

CHAPTER II

**SIGNIFICANCE, OBJECTIVES, SCOPE, AND METHOD OF
APPROACH OF THE STUDY****2.1 Significance of the Study**

The International Labour Organisation firmly believes that plantation workers continue to be amongst the poorest in the world.¹ If it is true, it only reflects the tardy implementation of the Conventions and Resolutions of the International Labour Organisation on Plantation workers by member countries. It also marks the failure of the Governments, Planters and workers in their united action at improving the living standards of the plantation workers. As levels of living are a function of real wages, a study on the wage structure of the workers in plantations is important.

Plantations being labour intensive, wage costs are important for the planters. So a study on the structure of wages is necessary to assess the present and future prospects of plantation industries. The components of the wage structure, methods of wage payment, principles or criteria for wage fixation and the changes in the wage levels are very important for a detailed study.

¹International Labour Organisation, Plantation Workers, Geneva, 1966), p.7.

In Kanyakumari District, in the absence of enough employment opportunities, next to agriculture, rubber plantations are the largest single employer providing regular employment. Plantation workers of the District are today, one of the best organised sections of rural workers in India. Hence a study is necessary in the context of the gradual increase of employment opportunities in rubber plantations. An analysis of the wage structure is highly necessary to find out and assess the conditions of workers in the rubber plantations. A study is necessary to assess the future prospects of the rubber plantations in the District.

The Rubber Plantations of both private and public sectors in the District have been facing frequent labour strikes on the questions of wage rates, dearness allowance and annual bonus. During the last two decades, the rubber plantations have faced five major strikes, the latest being the one which lasted for 131 days from October 1983 to February 1984. The process of collective bargaining which functioned from 1968 faced the danger of replacement because the wage issues connected with the latest strike have been referred to the Industrial Tribunal for adjudication. Hence the present study is very much relevant as one of the burning issues relating to the District.

Moreover, wage studies are very few in India. Even the available studies are related to industries like the Cotton textiles, Cement, Iron and Steel, Coal mines and other Engineering industries. There is not a single study about the wage structure of any of the plantation industries. Hence it can be safely concluded that this study is the first of its kind, especially about the workers in the rubber plantations. It is also the first study about a labour problem of Kanyakumari District.

2.1.1 Review of Earlier Studies

A review of the studies undertaken in the plantations shows that there is no study exclusively on the wage structure of plantation workers, leave alone rubber plantation workers.

The studies undertaken by the International Labour Organisation (I.L.O.) on plantation labour are only surveys of labour conditions. The studies of the International Labour Organisation, namely, Basic Problems of Plantation Labour (1950), Conditions of Employment of Plantation Workers (1957), Extension of Social Security to Plantation Workers (1958), and Plantation Workers (1966) have dealt with the living and working conditions of the plantation workers in Asian and African countries.

Similarly, the publications of the Government of India prior to Independence like the Report of the Royal Commission on Labour in India (1931), Report on an Enquiry into conditions of Labour in Plantations in India (1946), and the Report of the Labour Investigation Committee (1946) have dealt in detail with the living and working conditions of the plantation workers in India together with the wage rates prevailed during the period of the survey of the reports.

The post-Independence publications of the Labour Bureau of the Government of India like, Plantation Workers in South India (1948), Report of the Plantation Enquiry Commission (1958) have also reported on the conditions of employment and living standards of the workers in the plantations. The Report of the Study Group on Plantations appointed by the National Commission on Labour (1969) had also dealt with the socio-economic conditions of the plantation workers.² The three Occupational Wage Surveys conducted by the Government of India during 1958-59, 1963-65 and 1974-75 have only reported the wage rates prevailed during the periods of those surveys.

²National Commission on Labour, Report of the Study Group on Plantations (Coffee/Rubber), 1969.

The same is the case with the publications of the United Planters' Association of Southern India and those of the Rubber Board. Hence it can be concluded that this study is the first of its kind.

2.2 Objectives of the Study

The Objectives of this study are as follows:

- 1) To find out the changes in the real wages of the workers in the rubber plantations in Kanyakumari District in comparison with the money wage increases.
- 2) As important wage institutions like 'minimum wage fixation', 'wage board award' and 'collective bargaining' have influenced the wage structure of the workers in the rubber plantations, another objective of the study is a comparative analysis of the impact of the wage institutions on the wage structure.
- 3) To analyse the various procedures and principles adopted in the fixation of wage rates and the resultant changes in the wage structure.

Hypothesis

Considering the importance of the wage structure, the following hypothesis is framed in this study for testing.

"The Wage Structure in the Rubber Plantations is yet to be rationalised and the Workers are yet to receive the need-based minimum wage".

2.3 Scope of the Study

Kanyakumari District has different types of plantations like Rubber, Tea, Cloves and Cardamom. However, the most significant product is Rubber. Tea is limited to only 327.19 hectares and there are only 5 tea plantations with a labour force of 128.³ Even here, some of the tea plantations are switching over to Rubber. The reason for such a change is the fact that Kanyakumari District is not conducive for tea plantations like the other districts of Tamilnadu, namely, Coimbatore and Nilgiris due to climatic conditions.

Clove plantations need very careful tending and are gradually coming up. But they are yet to prove to be a powerful segment among the plantation crops. Similar is the position with Cardamom. So due to the small areas involved for tea, cloves, and cardamom and the limited number of workers, these plantations are out of the purview of our study.

Rubber plantations are a very significant segment of the plantation industry, covering an area of 12000 hectares

³Inspector of Plantations, Annual Report for the year 1980-81, p.17.

and 5000 workers.⁴ It is our intention to make a careful study of the wage structure, particularly in terms of the wage changes and the steps taken over the years. The focus is limited purely with the changes in the wage structure and no conceptualisation is involved.

The study covers rubber plantations of both private and government sectors which are under the purview of the Plantations Labour Act⁵ as well as the Plantation Labour Rules of the State Government,⁶ because they alone are statutorily bound to give effect to the wage revisions and increases in dearness allowance in addition to some fringe benefits. The large number of small holdings which are out of the purview of the Act and Rules continue to pay lower and varying rates of wages. There is also no influence of the wage institutions in these small holdings. Hence they are excluded from the present study.

⁴Appendix-I gives the details of the private rubber estates which are under the purview of the Act with details like name of the estate, area in hectares and number of workers. Appendix-II gives similar details about Government Rubber Plantations.

⁵Government of India, The Plantations Labour Act, 1951, 1950, p.1.

The Act applies to any land used for growing tea, coffee, rubber or cinchona which admeasures 10.117 hectares or more and in which 30 or more persons are employed.

⁶Government of Tamilnadu, The Tamilnadu Plantation Labour Rules 1955, 1972, pp.3-30.

The coverage of the study is restricted to the wage structure of those workers who are directly responsible for the upkeep of the rubber plantations and the production of rubber, namely, Field Workers, Tappers and Factory Workers. As some of the rubber plantations in Kanyakumari District have employed adolescents and children, the study is confined to the wage structure of the adult male and female workers. Thus the study excludes the wage particulars of adolescents, children, office staff, watch and ward, medical and welfare personnel as well as other categories of the workers.

The study covers a period of 32 years, from 1952 - the year in which minimum wages were fixed - to 1983 - the year upto which collective bargaining operated. Further changes in the wage rates are yet to take place since the whole issue of wage fixation has been referred to the Industrial Tribunal for adjudication.

2.4 Method of Approach

The method of approach followed in this study is as follows:

2.4.1 Collection of Statistics

For the study of the wage structure in the rubber

plantations details of wage rates paid to different categories of the workers were collected for the entire period of the study, namely, 32 years from 1952 to 1983.⁷

The particulars relating to minimum wage fixation were collected from the Report of the Minimum Wages Committee and the Government Notification on Minimum Wages for the Plantations of the then Travancore-Cochin Government. Details of the wage revision after Minimum Wage Fixation were collected from the records of the Assistant Commissioner of Labour, Nagercoil. These wage particulars cover the period from 1952 to 1960.

The details pertaining to the wage fixation under the Wage Board were available from the Report of the Central Wage Board for the Rubber Plantation Industry. Wage rates revised after the Wage Board Award were collected from the Notification on wage revision issued by the Government of India and also from the Notification of the Kerala Government on the revision of the classification of rubber estates for the payment of piece rates to the tappers.

⁷ Appendix IV gives, particulars of money wage rates paid to different categories of workers. Appendices V, VI and VII give particulars regarding incentive rates paid to the Tappers.

These wage particulars are for the period from 1961 to 1968.

Details of wage revisions from 1969 to 1983 were available from the Wage Settlements concluded between the workers and the Planters of the District.

The money wage rates of the workers, inclusive of dearness allowance were calculated for 32 years from 1952 to 1983. The wage rates paid in each year was calculated for the month of December. Since the last wage revision was under the settlement of 1982, wage particulars were calculated and analysed till 1983. Further wage revision did not take place since issues of wage fixation have been referred to the Industrial Tribunal.

As dearness allowance is being paid to the workers on the basis of the changes in the Working Class Cost of Living Index Numbers of the Nagercoil Centre (1939=100), these index numbers were also collected for the period of the study, 32 years.⁸ The changes in the cost of living index was collected to compare the same with the rate of

⁸Appendix III gives the details.

wages paid and to calculate the real wages paid to the workers. The index numbers relating to the period from 1952 to 1955 were collected from the Bureau of Economics and Statistics, Government of Kerala and for the period from 1956 to 1983 from the Department of Statistics, Government of Tamilnadu.

For the analysis of the growth aspects of the rubber plantations in Kanyakumari District, Kerala and India, namely, the area under rubber, tappable area, production of rubber, yield per hectare and the prices of rubber in India and at London, New York and Malaysia,⁹ relevant statistics were collected from the publications of the Rubber Board - Indian Rubber Statistics and Rubber Statistical News.

2.4.2 Comparison of Real and Money Wages

With the help of the cost of living index numbers, the money wage rates for each and every category of the workers were deflated to find out the real wages. This was done for all the years from 1952 to 1983. Then the changes in the real wages were compared with the changes in the money wages.

⁹ Appendices VIII to XV.

As the wage structure was influenced by three wage institutions - minimum wage fixation, wage board award and collective bargaining - the money and real wage changes were also analysed by dividing them for the three periods of wage institutions.

2.4.3 Analysis of Real Wages

For analysing the changes in the real wages, trend and compound growth rate estimates of the real wages of all categories of the workers were worked out. To fit time series trend and to estimate compound growth rate of the real wages of different categories of the workers, a linear regression model, $y = a + bx$ and a log linear regression model $y = a + bx$ were used, where

y = real wage

x = time period, and

a and b are parameters to be estimated.

With the help of the above regression models, the trend and compound growth rate estimates for the various growth aspects of the rubber plantation industry in Kanyakumari district and for the country as a whole were also worked out. These estimates were compared with the estimates of the trend and compound growth rates of the real wages.

So the trend and compound growth rate estimates of the wage structure of the workers as well as the growth aspects of the rubber plantations were compared for the entire period of wage fixation, namely, from 1952 to 1983 as well as for the periods of wage institutions, namely, minimum wage fixation (1952-1960), wage board award (1961-1968), and collective bargaining (1969-1983).

With the help of these comparisons, the wage fixation and its impact on the real wages of the workers and the progress of the industry were analysed to find out the real position.

Plan of Chapters

Following the Introductory Chapter and this Chapter, the next Chapter gives an insight into the nature of work, categories of workers and the methods of wage fixation in the rubber plantations.

The Fourth Chapter deals with minimum wage fixation in the rubber plantations and the resultant effect of it on the wage rates of the workers. The changes in the real wages of the workers and the progress of the rubber plantations in the District during the period of minimum wages have been analysed. Chapter Five explains the wage fixation by the Rubber Wage

Board and its implications on the real wage of the workers. The Progress of the industry during the period of the wage board award is also analysed.

The Sixth Chapter is about the wage settlements effected under collective negotiations and their effect on the wage structure of the workers in the rubber plantations. The changes in the real wages as well as the progress of the industry during collective bargaining are analysed. Chapter Seven is an analysis of the real wage of the worker in terms of the influence of all the wage institutions, namely, minimum wages, wage board award and collective bargaining. The progress of the industry for the entire period is also analysed.

Chapter Eight gives the summary, conclusions and the hypothesis tested in this thesis.