasis on issues of longer term sustainability. While there are some shifts visible in this regard, they are yet to translate into a coherent direction for research and development initiatives (Joseph 2010). Importantly, it is not clear whether R & D recognises the linkages of dependence of value generation processes and processes of ecological degradation across sectors. It is also not clear whether there are adequate avenues for public agencies to learn from experiments undertaken by growers. In the domain of employment, emphasis has not been placed on easing conditions of work. Though it is a labour intensive sector, reluctance on behalf of segments of labour households to undertake plantation work is also its harshness. Finally, given the importance of marketing, R & D efforts on issues of packaging, branding and differentiation have fallen short (Joseph and Thapa 2015).

e. Marketing Interventions

The source of accumulation in the case of buyer driven value chains as tea is increasingly in the domain of marketing (Mansingh and Johnson 2012). This has been accompanied and in fact enabled by growing concentration in the retail and wholesale trading segment including the export segment. As histories of tea and coffee consumption show, markets can actually be created through marketing strategies. However, there is little public institutional effort in this direction. For instance, many varieties of certified tea that originate from Darjeeling, Assam and the Nilgiris are yet to get wider attention and acceptance both in domestic and international markets. It is also a matter of concern how small producers can be brought under the certification process, as in case of tea in Kenya. Appropriate market interventions might help the certified tea or coffee produced by the small growers fetch higher (premium) prices in the markets, thus enabling them realize a part of the higher market value in the supply chain. In fact, a recent FAO study[6] has underscored the relative demand inelasticity for domestic tea consumption with respect to price. This is particularly important given the rise in domestic consumption of tea.

Eco-labelling and GI certifications are new possibilities, but as Marie-Vivien et.al. (2014) point out based on study of coffee growing, such measures may be inadequate given the emphasis on globally uniform standards that tend to pay less attention to variations in local biodiversities. In the case of use of GI tag for Darjeeling tea, Besky (2014) contends that while it has definitely led to an increase in demand and help revive closed plantations and improve prices, marketing based on such tagging also produces an imaginary of timeless craft labour involved in producing such fine tea, which conceals the harsh conditions under which actual production takes place. Such tags also produce an impression that agrarian practices tend to sustain local ecologies as they have evolved in a particular region over a long period which may not be true. Importantly, such certifications and standards are likely to create further differentiations among producers with the more powerful players taking advantage of such opportunities. The question of whether such certifications or new production standards create better avenues for distribution of the gains for workers and small producers also requires more attention. This is important given the fact that a vast majority of the plantations continue to implement even the basic provisions as laid out under the PLA poorly.

f. Instruments for addressing Price Volatility

Price Stabilisation Funds have been in operation since 2003 under the aegis of the NABARD to provide income support to tea, coffee and rubber growers when prices fall below the fixed minimum levels. However, there has not been much response from growers for this scheme across all commodities. Only a small percentage of total growers could be brought under the scheme, and there is a lack of enthusiasm even among those who are contributing to the fund (Chatterjee and John 2012). One of the major problems that the farmers faced was that they had been continuously paying the instalment amount and were not receiving any contribution from the PSF trust. The PSF scheme also does not enable the growers to withdraw the amount if they wish so. The scheme offers low interest rate payable on the deposit amount. Further, the real return by way of accrued interest on balances in saving banks account has also been negative as the inflation rates have been higher than the interest rates. This has naturally slackened the enthusiasm of the farmers as well as that of the banking sector since there is a time lag between assistance available to PSF beneficiaries and loss suffered due to price decline. Above all, the gains obtained through the PSF are insufficient particularly when the fund is meant to address only volatility and not secular decline in prices.

g. Emerging Private Governance Initiatives

As is the case in most global value chains for consumer goods, there have been efforts by private and civil society actors to initiate 'fair trade' practices to ensure that producers confirm to a set of ethical practices and access markets and better prices as a consequence. Within agricultural value chains, including that for tea, global certifiers like Fairtrade Labelling Organizations International (FLO) have been active in certifying producers based on labour and ecological practices. Such interventions are believed to compensate for the failures of national level governance. There are however two broad issues with such initiatives. As Besky (2014) points out, incorporation of producers into such private governance moves have not only failed to improve the welfare of labour, but also importantly undermined their access to non-market mechanisms to secure better terms. In the case of Darjeeling, she shows how fair trade interventions are directed more towards helping workers to augment their wage incomes with other income sources such as dairy or through micro-credit provisioning. Rather than help them engage with planters to get a better share of the returns from better prices, such interventions seek to reduce the incentive among workers to make claims internal to the wage labour relation in the tea value chain. Further, as Viswanathan (2018) points out, they impact only a very small share of total production.

Fair trade also did little to alter the relationships between plantation owners and workers in the tea estates of Darjeeling. Besky shows how even as planters were seeking fair trade certifications, planters' association were negotiating with the government to withdraw their obligations to workers under the PLA such as provision of housing and healthcare. Even the insistence of a joint body of decision making comprising of workers and management has only served to create divisions among workers with most workers not actually aware of what they stand to gain through such certifications. Irrespective of the price premiums that certifications fetch, workers get the same amount of wages. Further, fair trade schemes tend to undermine the scale of political mobilisation of workers. Wage fixation is normally done at the level of the state and hence allow for mobilisation of workers across all plantations in the state. Fair trade certifications, on the other hand, tend to reduce the scale to that of an individual plantation. Worker solidarities across plantations are therefore enfeebled. Finally, as Nielsen and Pritchard (2010) demonstrate, there are also barriers to access such certifications among small growers and may increase the differences in vulnerabilities between the better endowed and poorly endowed producers.

V. DILEMMAS OF UPGRADING: ECONOMIC, SOCIAL AND ECOLOGICAL

Going by the logic of upgrading, revival of profitability is possible by improving yields through better investments or moving into more value added production or enter into downstream segments of the value chain such as marketing and hence take the 'high road' to profitability. It is clear that taking the 'low road' as most planters have done, in fact, undercuts the possibility of the 'high road'. Reduced maintenance or investments, or lowering labour costs are likely to undermine the ability of estates to 'upgrade' into more value-added segments of tea production or invest in yield augmenting practices. Given the greater vulnerability of small growers and poorer resource endowments, move to the small grower model too may reduce scope for such upgrading in the absence of new and effective institutions to represent small growers.

The various moves by policy actors, larger producers and other powerful actors in the value chain have compounded the vulnerabilities of plantation labour through multiple intersections of identity and space. Most workers are from lower castes and at times from scheduled tribes and hence subject to other forms of discrimination. Often, they are migrants from other states and hence not integrated well into the regional political and social spaces (Raj 2013). Nepali workers in West Bengal, Tamil migrant workers in the Kerala plantations, repatriate Sri Lankan Tamils in plantations in Tamil Nadu and the recent entry of migrant workers from north eastern states, Bihar and Jharkhand into the south Indian plantations are examples of this phenomenon. Further, though women workers have always been an important component of the plantation labour force, trade unions continue to be over represented by men. Above all, the spaces of plantation labour pose additional barriers for social inclusion. Often in remote parts of hilly terrain with little prospects for alternate employment, they are also disadvantaged by their inability to integrate with other labour streams or political mobilisations. Such intersections of space, caste and gender imply that even if producers are able to achieve a degree of economic upgrading through process, product or functional upgrading, it is highly unlikely that such gains in value will be shared with labour.

Plantations may also undermine local ecologies of resource use (Joseph 2010). Tea plantations, given their large scale mono-crop cultivation have destroyed biodiversities in ecologically critical areas such as the Western Ghats in south India (Rammohan, Soman, and Joseph 2015). Extensive use of pesticides and chemical fertilisers, inevitable under such mono-cropping, apart from undermining quality of soil also lead to ecological losses. In fact, declining yields due to loss of soil quality incentivise planters to use more ecologically destructive inputs to maintain or augment yields. Death of elephants feeding on the grass in plantations in Assam recently is an important instance in this regard. Loss of topsoil due to poor management is a major driver of soil erosion. Attacks on plantation workers by wild animals are not infrequent and have actually intensified in the last few years. Often these conflicts are an outcome of resource conflicts driven by factors external to the plantations and the fact that bulk of tea production take place in geo-physical habitats that are home to diversity of flora and fauna. They are also tied to watersheds of several rivers and hence ecologically linked to several livelihood options beyond specific crop production or even the immediate region. Clearly, such issues call for an approach that is not merely value chain specific but one that is simultaneously place-based and one that incorporates the role of eco-system services. In the next section, we highlight some possible pathways of upgrading along such lines.

VI. POSSIBLE POLICY PATHWAYS?

a. Plantation Economy

The Makaibari experiment of tea cultivation is an exemplar in this regard, using organic methods and combining tea cultivation with cultivation of native herbs and trees (Banerjee 2008). Importantly, as the Makaibari model suggests, incorporation of these factors into re-orienting production renders possible creation of diversified livelihoods among both small growers and workers. On a slightly different note, Rammohan, Soman and Joseph (2015) express apprehensions about the long term viability of an approach that merely redistributes value to labour within the tea commodity chain. Instead, they propose a model of a diversified local economy that combines organic cultivation with eco-tourism and promotion of institutions for ecological learning.

Such interventions are worth considering especially in a context where appropriation of surplus is happening primarily at the marketing end of the value chain and also in a context where there is a growing realisation of the importance of eco-system services of such habitats. A few estates, but only a few, have bucked the trend and attempted to 'upgrade' within the tea value chain by either entering into direct retailing through branding and also through movement into better quality tea such as organic tea, green tea, white tea, etc. A few others have tried to diversify into eco-tourism by renting out some of the estate bungalows. Given the growing importance of small growers, it is also worth looking at the different models of small grower collectives.

b. Models of Small Grower Collectives

Apart from older models of cooperatives, new forms of small grower collectives such as self-help groups (SHGs) and primary producer societies (PPSs) have been promoted by the government (Mansingh and Johnson, 2012). In the case of tea, as part of the tea upgradation programme, the central government partnered with United Planters Association of South India (UPASI) to set up the UPASI-KVK (Krishi Vigyan Kendra) which fostered SHGs among the small growers. Later, primary producer societies (PPSs) were promoted, first by a civil society organization (Centre for Education and Communication) and Tradecraft (in partnership with Department for International Development, UK (DFID) and then with support from National Bank for Agriculture and Rural Development (NABARD). They were soon federated and managed to organize themselves into better bargaining positions vis-à-vis bought leaf factories. However, it appears that since the cooperative imperative was thrust from the top and not driven by mobilization among the small tea growers, the initiatives have not worked in desired directions. Further, given the financial vulnerabilities of small growers, the system of advances provided by agents continues to deter growers from selling their entire produce to societies. It does nevertheless appear that the experience of PPSs has lessons for pushing the collective models forward.

c. Issues in Diffusion of Small Grower Production and Sustainability

While the move towards the small grower model has certain positive features such as better distribution of returns to production, there are also concerns. Given the poor returns, they can seldom afford to introduce practices that may have better returns in the long run but may undermine their viability in the short run. Cultivating under distress, they are often forced to cut costs incurred in maintaining the farm or increasing yield through soil conservation measures. The recent reports of traces of metal granules (such as lead) and chemical contaminants in tea are causes of concern, needing more attention to quality orientation of the segment. Further, to ensure a livelihood that is not completely tied to a specific crop requires them to diversify which cannot be supported through a commodity-specific approach.

Upendranadh (2010) suggests dovetailing of public works programmes with works directed at sustaining ecological practices in the plantation regions, such as renovation of local water bodies, introduction of mulching to address topsoil erosion, planting of native species of trees amidst the farms and importantly maintain them. This suggestion may also address concerns expressed by sections of small growers about programmes like the National Food Security Act (NFSA) and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) denying access to labour at lower rates. Further, as Das (2013) demonstrates, the role of infrastructure such as power and processing facilities in addressing issues of costs and quality for small growers have not been adequately addressed. Though the Tea Board's support for micro-irrigation works is a good step in this direction, Das (ibid.) argues for more attention to improving processing capacities and marketing infrastructure. The Tea Board being the sole promotional agency that the small producers can seek for any support, should strive to make this possible through strategic investments for infrastructure development in terms of setting up of new processing factories as well as upgrading existing processing facilities.

The ability of small growers to imagine their livelihoods being tied to long term sustainability, ecological sustainability in particular, maybe restricted because of the vulnerabilities and risks that affect their margins in the short term. Interventions therefore have to ensure adequate incentives for small growers in this regard. Simultaneously, non-sectoral interventions that allow for diversification of small grower livelihoods may also contribute to risk mitigation and improved welfare. Such interventions at the local/regional levels however call for attention to contexual specifities of each node. Importantly, diversification should however not be at the expense of interventions to redistribute value within the tea value chain.

NOTES

1 It is important to note that majority of the workers do not possess lands so that they could think of constructing a house after retiring from plantation work.

2 In fact, this perspective has been mooted to advance the NIDL's explanatory power by moving away from nation-states as units of analysis and allowing space for peripheral regions to serve multiple roles in the global division of labour.

3 While P.K Viswanathan was involved in a series of studies undertaken by the National Research Programme on Plantation Development, Centre for Development Studies on different plantation crops, Thiruvananthapuram, M. Vijayabaskar conducted primary fieldwork in Munnar, Kerala and Nilgiris, Tamil Nadu as part of a ICSSR funded project on 'Changing contours of state welfarism and emerging citizenship: A comparative study of Tamil Nadu and Kerala' in collaboration with IIT Madras.

4 As per the estimates based on Tea Board data, India's share in global tea exports had declined over time from 37.2% during 1961 to 29.5% (1981), further down to 16.8% (2001) and 12.2% during 2016.

5 The tea plantations in Assam follow a general policy of worker management, by which, temporary workers are made permanent only if there is a vacancy caused by retirement of a permanent worker or death of a permanent worker. This being the case, there are many instances of temporary workers remaining temporary for 10 years, 20 years and even retiring as temporary workers (Viswanathan, 2018).

6 http://www.fao.org/3/a-i4480e.pdf

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