

FAIRTRADE CERTIFIED TEA IN THE HIRED LABOUR SECTOR IN INDIA AND SRI LANKA: IMPACT STUDY AND BASELINE DATA COLLECTION

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TABLE OF CONTENTS

Fairtrade certified Tea in the Hired Labour Sector in India and Sri Lanka: Impact Study and Baseline Data Collection	1
Abbreviations.....	6
Exchange rates	7
1. Introduction.....	8
1.1 Does Fairtrade make a difference to tea workers’ poverty and precarity?.....	8
1.2 Research objectives and questions	9
1.3 Structure of the report.....	9
2. Research methodology	11
2.1 Research ethics.....	11
2.2 Mixed methods approach.....	11
2.3 Techniques for data generation.....	11
2.4 Sampling design.....	12
2.4.1 Identification of participating estates	12
2.4.2 Sampling of survey respondents	14
2.4.3 Selection of participants in qualitative interviews	14
2.5 Data analysis	16
2.6 Research challenges, limitations and scope.....	16
3. Literature review	17
3.1 Introduction.....	17
3.2 Structure of the tea value chain	17
3.3 The workforce on tea plantations.....	23
3.4 Industrial relations and institutions in the tea sector.....	25
3.5 Wages and income.....	29
3.5.1 Wage determination	29
3.5.2 Wage structure.....	31
3.5.3 Tea plantation workers’ earnings	31
3.6 The role of fair trade	33
3.6.1 Scope of Fairtrade tea production.....	33
3.6.2 The role of fair trade for workers’ wages and income.....	35
3.6.3 Attaining gender equality and women’s empowerment?.....	37
3.6.4 Empowering workers through organization?.....	37
4. Fairtrade and its impact on the working and living conditions of tea plantation workers in south India	40
4.1 Introduction.....	40

4.2. Socio-economic profile of survey respondents	40
4.3 Industrial relations, collective bargaining and grievance redressal	41
4.3.1 Workers' collective agency	41
4.3.2 Workers' 'enabling' rights and the role of the unions.....	44
4.4 Tea workers' earnings, household income and expenditure.....	46
4.4.1 Tea plantation workers' daily wages and working hours	46
4.4.2 Incentive wages for tea leaf plucking.....	48
4.4.3 Bonus and attendance allowance.....	49
4.4.4 Tea workers' earnings and expenditure.....	50
4.5 Guarantee of core labour rights and wider working conditions.....	53
4.5.1 Guarantee of core labour rights	53
4.5.2 Occupational safety and health.....	54
4.5.3 Tea plantation workers' leave and social security.....	55
4.6 The role of Fairtrade on south Indian tea plantations	56
4.6.1 Workers' perception of Fairtrade.....	57
4.6.2 Uses of the Fairtrade Premium	58
4.6.3 The role of the Fairtrade Premium Committee.....	61
4.6.3 Workers' overall assessment of Fairtrade	62
5. Fairtrade and its impact on the working and living conditions of tea plantation workers in Assam.....	64
5.1. Introduction.....	64
5.2. Socio-economic profile of participants in the worker survey	64
5.3 Workers' collective agency and industrial relations.....	67
5.3.1. Collective agency of tea workers in Assam	67
5.3.2 Workers' collective rights and the role of the trade union.....	68
5.4 Tea plantation workers' earnings and expenditure.....	69
5.4.1 Workers' wages.....	69
5.4.2 Incentive wages for tea leaf plucking.....	70
5.4.3 Bonus and attendance allowance.....	70
5.4.4 Tea workers' earnings and expenditure.....	72
5.5 Core labour rights and wider working conditions	74
5.5.1 Workers' priorities.....	74
5.5.2 Occupational safety and health.....	75
5.5.3 Tea plantation workers' leave and social security.....	76
5.6 The role of Fairtrade in tea plantations in Assam.....	77
5.6.1 Workers' perception of Fairtrade.....	77
5.6.2 Uses of the Fairtrade Premium	78
5.6.3 The role of the Fairtrade Premium Committee.....	81
5.6.4 Overall assessment of Fairtrade's role.....	83

6. Fairtrade and its impact on the working and living conditions of tea plantation workers in Sri Lanka	86
6.1 Recent history of the Sri Lankan tea sector	86
6.2 Workers’ industrial relations and collective agency.....	87
6.2.1 Workers’ collective rights	87
6.2.2 The role of trade unions and collective action.....	88
6.2.3 Other collective action and grievance redressal mechanisms	90
6.3 Wages and income.....	92
6.3.1 Tea plantation workers’ earnings	92
6.3.2 Towards living wages?.....	93
6.4 Working conditions.....	97
6.4.1 Guarantee of other core labour rights	97
6.4.2 Occupational safety and health.....	99
6.4.3 Leave and social security	100
6.5 The role of Fairtrade on Sri Lankan tea plantations.....	103
6.5.1 Workers’ perceptions of Fairtrade	103
6.5.2 Uses of the Fairtrade Premium	104
6.5.3 The Fairtrade Premium Committee	106
6.5.4 Workers’ overall assessment of Fairtrade	108
7. Discussion: study findings and Fairtrade’s Theory of Change	111
7.1 Fairtrade’s Theory of Change	111
7.2 Tea plantation workers’ labour conditions and collective agency in the light of Fairtrade’s Theory of Change	112
7.2.1 Impact on tea estate wages.....	113
7.2.2 Impact on tea estates’ working conditions.....	114
7.2.3 Tea workers’ collective labour rights and grievance redressal	115
7.2.4 Impact on social development in tea workers’ communities.....	117
7.3 Workers’ own goals and Fairtrade’s Hired Labour Strategy.....	118
8. Outlook: Towards broader and deeper impact of Fairtrade certification on tea workers	120
8.1 Addressing workers’ underrepresentation in the Fairtrade system.....	120
8.2 Strengthening tea plantation workers’ associational power.....	120
8.3 Forging coalitions for a living wage in the tea chain.....	121
List of references	124
Appendices	136
Appendix A1: Guidelines for FGDs.....	136
Appendix A2: Reviewed studies on the impact of fair trade on tea workers in India and Sri Lanka	138

ABBREVIATIONS

ACMS	Assam Cha Mazdoor Sangha
AITUC	All India Trade Union Congress
CBA	Collective bargaining agreement
CFL	Compact fluorescent lamp
CIS	Commonwealth of Independent States
CITU	Centre of Indian Trade Unions
CPI	Communist Party of India
CTC	Cut, tear and curl
CWC	Ceylon Workers' Congress
DMK	Dravida Munnetra Kazagham
EFC	Employers' Federation of Ceylon
EPF	Employee Provident Fund
ETF	Employee Trust Fund
ETP	Ethical Tea Partnership
FGD	Focus group discussion
FPC	Fairtrade Premium Committee
GVC	Global value chain
ha	Hectare
i.e.	That is
INR	Indian Rupee
INTUC	Indian National Trade Union Congress
ISD	Institute of Social Development
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
kg	kilogramme
LFPR	Labour force participation rate
LKR	Sri Lankan Rupee
MGNREG	Mahatma Gandhi National Rural Employment Guarantee
MT	Metric tonne
N	Number
NAPP	Network of Asia and Pacific Producers
NGO	Non-governmental organization
NPA	Nilgiri Planters' Association

OBC	Other backward class
OSH	Occupational safety and health
PPE	Personal protective equipment
PHDT	Plantation Housing Development Trust
PHSWT	Plantations' Housing Social Welfare Trust
PLA	Plantation Labour Act
PLC	Plantation Labour Committee
RFWM	Red Flag Women's Movement
UPASI	United Planters' Association of South India
viz.	Namely

EXCHANGE RATES

During the time of the field research, €1.00 equalled LKR 152.08 and INR 71.22.

1. INTRODUCTION¹

1.1 DOES FAIRTRADE MAKE A DIFFERENCE TO TEA WORKERS' POVERTY AND PRECARITY?

While providing paid employment for millions of people worldwide, working in the tea value chain has also been associated with poverty and some of the severest labour conditions. Over 13 million workers are employed in tea cultivation in the four main producer countries – China, India, Kenya and Sri Lanka – alone. Of these, around four million are waged workers (Braga et al. 2010: 12). In India, the tea sector is the country's largest formal private sector in terms of employment, yet Indian tea estate² workers' wages are the lowest among the formal labour force and their living conditions are often appalling (Bhowmik 2015: 29). In Sri Lanka, poverty among tea plantation workers has been significantly higher than in other sectors (Romeshun and Fernando 2015), including ethnic and gender-based discrimination (Jayawardena and Kurian 2015). Paradoxically, while the post-Independence period in south Asia³ witnessed more harmonized and protective labour legislation, trade unionism and collective bargaining, generations of tea workers have been kept in systematic poverty (Gothoshkar 2012: 34).

The skewed structure of the tea value chain has been a key factor causing tea workers' poverty (Selvaraj and Gopalakrishnan 2016: 111-3). The strong vertical integration in the tea supply chain that will be outlined in Chapter 3 has enabled the dominant buyers and retailers of tea to capture a significant proportion of value in the chain (Lalitha et al. 2013: viii). Hierarchical capital-labour relations on south Asian plantations that are rooted in colonial patterns of labour control have historically allowed price-taking estates to pass on the pressure on profit margins to workers. The dramatic fall of producer prices after the mid-1980s has had an aggravating effect on the working conditions and livelihoods of plantation workers (Blowfield and Dolan 2010: 147-8, Van der Wal 2008: 12, Figure 3.6). Under these circumstances, the workers, the majority of whom are women involved in the labour-intensive task of tea plucking, have been exposed to the insecurities associated with falling profit margins for producers, increasing costs of living, often inadequate facilities for education, health, housing and other means of livelihood, as well as the relatively low status associated with their work. In 2015, tea workers' poverty and precarity caused upheaval in the industry after women tea pluckers on a plantation in the South Indian state of Kerala went on strike to demand a doubling of their wages (Bhowmik 2015, Rammohan et al. 2015) and media images of 'The Real Cost of a Cuppa' for tea workers in the northeast Indian state of Assam shocked Northern tea consumers (BBC 2015).

During the past three decades, non-governmental systems of labour regulation, such as fair trade certification of tea producers, have aimed to contribute to moves from working poverty to decent work. Seeking "to foster egalitarian exchange relations and improve social and environmental conditions in the Global South" (Raynolds 2014: 499), fair trade is set up as a third-party certification system, mainly in the agro-food sector, with Fairtrade International as the largest umbrella organization⁴. While most certification and labelling schemes limit the scope of responsibility to the conditions of production, fair trade encompasses the socio-economic relations of trade along the value chain (Dolan 2008: 308). In contrast to other forms of non-governmental regulation where the producer price is not normally addressed, fair trade emphasises a commitment to a fair price for producers (Blowfield 2003: 16). This

¹ This chapter draws on Siegmann (2016) and Siegmann et al. (2015).

² In the context of this report, we use the terms 'plantation' and 'estate' interchangeably. The ILO Plantations Convention, 1958 (No. 110) defines 'plantation' as including any agricultural undertaking regularly employing hired workers situated in the tropical or subtropical regions and mainly concerned with commercial cultivation or production. The Indian Plantation Labour Act 1951 specifies that the term applies to any land used or intended to be used for growing tea, coffee, rubber, cinchona or cardamom which measures 5 ha or more and on which 15 or more persons are employed or were employed on any day of the preceding 12 months. In Sri Lanka, 'estates' cover 20 or more acres in land and 10 or more resident labourers (CEPA 2005: 2).

³ In the context of this report, the terms 'South Asia' and 'South Asian' refer to India and Sri Lanka. This is despite the fact that tea is being produced in other countries of the region, including Fairtrade certified production in Bangladesh and Nepal (Fairtrade International 2018: 87).

⁴ Following Raynolds (2017: 15), we refer to 'fair trade' as multiple initiatives pursuing a common vision, while 'Fairtrade' refers to the certification system governed by Fairtrade International.

is especially relevant in the context of deteriorating terms of trade for tropical commodities such as tea. Fairtrade aims to ensure that trading practices ensure fair prices for producers while empowering producers and workers and fostering sustainable livelihoods (Fairtrade International 2016c: 8).

While originally designed to improve the position of peasant farmers, Fairtrade certification was extended to tea plantations in 1994 with the argument “[...] that if the goal was to benefit “disadvantaged producers”, then landless laborers, who are often poorer than farmers, should be included” (Raynolds 2014: 502)⁵. In 2012, Fairtrade International announced a new workers’ rights strategy that aims to empower workers to negotiate improvements in their wages, terms of work and overall livelihoods themselves. Its basic principles are a commitment to freedom of association, to a living wage and the Fairtrade Premium, as well as the Fairtrade Premium Committee (FPC) of workers and management representatives as the group that manages and decides how to spend the Fairtrade Premium on a particular estate (Fairtrade International 2012: 2-3). The strategy was operationalized through a new ‘Fairtrade Standard for Hired Labour’ that has been implemented since December 2015 (Fairtrade International 2014a).

1.2 RESEARCH OBJECTIVES AND QUESTIONS

Commissioned by Fairtrade International, this study investigates whether Fairtrade certification has made a difference in the lives of workers on tea plantations in two major tea-producing countries, namely India and Sri Lanka. The geographical focus of our study is motivated by the fact that India and Sri Lanka are the two countries with the highest numbers of Fairtrade certified tea plantations and hired tea workers⁶ (Fairtrade International 2018: 87). While we acknowledge that the implementation of the new ‘Fairtrade Standard for Hired Labour’ is probably too recent to show in our results, specifically, we ask the following two questions:

1. How have labour conditions and collective agency of workers in Fairtrade certified plantations developed over time in comparison to non-certified plantations, and what has the role of Fairtrade certification been in this process?
2. In which ways can Fairtrade promote its impact in tea producer organizations, especially focusing on hired labour organizations?

⁵ Fairtrade International denotes tea estates with hired labour organizations in the tea sector. These and related terms are used interchangeably in this report.

⁶ Fairtrade International uses the term ‘hired worker’ as synonymous with ‘waged employee’ (Fairtrade International 2014a: 6). In the following, the terms ‘hired worker’, ‘wageworker’ and related terms are used interchangeably.

1.3 STRUCTURE OF THE REPORT

This report is organized as follows: The following chapter introduces the methodology of our study. It includes an outline of how we put our commitment to research ethics into practice, a description of the study's mixed methods approach to data generation and analysis as well as our sampling design. Moreover, it reflects on the scope, challenges and limitations of our research. In Chapter 3, we provide an overview of the structure of the global tea value chain, focusing on how it touches India and Sri Lanka. In addition, serving as a backdrop for our empirical analysis, we provide a concise, up-to-date review of working conditions and collective agency on tea estates in India and Sri Lanka, including the role of fair trade certification therein. Chapters 4 to 6 detail the results of our case studies for south and northeast India as well as for Sri Lanka. These findings are discussed in the light of Fairtrade's Theory of Change in Chapter 7. Based on these findings, in Chapter 8, we conclude with suggestions for ways in which Fairtrade can promote a broader and deeper impact on tea plantation workers' empowerment, labour conditions and overall livelihoods.

2. RESEARCH METHODOLOGY

2.1 RESEARCH ETHICS

All stages of our research were guided by a commitment to high standards of research ethics. In particular, they included informed consent, confidentiality and the principle of minimizing possible harm to research participants.

Research participation was on the basis of informed consent. This refers to respondents' voluntary and informed participation in the study, including the possibility to withdraw from participation. Before the start of the field research, estate management and – sometimes –

worker representatives were informed about the background, purpose and details of the study. On four Fairtrade certified⁷ estates and one non-certified estate in Sri Lanka and south India, this involved introductory meetings as part of a scoping visit that took place in March 2016. The plantation management, in turn, informed other (potentially) participating tea workers. In addition, at the beginning of both qualitative and structured interviews, the commitment to and meaning of informed consent were repeated by the research team. Participants were informed about the objectives and questions of the research. The research team was introduced, including their contact details for any questions and concerns that participants might have.

Confidentiality involved the anonymization of all information that would otherwise enable users of the research outputs to identify individual participants, participating organizations or research locations. The research team assured this orally in the way described above to all research participants. Moreover, it was expressed in written form in a confidentiality protocol that was provided to and signed by management representatives of the participating estates.

Last but not least, in all stages, our research has been guided by an effort to minimize possible harm to research participants. This included sensitizing the research team to Fairtrade International's Child Protection Policy (Fairtrade International 2014b) through a brief training before the field research. In this context, it is important to highlight that, as a result of our sampling design described in Section 2.4 below, our research involved adult workers only. In addition, as this study was not an audit, formal field inspections, and interviews with young people were not included in the research. This implies that the complete cessation of child labour was not verified conclusively, this being beyond the scope of the research.

2.2 MIXED METHODS APPROACH

In order to answer our research questions, we adopted a mixed methods approach to primary research, integrating quantitative and qualitative methods for data generation and analysis. Mixed methods research draws from the strengths of qualitative and quantitative research, while minimizing the weaknesses of both (Johnson and Onwuegbuzie 2004: 14-15).

Mixed methods approaches have been applied fruitfully in various fair trade impact evaluations. For instance, Cramer et al. (2017, 2014) and Zander et al. (2013) highlight how different research techniques proved complementary and increased the analytical depth in studies on Fairtrade, employment and poverty reduction in Ethiopia and Uganda and on ethical consumerism in five European countries, respectively. Bacon et al. (2014) developed hypotheses and questionnaire items for their research on coffee cooperatives in Nicaragua based on qualitative methods. In addition, their mixed methods design allowed for data triangulation and crosschecks, enhancing the validity of their findings. Francesconi and Ruben (2014) emphasize the value of qualitative methods to control for selection bias in their survey data on Fairtrade certification in Tanzania.

⁷ In the following, 'certified' refers to certification by Fairtrade International. For other forms of social and environmental certification, the certifying organizations will be specified.

2.3 TECHNIQUES FOR DATA GENERATION

Our primary research relied on qualitative interviews in the form of focus group discussions (FGDs) and semi-structured key informant interviews as well as a worker survey. Unless other sources are provided, the data summarized in tables and graphs and referred to in the body text in subsequent sections are based on the primary data generated during the period of July to September 2016.

Gender-segmented FGDs were conducted at each selected estate. FGDs have been shown to generate rich data in a relatively short period of time. The interaction among participants is often experienced as empowering and seen as reducing power imbalances between researcher and research participants. FGDs have therefore been employed to amplify the voice of marginalized groups, such as women and ethnic minorities (Madriz 2000, Morgan 1996: 133). We assumed that 'before-after' certification comparison within groups and 'with-without' comparison between certified and non-certified groups would generate rich data about the impacts of Fairtrade certification. 'Before-after' certification comparison involved research participants being asked to describe changes, e.g. in working conditions, since the first year of Fairtrade certification. Semi-structured interviews with relevant key informants (e.g. representatives of workers, management and the FPC) complemented the qualitative information generated through FGDs.

With differing emphasis, depending on the type of respondent, the qualitative interviews addressed:

- wages and working conditions
- possibilities for workers' initiative to improve their working and living conditions
- the estate's economic situation
- the institutional, legal and policy environment of the estate, as well as
- the role of Fairtrade certification on the estate (for certified estates)

(see guidelines for FGDs with female and male workers in Appendix A1).

In parallel, a worker survey was conducted at each selected estate, generating information about indicators related to Fairtrade's Theory of Change before and after certification. The survey covered questions related to:

- tea plantation workers' work history
- earnings and benefits
- workers' rights and their guarantee
- workers' individual and collective avenues for improvement of their working conditions
- awareness about Fairtrade (for certified estates)
- the level of cooperation in workers' communities, alongside
- socio-economic background information about workers and their households.

Guidelines for the qualitative interviews and the questionnaire for the worker survey were developed on the basis of a literature review (Siegmann et al. 2015). They were fine-tuned in coordination with the Fairtrade Network of Asia and Pacific Producers (NAPP) and Fairtrade International.

The main techniques for data generation described above were enriched with information derived from observation during the scoping visits and field research.

2.4 SAMPLING DESIGN

We applied two-stage sampling separately for Sri Lanka, south and northeast India. Especially for the worker survey, the objective of this approach was to ensure representativeness at the country/regional level.

2.4.1 Identification of participating estates

We identified Fairtrade certified estates for inclusion in our study on the basis of a list of certified plantations (dated September 2015) provided by Fairtrade International. Small producer organizations

as well as entries without sufficient information or zero sales were removed from the list⁸. This led to the identification of eligible plantation companies. Based on Fairtrade International's hypothesis that impact on workers directly correlates with Fairtrade sales made (Fairtrade International and NAPP 2015), we stratified the resulting sampling frame by high, medium and low share of certified sales⁹. This allowed us to capture some of the diversity in terms of the strength of affiliation with Fairtrade International. Through stratified random sampling, we selected three certified estates each for Sri Lanka, south India and Assam. The certification of one of the selected estates in Assam was withdrawn in 2016. For that reason, the number of certified estates in the northeast Indian region dropped to two.

On the basis of the results of key informant interviews, we made an effort to pair each selected certified plantation with a non-certified estate with otherwise comparable characteristics. Non-certified estates belonging to the same plantation company were excluded¹⁰. This was based on the possibility of a reverse causality between social compliance and certification expressed in earlier studies (e.g. Besky 2008, Moore 2010, Reed 2009: 14). Rather than Fairtrade certification improving the estate's social compliance, comparatively well-managed estates might self-select into certification in a so-called 'Matthew-effect' (Merton 1968, in Tampe 2018: 45). Difficulties convincing especially non-certified estates to participate in the study resulted in fewer non-certified than certified estates. Data generated on the identified non-certified plantations constitute our counter-factual. Here, too, it is likely that estates with comparatively better governance, including labour governance, agreed to participate in our research (see Section 2.5).

Table 2.1 summarises the number of the resulting participating estates by location, Fairtrade certification and share of certified sales.

⁸ For north India, estates from Darjeeling, Dooars and Tripura were deleted from the list as, here, Fairtrade International's regional focus was on Assam. In the following, we refer to 'Assam' and 'northeast India' interchangeably.

⁹ The cut-off points for the distribution of ranges were defined as follows: 'low share of sales' = below 5 percent, 'medium' = 5-10 percent, 'high' = above 10 percent.

¹⁰ In Assam, due to difficulties convincing a non-certified company to participate in the study, we included a non-certified estate run by the same plantation company as one of the two certified estates.

Table 2.1: Summary participating estates

	South India	Northeast India	Sri Lanka
Number of certified estates	3	2	3
Of which:	2	1	1
high share of certified sales			
medium	1	0	1
low	0	1	1
Number of non-certified estates	2	1	1

2.4.2 Sampling of survey respondents

For the worker survey, and also the tea workers' qualitative interviews, the research population consisted of permanent as well as temporary field and factory tea workers, including pluckers' field supervisors (*kanganis*). To enable us to conduct a 'before-after' certification comparison, as a minimum, eligible workers needed to be employed on the estate since the first year of Fairtrade certification. The same year – henceforth referred to as the 'reference year' – was used for the matched non-certified estate.

Based on a list of all eligible workers provided by the estate management, we selected workers for participation in the worker survey through simple random sampling. This procedure was based on the assumption that it would produce the most robust results in terms of statistical representativeness. To ensure a sufficient number of respondents, we aimed for a sampling ratio of a tenth of all eligible workers. This was implemented consistently in Sri Lanka. In India, the actual sampling ratio varied, e.g. due to large differences in the size of the participating estates' eligible workforce as well as varying response rates. The resulting percentage of workers interviewed on estates ranged from four to 100 percent of the eligible workforce.

2.4.3 Selection of participants in qualitative interviews

With one exception, we conducted two FGDs per estate. Given the persistence of gender-based inequalities on tea estates, they were segmented by workers' gender (Jayawardena and Kurian 2015, Siegmann 2016). This allowed for a more free-flowing interaction given the social contexts in which they operate where women, in particular, may not feel free to express themselves in the presence of men. Balasuriya et al. (2013) suggest that given the differences between divisions on an estate, it is necessary to capture the experiences of respondents from all divisions. This variation was captured through random sampling of FGD participants based on the list described in Section 2.4.2. In addition, we assumed this procedure reduced the possibility of management interference in the selection process. Usually, selected (potential) participants for both the FGDs and the worker survey were invited to the interviews by office staff, such as field supervisors, welfare or Fairtrade officers.

Key informant interviews included, at a minimum, a workers' representative (e.g. from a trade union) as well as a representative from the estate management (e.g. estate manager, human resources or Fairtrade officer). In several cases, these interviews were complemented by an FGD with FPC representatives. Additionally, in Sri Lanka, we conducted a number of key informant interviews with other stakeholders in the tea industry, such as the largest trade union, a non-governmental organization (NGO) that builds capacity in the tea sector and employers' associations.

Table 2.2: Summary research participants by estate

	Worker survey (N – % female respondents)	FGDs (N – female / male group)	Key informant interviews
South India			
Certified, high share certified sales 1	30 (57%)	11 / 4	FPC, M, W (female, male)
Certified, high share certified sales 2	26 (81%)	12 / 10	FPC, M, W
Certified, medium share certified sales	48 (75%)	12 / 8	FPC, M
Non-certified 1	20 (90%)	11 / 10	M, W
Non-certified 2	19 (58%)	7 / 8	M, W
Northeast India			
Certified, high share certified sales	41 (56%)	13 / 8	FPC, M, W
Certified, low share certified sales	34 (56%)	17 (7 / 10)*	FPC, M
Non-certified	41 (51%)	11 / 10	M (manager, welfare officer)
Sri Lanka			
Certified, high share certified sales	27 (63%)	9 / 11	FPC, M (manager, Fairtrade officer), W (union leaders, <i>kangani</i>)
Certified, medium share certified sales	59 (76%)	7 / 8	FPC, M (manager, former Fairtrade officer), W
Certified, low share certified sales	16 (75%)	8 / 8	FPC, M (CEO, manager, Fairtrade officer), W
Non-certified	31 (84%)	10 / 8	M (manager, Human Resources Development Committee), W (union leader, political candidate)
Other			CWC, ISD, EFC, PA

Notes: CWC= Ceylon Workers' Congress, EFC= Employers' Federation of Ceylon, FPC= Fairtrade Premium Committee, ISD= Institute of Social Development, M= estate management, PA= Planters' Association of Ceylon, W= worker representatives

*The FGD comprised both female and male workers.

2.5 DATA ANALYSIS

Recordings and notes from qualitative interviews were digitalised. The resulting transcripts and field notes were analyzed with support of software for qualitative data analysis. This process was guided by a code list derived from the research questions.

In Sri Lanka, the use of the survey software allowed for direct conversion of the data generated through the worker survey into spreadsheets. For Assam and south India, the data from the hardcopy questionnaires were digitalised and later merged with the survey data from Sri Lanka.

A mix of 'before-after' and 'with-without' comparisons guided the analysis of both qualitative and quantitative data. For that, the different data sources have been triangulated. Concretely, uni- and bi-variate statistics of relevant variables of the worker survey were compared and contrasted with related coded material from the qualitative interviews.

'Before-after' certification comparison per estate and 'with-without' comparison between certified and non-certified groups allowed us to identify causal channels driving impacts of Fairtrade certification. The situation in the reference period of the first year of certification ('before' or 'reference period') was contrasted with the current situation in 2016 ('after') for the 'before-after' comparison. Gender-disaggregated data of the worker survey and gender-segmented FGDs, in particular, have enabled us to consider and make visible how gender intersects with the impact of Fairtrade certification on tea plantation workers.

Our comparative approach is not without analytical drawbacks. On the one hand, when comparing patterns between Fairtrade certified and non-certified estates, an aggregate pattern in the 'reference period' may refer to different years for different estates. Disaggregation, however, implies that estates are easily identifiable, violating our commitment to confidentiality. Last but not least, in line with Haagsma et al. (2016: 30), we acknowledge that, in the context of multiple types of certifications that estates hold, it is difficult to attribute changes solely to one of them.

2.6 RESEARCH CHALLENGES, LIMITATIONS AND SCOPE

Given the recent media attention on working conditions in tea estates (e.g. BBC 2015) and managements' concerns about the time necessary to conduct the field research, access to estates, especially to the non-certified ones, was difficult. This led to a reduction in the number of non-certified estates in particular. Lalitha et al. (2013) report a similar hesitance on the part of selected estate managements to participate in their study. They relate this to estates' earlier cooperation with a research team, which had produced a report that was felt to be unbalanced (Lalitha et al. 2013: 19). In our case, Fairtrade International's introduction to the certified estates in both countries as well as the scoping visits that the team conducted in south India and Sri Lanka did help to build trust.

Defining the research population as being employed on the estate at least since the year of Fairtrade certification had drawbacks. In case of the estates that were certified long ago in particular, we were unlikely to select temporary workers. This made the comparison across contractual arrangements difficult. Our findings therefore underrepresent a part of the plantation workforce that seems to be growing both in India and Sri Lanka and that commonly experiences poorer conditions (see Chapter 3). We therefore assume that our findings are likely to paint a rosier picture than that which would have emerged from a sample including more casual workers.

Recall problems are a related concern and occurred when we inquired about the situation during the first year of Fairtrade certification or during the reference year in the case of non-certified estates. In

the worker survey, recall problems led to a high number of missing data points and poor data quality for the reference year. This severely limits the use of 'before-after' analysis.

The mediating role of the estate management in the organization of the research that was part of Fairtrade International's requirements for the study was a double-edged sword and needs to be considered in the interpretation of the data. Management support in informing and motivating workers to participate in the study was clearly helpful. For instance, when planning the study, we had anticipated a high drop-out rate of potential research participants. In practice, once the management had consented to cooperate with the research team, workers were easily accessible. In most cases, structured and qualitative interviews could be conducted during working hours.

However, the management's role probably also influenced the conversations of the research team with the workers who participated in the survey and in qualitative interviews. While, in our introductions to the research objectives and approach, we emphasised that participation was voluntary, due to the mediating role of the management, workers might have felt obliged to participate. Results might be biased for fear of repercussions from the estate management. In some cases, respondents directly expressed that they were briefed about the interviews with the research team, such as in this case of a female tea plucker on a certified estate: "*They told me not to say anything bad about Fairtrade, because we are getting benefits from Fairtrade.*" This risk is likely to be higher in cases where management or other staff representatives were present while interviews with tea workers were being conducted. Such situations resulted, for example, from negotiations with management over the time that the research team was allowed to spend with workers during the flush season. In order not to lose access to workers completely, the presence of management representatives was accepted. Conversations with workers in the absence of management representatives or staff, preferably outside the estate, would have improved the validity of the data.

The tea plucker's remark quoted above highlights another aspect to consider in the data analysis. Despite the team's continued emphasis on their independence from Fairtrade International, we were often perceived as Fairtrade auditors. Both on management's and workers' parts, this might have led to more emphasis being given to the positive effects of certification, especially through the Fairtrade Premium. This is because, as will be shown below, by and large, workers associate the role of Fairtrade with social development, rather than with their labour conditions.

Apart from these challenges for the data generation and interpretation, there are gaps in the data and data quality varies significantly. For instance, beyond the FGDs, in several cases, we did not manage to interview worker representatives (Table 2.2). This was especially the case during fieldwork in Assam. On some estates, management was concerned about the financial loss due to the time workers spent participating in our study. As a result of trying to address management's concerns, the number of interviews were fewer than planned, their duration shorter and their data quality poorer.

3. LITERATURE REVIEW

3.1 INTRODUCTION

The production of tea had represented a case of a global value chain (GVC) long before the term was coined. The concept denotes products' trajectories from conception and design, through production, retailing and final consumption (Mohan 2016: 53). In the context of GVCs, employment relations transcend national boundaries and direct contractual relations between workers and employers. Rather, they are influenced by a range of actors and institutions that structure and govern production relationships across space. In recent years, fair trade certification has become an increasingly important factor shaping the global tea value chain. This chapter first outlines salient features of the tea value chain in India and Sri Lanka (Section 3.2), subsequently zooming in on the plantation labour force (Section 3.3), industrial relations (Section 3.4), workers' wages and income (Section 3.5) as well as on the role of fair trade in south Asian tea plantations (Section 3.6).

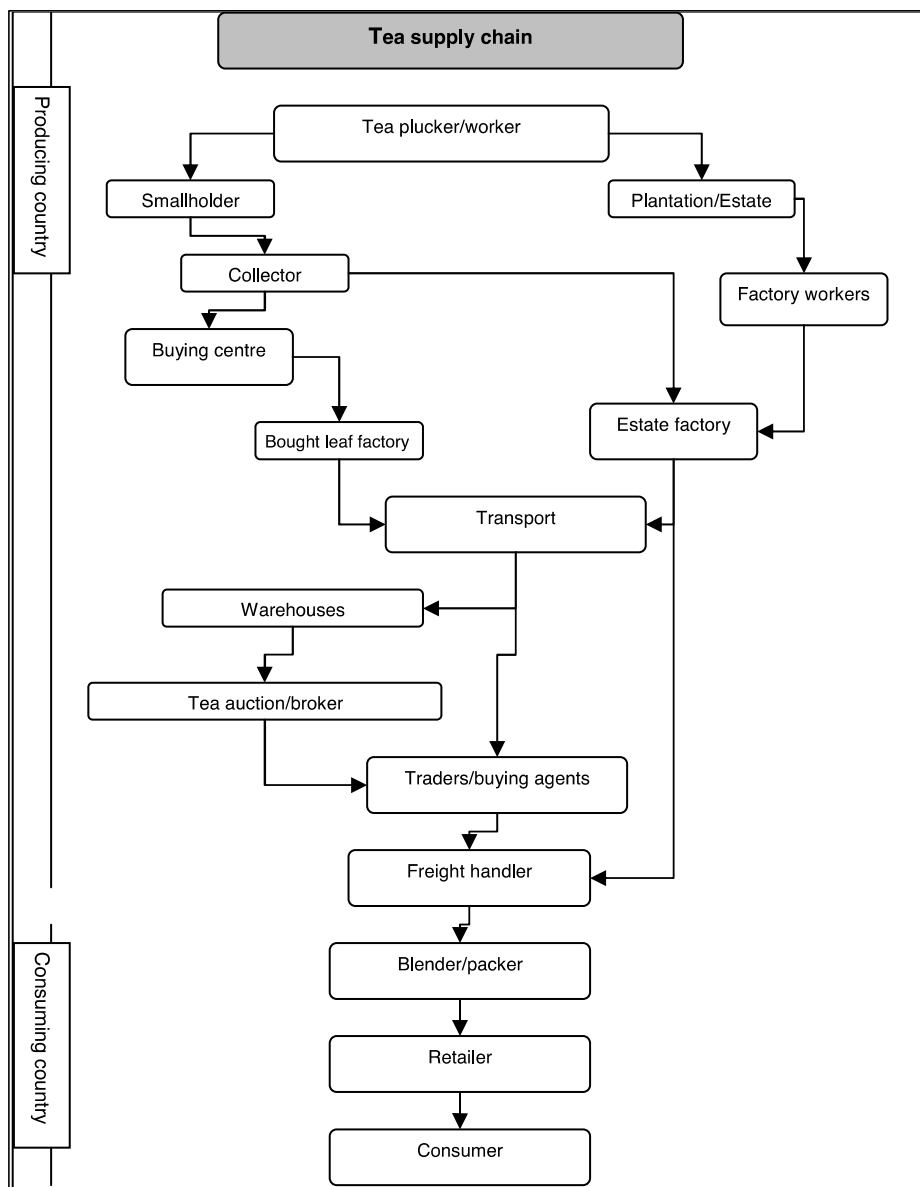
3.2 STRUCTURE OF THE TEA VALUE CHAIN¹¹

The tea chain has spanned across continents since colonialism. The growth of large-scale production of tea in Asia from the 19th century was linked to the expansion of manufacturing industry in western Europe, which gave rise to increased demand for cheap raw materials and consumption goods. The colonies were viewed as important sources for these products, and the British government, aware of the lucrateness of plantation production in its colonies in the West Indies, stimulated the development of large-scale tea production in India and Sri Lanka in the early 19th century (Bhowmik 2011, Kurian 1989).

According to Mohan (2016: 55), the present-day tea value chain has an 'hourglass shape', with a large number of upstream farmers and workers, a few processors and traders in the middle, and many retailers and consumers. The domination of international trade in conventional tea by a handful of large global agro-food firms makes the tea value chain buyer-driven (Raman 2010: 7).

¹¹ This section draws on Siegmann (2016) and Siegmann et al. (2015).

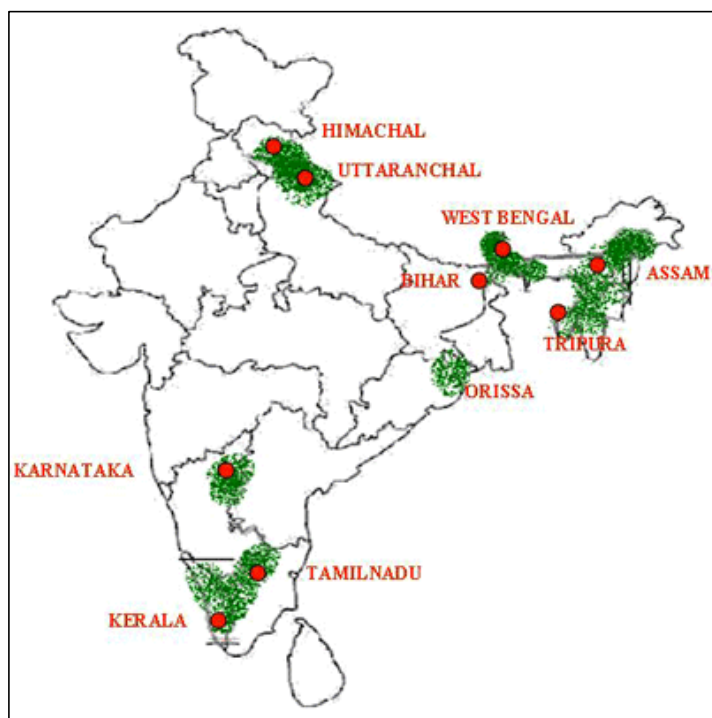
Figure 3.1: Structure of the global tea value chain



Source: Van der Wal (2008: 25)

The tea bush is grown on different elevations, and is sometimes classified accordingly. The tea quality is also influenced by the timing and level of the rainfall. The tea 'flush', i.e. the tender sprouts that are plucked for the tea, is the best in light steady showers. Climatic changes do therefore pose a degree of unpredictability in the quality and quantity of production, representing a potential threat to the different activities in the global tea chain. Figures 3.2 and 3.3 highlight the main tea growing regions of India and Sri Lanka.

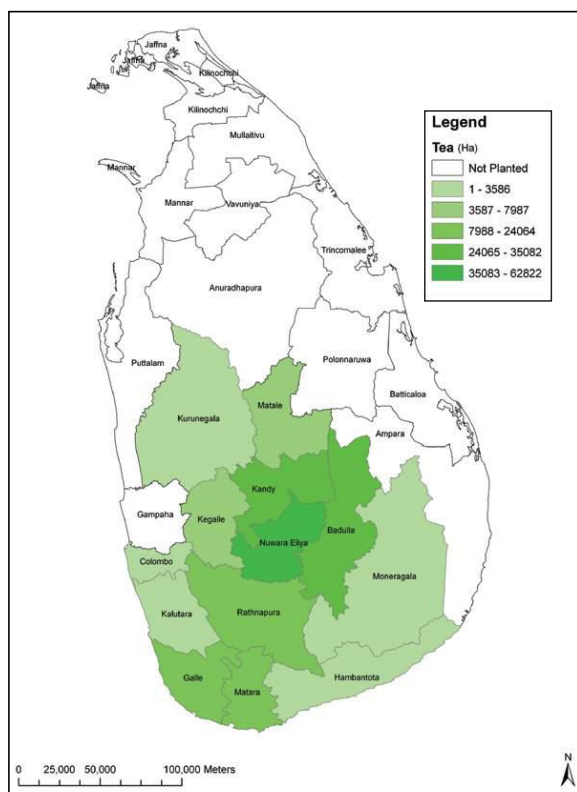
Figure 3.2: Main tea-cultivating states in India



Source: Tea Board of India (no date)

In India, 80 percent of the tea produced originates from north Indian states, mainly from the Assam valley (48 percent of total Indian production) as well as from the Darjeeling district and the Dooars region in West Bengal. The bulk of tea produced in south India is cultivated in Tamil Nadu (13 percent of the total Indian production) followed by Kerala (5 percent) (Indian Tea Association 2018). The tea production in Sri Lanka mainly originates from the highlands of the Nuwara Eliya, Badulla and Kandy districts (Figure 3.3).

Figure 3.3: Main tea-cultivating districts in Sri Lanka



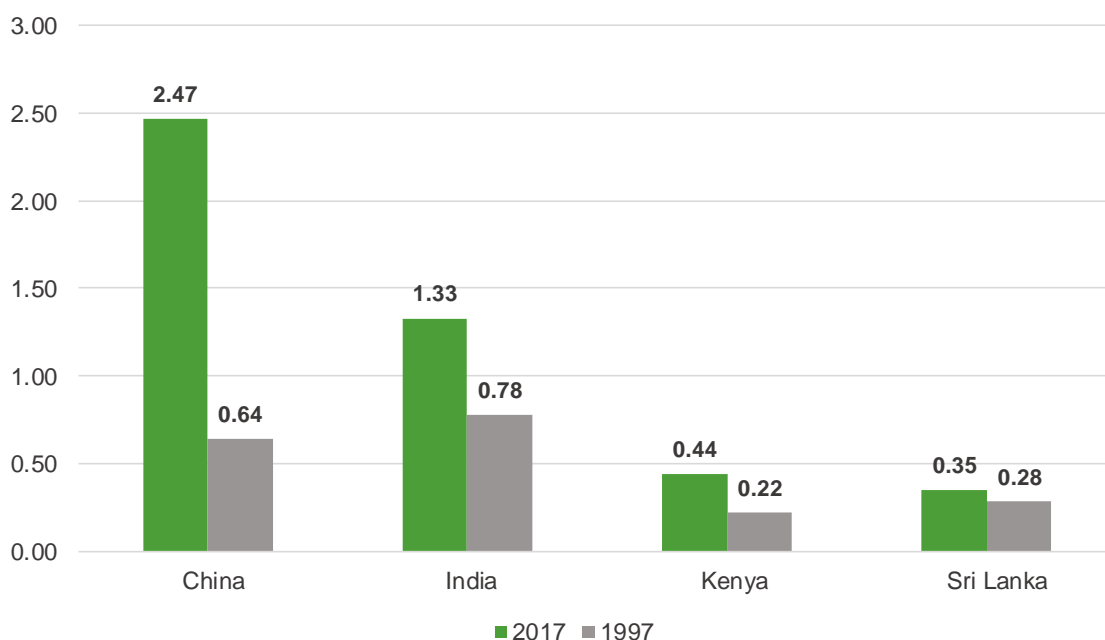
Source: Ministry of Plantation Industries of Sri Lanka (2013: xvii)

Over a period of five to seven years, a tea bush matures and produces tender leaves, which are plucked, processed in a factory and sifted into different categories. The most expensive tea is made from the 'fine plucking' of just the first two tender green leaves and the shoot. Black tea processing involves the withering of the harvested green leaf through the circulation of heated air (Heerath and Weersink 2009: 1761). Subsequently, the tea is rolled against a cutting table. This process produces larger pieces, which better retain the delicate flavours of the leaf. Tea bags that contain more 'dust' are produced in the cut, tear and curl (CTC) process in which the tea is rolled between two rollers. The smaller, more uniform pieces produced this way brew more quickly and give a stronger colour and taste (Talbot 2002: 713). As tea must be processed shortly after plucking, right up to the point where it is ready to be consumed, 'made' tea has been the predominant form in international trade, while processing into tea bags or instant tea has been done mostly in the consuming countries (Talbot 2002: 707).

Given the costs associated with setting up the processing equipment, it is only the larger plantations that normally have their own factories for processing, and they also buy the plucked tea leaves from smallholders. Smallholders' share of tea production has increased significantly in recent years (Herath and Weersink 2009: 1759-60, FAO IGG Tea 2011: 2). In 2016, smallholders contributed 74.5 percent to total tea production in Sri Lanka (Central Bank of Sri Lanka 2017: 51). Still being dominated by large estates, in India, this share was approximately one quarter (FAO IGG Tea 2011: 1-2).

In recent years, China has ranked first in world tea production. In 2017, the country produced 2.47 million tonnes of tea. India followed, with a production of 1.33 million tonnes that year. With a total tea production in Sri Lanka of 0.35 million tonnes, Sri Lanka ranked fourth, after Kenya (Figure 3.4).

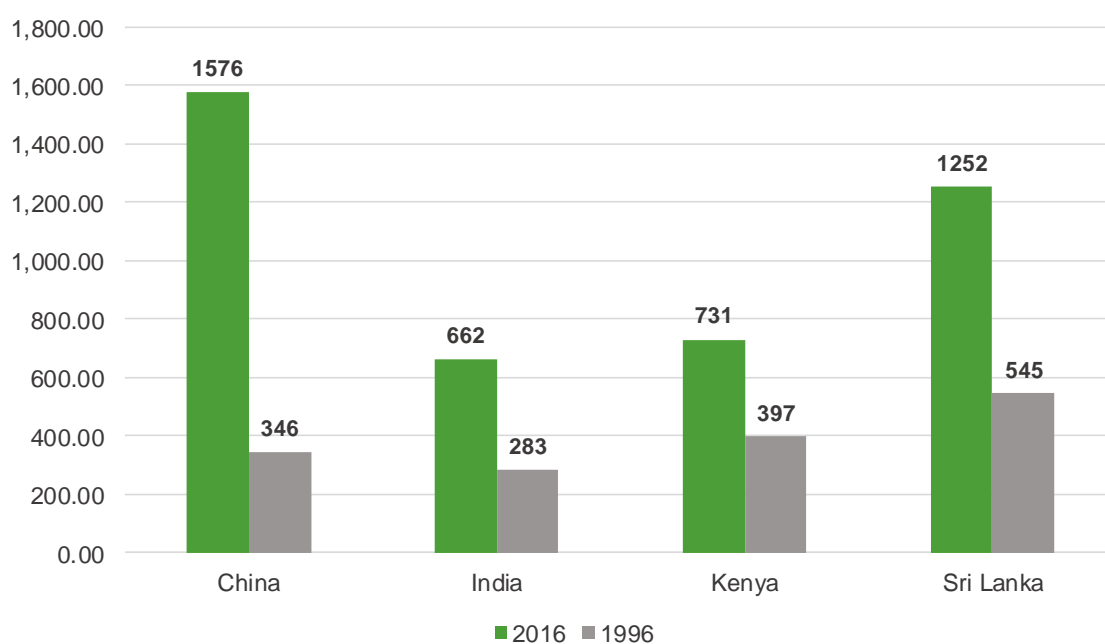
Figure 3.4: Tea production in main producing countries, 1997 and 2017 (million tonnes)



Source: FAOSTAT (2019)

In terms of export value, though, Sri Lanka has recently been overtaken by China as the largest tea exporter. With an export value of US\$1,252 million, in 2016 Sri Lanka sold one fifth of the global tea export value abroad (Figure 3.5).

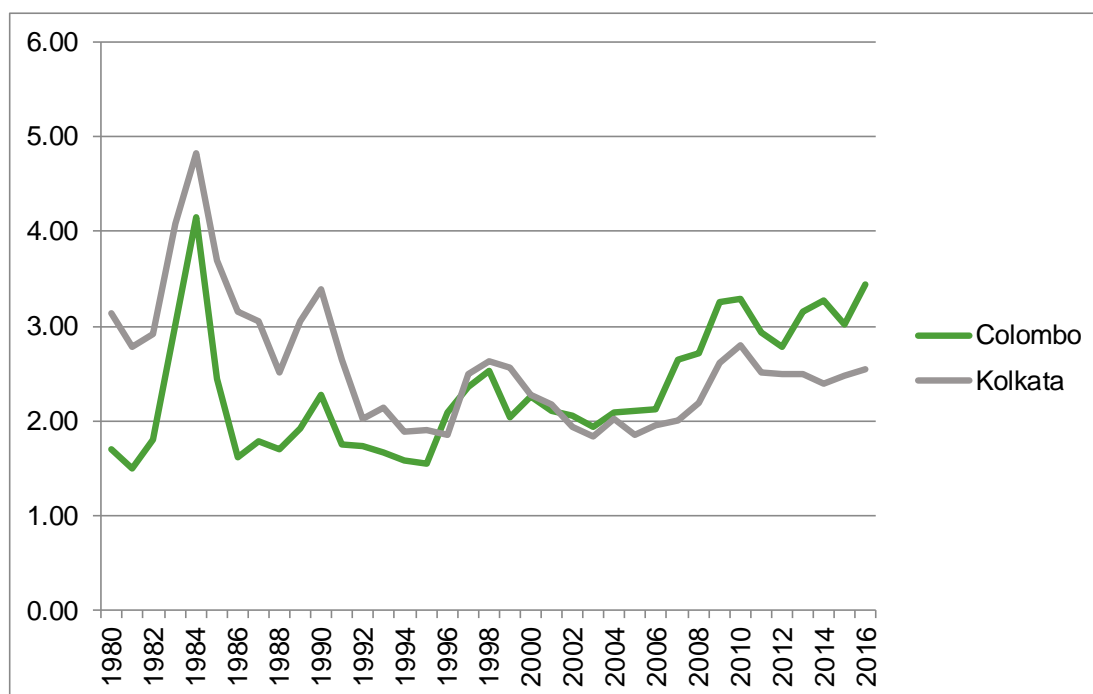
Figure 3.5: Tea exports by main producing country, 1996 and 2016 (US\$ million)



Source: FAOSTAT (2019)

Producer prices fell dramatically between 1984 and 2005, but have gradually recovered since (Figure 3.6). The most frequently cited cause for the price decrease has been a persistent situation of oversupply on the international tea market. Selvaraj and Gopalakrishnan (2016: 108) question this argument: An increase in supply should lead to a proportionate decline in both retail and producer prices, whereas, in fact, retail prices have been rising.

Figure 3.6: Real tea price by selected auction, 1990-2016 (US\$/kg with 2010 as base year)



Source: World Bank (2017)

According to the authors, this mismatch between retail and producer prices is a telling indicator of the power structure of the tea industry (Selvaraj and Gopalakrishnan 2016: 108). Behal (1983, in 2006: 143) shows that already under colonial rule, tea companies reaped profits over a long time despite fluctuating international prices. Presently, about 85 percent of the tea processing, retailing, trade, blending and packaging are in the hands of relatively few multinationals. The three largest companies alone control one fifth of the market (Glocal Research and ICN 2016: 7). They buy tea at auctions, blend it, and retail it via brands (Mohan 2016: 55). This strong vertical integration has enabled the dominant buyers and retailers of tea to capture a significant proportion of value in the chain (Lalitha et al. 2013: viii).

Tea prices are governed by the auctions which themselves are controlled by a powerful group of traders. Hence, tea producers turn out to be price takers having no control on price formation. Roughly 70 percent of the global tea output is transacted through a handful of auction centres mainly located in India (Kolkata, Cochin), Sri Lanka (Colombo) and Kenya (Mombasa) (Viswanathan 2010). For India, it has been pointed out that traders' influence at auctions possibly also includes price manipulation (Sarkar 2013: 23, Selvaraj and Gopalakrishnan 2016: 108-9). Lalitha et al. (2013: viii) underscore that the control over tea prices exerted by these cartels of traders represents a key hindrance to raising wages in the Indian tea sector through redistribution of profit margins.

Overall, the highly skewed distribution of control and financial benefits in the global tea chain has implied that local producers were often price takers, relying on squeezing the costs of production for profits. This commonly meant lowering labour costs using a variety of mechanisms, including, as we shall see in Section 3.3 below, the use of 'docile' women workers in the labour-intensive tasks, and using non-

economic forms of coercion such as those based on caste, gender and ethnicity, and migrant labour for labour governance.

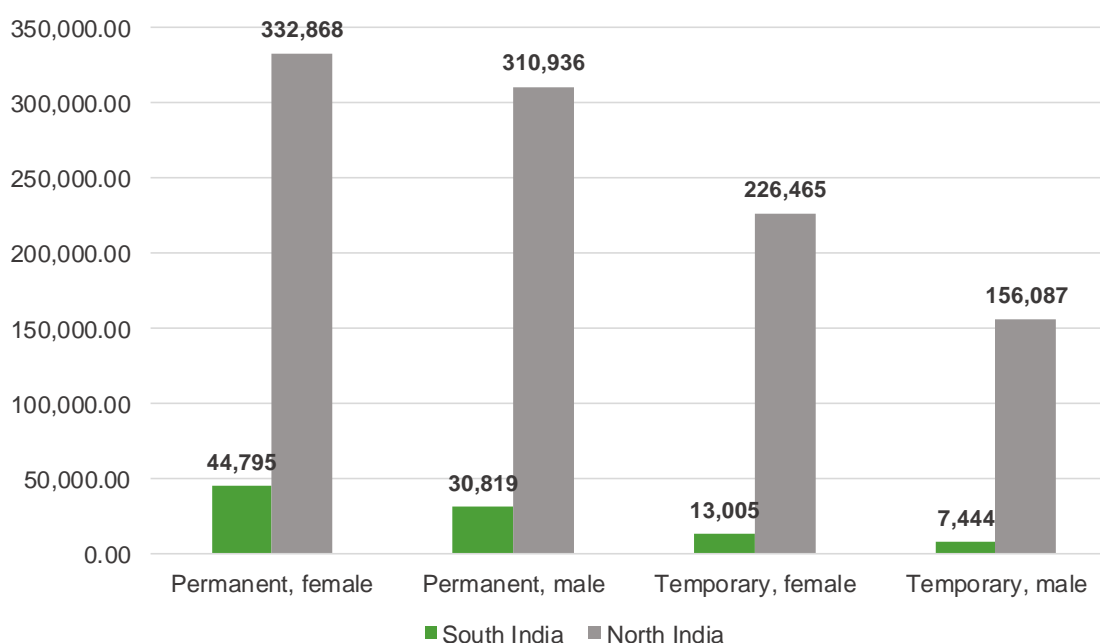
3.3 THE WORKFORCE ON TEA PLANTATIONS

As indicated above, workers on tea estates have historically been and continue to represent some of the most marginalized agricultural workers in India and Sri Lanka. These circumstances were largely the result of the legacy of colonialism, as well as the range of controls that were consciously applied to and maintained on workers.

The approximately 1,500 large tea plantations that exist in India (Labour Bureau 2015: 4) employ more than a million workers, the overwhelming majority of whom are in north India (Figure 3.7). Temporary workers represent more than a third of this workforce. According to the Plantation Labour Act (PLA), they are entitled to a permanent contract after completing 440 days of continuous service on the estate (Lalitha et al. 2013: 127-8).

In recent years, pressure to cut down on production costs has led to an increase in temporary and contract labour on tea plantations which results in poorer conditions (Borah 2014: 97, Glocal Research and ICN 2016: 19, Infanti et al. 2015: 39, Kamath and Ramanathan 2017: 246, Mishra et al. 2011: 76, Rasaily 2016: 61, Thapa 2016: 88-90). In India, temporary workers are not entitled to welfare benefits under the PLA (Thapa 2016: 89). Selvaraj and Gopalakrishnan (2016: 109-10) highlight that temporary workers employed on tea estates in the Indian Nilgiris had to pluck twice the daily target for permanent workers on the same estates. Infanti et al. (2015: 39) describe casual workers' lower wages and fewer employment benefits on Sri Lankan estates, and show that such job insecurity contributes to increased alcohol abuse and domestic violence.

Figure 3.7: Employment on tea estates in India by region, gender and contract



Source: Tea Board of India (2016: 83)

In Sri Lanka, there were 427 large estates - including both tea and rubber - operating in 2012 and owned by 20 private and seven state companies. The workforce in the estate sector amounted to

171,540 in mid-2016, representing a decline of more than a third of the workforce since the year 2000 (DCS 2016: 1, Ministry of Plantation Industries 2013: 145, 148)¹².

Indian plantation employment, too, has seen a marked decline since the turn of the millennium, mainly due to the drop in prices that adversely affected tea plantations' economic and financial situation. In West Bengal, several plantation companies claimed that they faced losses over the years and, as a result, started to close down at the beginning of the millennium. The closures led to a loss of income and food security for thousands of workers, causing a shocking estimated 1,200-1,800 deaths from starvation among former tea workers and their household members (Bhowmik 2015: 30, Chatterjee 2008: 499-500, Sen 2015). In the planting district of Central Travancore in Kerala, over half of the 39 estates had been abandoned between 2000 and 2005. As a consequence, a permanent workforce of some 12,500 plus their dependents had been left to fend for themselves, with deaths from starvation and suicides the most extreme results (Neilson and Pritchard 2010: 1848). Chatterjee (2007) argues that global multinational tea brands were responsible for the plunge in the auction price of tea, which led to the closure and abandonment of small plantations.

Compared to other sectors, tea plantations are characterised by a high level of female employment (Kotikula and Solotaroff 2006: 7, Rasaily 2014: 9-10). In India, women's share in plantation employment has increased steadily from about 47 percent in 1990 to 54 percent in 2012 (Labour Bureau 2015: 7). This makes the sector India's largest formal employer of female workers (Mishra et al. 2012: 11). In 2016, females represented 53 percent of the estate sector's population in Sri Lanka (Central Bank of Sri Lanka 2018: 29). The labour process on tea plantations is clearly differentiated along gender lines. Women workers form the majority of those undertaking the labour-intensive tasks of plucking of tea. In contrast, men work in the factory, processing the plucked tea. They supervise female labourers, or are employed as security persons, drivers, pruners or sprayers (Besky 2008: 2, Haagsma et al. 2016: 28, Herath and Weersink 2009: 1767, Lalitha et al. 2013: 22-23, Sharma 2016: 119, 123). In her research in Assam, Sharma (2016: 117) finds that female workers had relatively less access to permanent contracts compared to male workers. This is despite the fact that the female task of harvesting tea is a year-round activity, which not all male activities are. Women rarely make it into better-paid supervisory, salaried and managerial positions (Chatterjee 2008: 498, Kotikula and Solotaroff 2006: 11). This gender division of work had been rationalized on the grounds that women had 'nimble fingers' and were more patient. In reality, women were paid the same daily wages while working longer hours. The fact that they also undertook the unpaid work in the household – practices that were condoned by the prevailing patriarchal ideology in colonial and local communities - reflected another means of lowering the costs of production (Kamath and Ramanathan 2017: 248, Kurian and Jayawardena 2016: 36-7, Sharma 2016: 114-6). The resulting concentration of women and men in different tasks and positions in the estate's hierarchy veils persistent gender-based inequality on tea estates (Sharma 2016: 128).

Besides these gender features, workers on tea estates are often socially marginalized on the basis of their migratory status, ethnicity, and caste. From their very inception, tea plantations relied heavily on migrant labour recruited and working under extremely exploitative conditions in virtual enclaves under management controls that were reminiscent of the slave plantations (Bhowmik 2011, Gupta 1992, Jayawardena and Kurian 2015). Today, tea plantation workers in Assam, as well as the Dooars and Terai districts of West Bengal, belong to ethnic groups from the tribal belt of central India, namely, Jharkhand and the contiguous tribal areas of Madhya Pradesh and Orissa (Bhowmik 2015: 29). Tribal populations are also referred to as 'scheduled tribes' in the Indian Constitution and often refer to themselves as '*adivasi*', which roughly translates as 'original inhabitant'. They belong to the most marginalized segments of the Indian population. The Indian Labour Bureau estimates that, on plantations in Assam, more than 80 percent of the workforce belongs to the category of 'other backward class'¹³ (OBC). On tea estates in Tamil Nadu, with more than 90 percent, the vast majority of workers

¹² It is difficult to estimate the share of workers on large tea estates separately as official statistics on the estate sector combine tea and rubber plantations. Based on the same official sources, Herath and Weersink (2009: 1766) report that in 2004, 44,383 workers were employed on three large tea estates that only grow tea.

¹³ The Government of India uses the term 'other backward class' (OBC) to categorize members of castes and other communities which collectively experience educational or social disadvantage.

are from the scheduled castes¹⁴ (Labour Bureau 2009: 19). Lalitha et al. (2013: 103) perceive a recent increase in migrant labour from the states of Jharkhand and Assam to Tamil Nadu plantations. Glocal Research and ICN (2016: 14-15) assume that higher wages in south India compared to Assam and West Bengal in the north have attracted migrant workers, which now form 30-50 percent of the workforce on tea estates. The Darjeeling workforce is largely of Nepali origin (Makita 2012: 93, Moore 2010: 13). In Sri Lanka, the British colonial administration set up the tea industry employing migrant labour from the Tamil districts of the Madras Presidency of south India, recruited under the so-called *kangany* system (Jayawardena and Kurian 2015: 32; Wickramasinghe and Cameron 2005). The majority of the workers originated from the lowest castes of India (Gunetilleke et al. 2008: 1). Today, their descendants¹⁵ still form the majority of the workforce on the island's tea plantations (Samarasinghe 1993: 329).

3.4 INDUSTRIAL RELATIONS AND INSTITUTIONS IN THE TEA SECTOR

Despite tea workers' manifold forms of resistance to authoritative structures and poor labour conditions since the 19th century (Behal 2006, Jayawardena and Kurian 2015: 54-65), for nearly a century after their establishment, trade unionism did not emerge on the plantations of India and Sri Lanka.

On the Sri Lankan plantations, the first trade union was established in 1931. Trade unionism spread rapidly on the plantations in the subsequent decades, partly in response to the Education Ordinance of 1920 which obliged all estates to provide a degree of education. It resulted in a group of educated young people who were able to understand and articulate their grievances against the system. Militant strikes that shook the plantations in 1939 and 1940 led to a Seven-Point Agreement between planters and the trade unions in 1940 which recognized workers' right to unionize and bargain collectively with planters' organizations (Jayawardena and Kurian 2015: 177-8). Subsequently, the Sri Lankan 1941 Wages Board Ordinance regulated wages and deductions as well as working hours and leave. While effective in containing labour unrest, Jayawardena and Kurian (2015: 183) highlight that this early regulation had the effect of removing "[...] labour relations from the realm and dictates of the planters, as it had been for most of plantation history, and bringing it within government scrutiny and control."

The existence of labour regulation did not guarantee decent work for Sri Lankan tea workers, though. Gunetilleke et al. (2008: 15) point out that the estate populations' conditions rapidly deteriorated in the immediate post-independence period. This was largely due to the legislation passed by the first independent government in 1948 and 1949 that rendered the vast majority of the Tamil community 'stateless', and without citizenship and franchise. In the subsequent decades, the trade union leadership was caught up with trying to address these problems, which were not legally resolved until 1986. The lack of political power also influenced the bargaining power of the trade unions in industrial relations. Secondly, the expectation of nationalization in the 1950s and 1960s led private plantation companies to make severe spending cuts in estate maintenance and welfare.

While tea workers were not allowed to organize under British colonial rule, with the independence of India, plantation workers became increasingly unionized (Sen 2015: 538). In 1951, they gained additional rights through the PLA. Besky (2008: 2) labels the PLA "[...] the positive legacy of an otherwise exploitative colonial regime" as it was enacted on the recommendations of the colonial Commission on Inquiry on the Conditions of Tea Plantation Labour in India and Ceylon set up in 1944 (Sumitha 2012: 20). It replaced estate-specific standing practices by providing a nationally consistent set of obligations on plantation owners (Neilson and Pritchard 2010: 1838). Covering all Indian plantations larger than five hectares or employing 15 or more persons (Labour Bureau 2014: 24), it guarantees both permanent and temporary plantation workers' social welfare (Besky 2008: 2, Sumitha 2012: 21).

¹⁴ The term 'scheduled caste' refers to groups of people who collectively represent the lowest and most marginalized part of the Hindu caste system that stratifies Indian society.

¹⁵ Members of the Tamil community that constitutes the bulk of the plantation workforce in Sri Lanka has repeatedly rejected the nomenclature 'Indian Tamils' as ignoring the fact that they come from Sri Lanka. 'Hill country Tamil community' has been proposed as an alternative (ISD 2016).

Box 3.1 Key entitlements through the 1951 Plantation Labour Act

“[T]he 1951 Plantation Labour Act (PLA) [...] creates obligations for employers with regards to the welfare of permanent tea workers and their families. Specifically, it requires large employers to provide drinking water, latrines, medical facilities, canteens, crèches, educational facilities, housing accommodation, welfare officers, wages for permanent workers and their families, as well as annual leave with wages and sickness and maternity benefits. It also prohibits child labour and the obstruction of inspectors. In combination with the 1948 Minimum Wage Act the PLA mandates that costs associated with housing, medical, and electricity cannot be included as part of minimum wage.”

Source: LeBaron (2018: 16)

Along with the Factories Act, the PLA also regulates employment, working conditions, and working hours (Bhowmik 2011: 242). Other core labour rights, such as the freedom from forced and child labour as well as freedom from discrimination are guaranteed based on the Bonded Labour System (Abolition) Act, the Child Labour (prohibition and regulation) Act as well as the Equal Remunerations Act (Deshpande et al. 2018: 343, Lerche 2012: 22). The office of the Inspector of Plantations is in charge of monitoring PLA-related obligations (Bhowmik et al. 1996: 97, in Neilson and Pritchard 2010: 1838).

Evaluations of the role of the PLA for tea workers' labour conditions vary widely. For Besky (2008), the Act represents a vision of social justice that guarantees plantation workers' social welfare. In contrast, Kamath and Ramanathan (2017: 247) argue that the PLA's regulation has perversely resulted in the continuation of the process of 'enclavization' where the State has abdicated its social responsibility towards tea plantation workers to employers. Especially on tea plantations in Assam and West Bengal, implementation of the PLA has been poor (Bhowmik 2011: 242-3, Borah 2014). In recent years, the Modi government has been discussing whether to drop the provision of social security to plantation workers through an amendment of the PLA (Pisharoty 2017).

Nowadays, in both India and Sri Lanka, the level of plantation worker unionization is high. While the Government of India has not signed the ILO conventions on Freedom of Association (C87) and the Right to Organize and Collective Bargaining (C98), these 'enabling' rights are guaranteed under the Indian Constitution and national legislation (ITUC 2011: 2-5, Lerche 2012: 23)¹⁶. According to the Indian Labour Bureau (2009: 38), 100 percent of the plantation workforce in Assam and Kerala are unionized, followed by 70 percent of workers in Tamil Nadu. While recent estimates of unionization in Sri Lanka's estate sector are hard to come by, Samarsinghe (1993: 336) states that, in the 1990s, nearly 85 percent of Tamil tea workers were members of the Ceylon Workers' Congress (CWC), which is also a powerful political party at the national level.

In the Indian state of Assam, tea garden¹⁷ labourers have mostly been represented by the Indian National Trade Union Congress (INTUC)-led Assam Cha Mazdoor Sangha (ACMS), which is affiliated to the Congress party. Rooted in a colonial agreement between the tea industry and the Congress party (Sharma 2009: 1320), the ACMS still enjoys a hold over almost all the tea gardens in the state, followed by the Centre of Indian Trade Unions (CITU) which maintains links with the Communist Party of India (Marxist) (Borah 2014: 13). A 2010 report of the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) alleges that the fact that, by agreement with the local government and employers, the ACMS is the only recognized trade union on Assamese tea plantations, this effectively denies the tea workers in Assam freedom of association (Gothoskar et al. 2010: 10). It is common that workers are required to pay dues to the ACMS without being informed of how to opt out of the union and fearing retaliation from plantation management if they join other unions. Besides, the ACMS is also accused of being in league with management to

¹⁶ Freedom of Association and the Right to Organize and Collective Bargaining are often referred to as 'enabling rights'. This implies that, when these rights are respected, workers can use them to ensure that other labour standards are upheld (Siegmann et al. 2016b: 5).

¹⁷ The terms tea estate, tea plantation and tea garden are used interchangeably in this report.

suppress worker protests (CAO 2016: 57). As a result, the ACMS union 'monopoly' has been strongly criticized by workers who do not feel represented (Bhowmik 2015: 31-2, Herre et al. 2014: 17).

The major unions in Tamil Nadu are CITU and Tamil Nadu Thota Thozilalar Munnetra Sangham of Dravida Munnetra Kazagham (DMK) (Hayami and Damodaran 2004: 3994). The All India Trade Union Congress (AITUC), which is linked to the Communist Party of India (CPI), INTUC and CITU are the main unions in Kerala (Bhowmik 2002: 147). The fact that some of the most significant unions on the plantations are linked to communist parties is reflected in their relative militancy.

Many observers underline the historic contribution of the unionization of a large part of the Indian plantation workforce to improvements in working conditions (Besky 2008: 1-4, Bhowmik 2014: 30, Neilson and Pritchard 2010: 1838). Without unions, Besky (2008: 4) observes, knowledge about Indian labour laws deteriorates. As a result, work hours can become longer, infrastructure can crumble, medical services can halt, and food rations can diminish. In recent years, however, tea workers have been losing faith in the established major unions as their presence has not been felt in terms of improvements to their working and living conditions (e.g. Borah 2014: 89, Glocal Research and ICN 2016: 27). In some instances, workers are found not to choose a union freely, but become members of the union supported by the estate management (Glocal Research and ICN 2016: 26). Bhowmik (2014) argues that this withdrawal does not mean that tea workers have lost trust in all trade unions: "They have joined new unions like the Akhil Bharatiya Adivasi Vikas Parishad or the Gorkha Janmukti Morcha or other new entrants such as the Trinamool Congress" (Bhowmik 2014: 30). Borah (2014: 90-1) finds that the younger generation of tribal tea workers in Assam are joining ethnicity-based student unions.

To date, industrial relations on the plantations are unique in the Sri Lankan labour market. In contrast to other rural industries, the unionization of the estate sector has given workers a proletarian identity and provided them with a vocabulary to articulate their grievances. In theory, unions welcome both permanent and temporary workers as the Sri Lankan Trade Unions Ordinance defines a trade union as any association or combination of workmen or employers, whether temporary or permanent (Salary.lk 2017). The political clout of the major estate trade union, the CWC, sharply increased as a result of legislative changes in 1977 providing it with a new ability to influence the outcome of a presidential election and the balance of power in the parliament (Herath and Weersink 2009: 1771). In recent years, the CWC's earlier stronghold has given way to a greater spectrum of unions, supported by other political parties (Biyawila 2010, Gunetilleke et al. 2008: 50-1). Yet, while workers acknowledge that trade unions in the Sri Lankan plantation industry represent the workers to the management, there is also heavy criticism of the self-serving nature of the unions and their leaders as well as of the lack of true representation (Gunetilleke et al. 2008: 37). Respondents in Gunetilleke et al.'s (2008) study perceive a weakening in the influence of trade unions after the re-privatisation of the plantations in 1992. A male tea worker stated: "Nowadays unions don't do anything for us. Those days the communists did a lot for us. Then there were rules but now there aren't any rules. Those days the government was scared of the unions but now the company is not scared." (Gunetilleke et al. 2008: 37).

The prevailing high levels of unionization in the plantation sectors of India and Sri Lanka are uncommon for sectors with a strong representation of women workers. In India, across different types of plantations, 59 percent of women workers are members of different trade unions (Labour Bureau 2009: 63). Yet, although they are paying members and participate in strikes and other forms of industrial action, women are rarely represented in the leadership of the main unions on the plantations (Chatterjee 2008: 498-499, Kurian and Jayawardena 2016: 39-40, Samarasinghe 1993: 336). A key reason for this invisibility is the fact that – as will be described in Section 3.3.3 below – female field workers' working hours are longer than males. Besides, women are expected to take on work in the household as well as caring duties, leading to greater time poverty among them. For a tea estate in Assam, Sharma (2016: 121-2) describes how the incentive system of payment for the tea harvest limits the time women have available to participate in union activities: "Women workers at Majuli often complained of the lack of time to engage in union activities, on account of their extra burden in the workplace and simultaneous responsibilities at home." For Sri Lankan plantations, Jayawardena and Kurian (2015: 303-4), too, highlight that the structural nature of women's work, involving both care responsibilities in the household as well as paid work on the plantations, is such that little time is left for leisure or politics. In addition, union meetings would usually take place in the afternoons or evenings after male workers' shifts have ended. At that time, women were still at work or had to undertake household responsibilities. Moreover, women workers view trade unions as "[...] a political and male domain and do not want to get involved in its activities" (Borah 2014: 79, also Lalitha et al. 2013: 65-6). As a result of this lack of

a collective voice, concerns of special importance to women, such as more sanitary living conditions, better schooling, more flexible work schedules for tea pluckers as well as women workers' direct control over their wages, which are often collected by male household members, have historically received a low priority on trade union agendas (Samarasinghe 1993: 336).

Until 1984, women workers on Sri Lanka plantations were officially paid lower wages than their male counterparts while undertaking longer hours of work. This discrimination was taken up by feminist groups in the country, linked with the focus of the UN Decade of Women (1975-85) that highlighted the need for equal rights for women and men. The demand was finally acceded to after several unions on and beyond the plantations went on strike (Jayawardena and Kurian 2015: 253). Yet, it is reported that about 42 percent of men still collect the wages of their spouse (Sivaram 2002). In India, West Bengal and the southern states started paying equal wages from 1976, but it was not until 1990 that women workers in Assam began to enjoy the same pay as their male counterparts (Sharma 2016).

Despite their subordinate role and poor representation in major plantation unions, women workers find alternative ways to organize and resist. Sharma (2016: 124) describes how teams of pluckers in Assam, for instance, allow for the formation of secret groups and for the development of collective ideas for resistance. Sen (2009) understands the formation of informal savings groups (*Ghumauri*) run by women plantation workers in Darjeeling as a manifestation of women's political agency. One of her respondents asserts that: "Our *Ghumauri* group is like a small union where we women can openly discuss issues about our livelihoods and work. We can give each other confidence" (Sen 2009: 120). In the Dooars region of West Bengal, plantation women organized autonomously within plantations in central Dooars between 1999 and 2003. In this process, they learned that alliances with men were required to broker the feudal patriarchal politics and that, within the context of a powerful trade union system, women workers needed to perform their organizing as 'women's social work' so as not to threaten the real power of local union leaders (Chatterjee 2008: 501). In Sri Lanka, the Red Flag Women's Movement (RFWM) has organized labour committees on plantations to increase the representation of women. It is also working to change attitudes among all union members, particularly men, and encourage them to accept women's leadership. Much of the RFWM's work also focuses on contesting female tea workers' bodily oppression, e.g. combating sexual and verbal abuse on the job as well as domestic violence, and working to change the plantation's patriarchal culture (Jayawardena and Kurian 2015: 306-7, Neubert 2016: 368).

The failure of the trade unions to ensure the rights of all workers and women tea workers' ability to resist this lack of inclusion is evident in the recent struggle of the women workers in Munnar, Kerala. In September 2015, in a spontaneous mass strike, approximately 5,000 women tea plantation workers demanded increased wages and bonuses in Munnar, Kerala (Kamath and Ramanathan 2017: 246-8, no author 2015: 8). What attracted much attention was that the striking workers kept trade unions out: "Their contention was that in spite of being trade union members for years, their working and living conditions had not improved" (Kamath and Ramanathan 2017: 249, also no author 2015: 8). A report by an INTUC committee that examined the reasons for the workers' revolt against their union found that women workers were not adequately represented, union members who negotiated wages and bonuses did not communicate the processes and outcomes to the workers, and that union leaders colluded with management in keeping wages low. A joint council of Indian plantation trade unions ended the strike within 17 days after daily wages were increased to INR 301 as a result of negotiations in the Plantation Labour Committee (PLC), a tripartite body of union bureaucrats, state government officials and plantation management representatives (Kamath and Ramanathan 2017: 253, Kumar 2015).

3.5 WAGES AND INCOME¹⁸

3.5.1 Wage determination

Industrial relations in the respective plantation sectors influence Indian and Sri Lankan tea workers' wages. In Sri Lanka, plantation workers' wages are determined through collective bargaining. The collective bargaining agreement (CBA) within the plantation sector is the only industry-based collective

¹⁸ This section draws on Siegmann et al. (forthcoming).

agreement (Gunetilleke et al. 2008: 50-1). Tripartite collective agreements on wages and related issues are negotiated on a bi-annual basis between the plantation trade unions and the Regional Plantations companies, represented by the Employers' Federation of Ceylon (Haagsma et al. 2016: 15). The operational collective agreement was signed in October 2016, a year and a half after the previous agreement lapsed. The trade unions asked for the daily wage to be increased to LKR 1,000 from the rate of LKR 620 that had prevailed since 2013. The government and employers agreed on a daily rate of LKR 730, pegged to higher daily yields (Box 3.2). This result led to further protests by workers on several plantations in October 2016 (Sunil 2016).

Box 3.2: The 2016 wage negotiations in the Sri Lankan tea sector

The wage negotiations of 2014 stalled for two years. The demand was for an increase of LKR 380 that would bring the daily wage to LKR 1,000. The industry rejected this demand on the basis that this wage hike would make them uncompetitive and that the already stretched cost of production (LKR 450 per kg in 2015) would go up by LKR 230 per kg. It said this would have been impossible given that average prices in the auctions were around LKR 400 per kg of tea. The stalemate continued until October 2016 when a wage increase of LKR 110 that brought the daily minimum wage to LKR 730 was agreed upon. The terms included reducing the attendance allowance by LKR 80 (from 140 to 60) for 75 percent attendance and including an incentive of LKR 140 for meeting the plucking norms. It also included a LKR 25 per kg incentive for harvesting more than the plucking norm (Planters' Association of Ceylon 2016). These changes promoted a review of the industry in the following two years, which will be taken up at the next wage negotiation. The proposed overhaul envisions a revenue-sharing model and the allocation of some lands for workers for bulk plucking. Immediately after the 2016 wage negotiation many workers held protests, asking for the outcome, which they said gave them less money and a heavier workload, to be rejected.

Sources: Planters' Association of Ceylon (2016), Lanka Business Online (2016)

In India, wage determination for tea plantation workers differs by state. In Assam, for a period of three years, both permanent and temporary plantation workers' daily wages are determined through collective bargaining between the sectoral employers' association and the ACMS (Sarkar 2015: 23, Sharma 2016: 119). In contrast to southern Indian states, the wages of tea plantation workers in Assam contain an 'in-kind' portion in the form of subsidized food rations alongside the cash wage (Bhowmik 2005: 4104). These rations represent about 30 percent of the cash wage (Gothoskar 2012: 39). The wage agreement signed in February 2015 stipulated a daily base wage of INR 126 for 2016 and INR 137 for 2017 (ACMS 2015), a level that Bhowmik (2015: 29) does not even consider a subsistence wage for workers in informal employment. A proposal by the Assam Government to raise the minimum wage to INR 177, matching the minimum wage level in Assam for unskilled workers, was challenged in the Guwahati High Court by the Assam Tea Planters' Association and the North East Tea Association (Glocal Research and ICN 2016: 14, Ray 2016: 15). Meanwhile, in February 2016, the wages of workers in the Assam Government-owned Assam Tea Corporation Limited tea gardens were increased from INR 137 to INR 177 (Assam Tribune 2016).

On south Indian tea plantations, the state has a stronger role in wage determination. In Tamil Nadu, the minimum wage is declared by minimum wage fixation committees as the work on the tea plantations falls under the Minimum Wage Act (Glocal Research and ICN 2016: 14). Subsequently, negotiations take place at district level. Often, the resulting fixed wage is above the minimum wage (email communication Joseph, 1st July 2017). The rates of compensation to permanent labourers working on plantations are determined by group bargaining – mediated by the states' labour offices – between the United Planters' Association of South India (UPASI) and the representatives of the major unions (Hayami and Damodaran 2004: 3994). Besides wages, the tripartite agreement also stipulates bonuses and incentives (Lalitha et al. 2013: 39-40). The 2016 daily rate for tea workers in Tamil Nadu was INR 241.31 (Das 2017). In Kerala, in contrast, the wage is decided on the basis of tripartite negotiations

and then declared as the minimum wage (email communication, Joseph 1st July 2017). The 2016 daily wage was INR 310.04 (Das 2017).

Annual bonus payments are an important part of tea plantation workers’ earnings. In India, the Payment of Bonus Act enacted in 1965 applies to every factory and other establishments, including plantations on which 20 or more persons are employed on any day during an accounting year. The act provides for the bonus to be paid to workers on the basis of profit on production or productivity.

3.5.2 Wage structure

Despite the fixing of time-rated daily base wages, in fact, most tea plantation workers’ wages are a mix of time- and piece-rated payments. This creates an anomaly in the context of a formal business that is typical of the informalisation of the formal sector employment (Benería 2001).

Table 3.1: Daily manual harvesting targets for tea pluckers 2016, selected Indian states and Sri Lanka (kg)

	Assam	Kerala	Tamil Nadu	Sri Lanka
Target	24	25	20	18

Sources: ACMS (2013), Rammohan et al. (2015: 33), NPA and Nilgiri Plantation Trade Union (2013)

The daily base wage requires workers to harvest a stipulated minimum quota (Table 3.1). This base wage is combined with a piece-rated incentive, which encourages tea pluckers to harvest leaves above the fixed target (Sharma 2016: 121, Samarsinghe 1993: 332). During peak harvesting seasons, this system allows pluckers to increase their daily earnings substantially, depending on the extra kilogrammes of tea leaves plucked. Yet, tea pluckers often complain about manipulation of the readings at the time of weighing their harvest that reduce their pay (Daniel 1993: 576-7, Sharma 2016: 122). Sharma (2016: 121-2) argues that the combination of women’s time- and target-based payment for the labour-intensive plucking guarantees maximum effort at low cost for the plantation company, while simultaneously making it difficult for pluckers to find time for trade union-related activities.

In contrast to female-dominated harvesting, the wages of male workers are commonly either entirely target-related, as in pruning, pesticide application or weeding, or entirely time-related, as in factory work (Kamath and Ramanathan 2017: 248, Sharma 2016: 119-124, Kurian 1989). As a result, with eight hours, female pluckers’ regular working hours are longer than those of male field workers who work for five to six hours. Some studies also observe higher daily rates for male-typed field tasks compared to female-dominated plucking (Glocal Research and ICN 2016: 22, Kotikula and Solotaroff 2006: 9, Sharma 2016: 119-20). In addition, their shorter working hours enable male workers to generate extra earnings through engagement in additional non-plantation horticultural activities, such as casual labouring, home-based vegetable gardening or cultivating small-scale tea gardens on their own (Sharma 2016: 120, Samarasinghe 1993: 334).

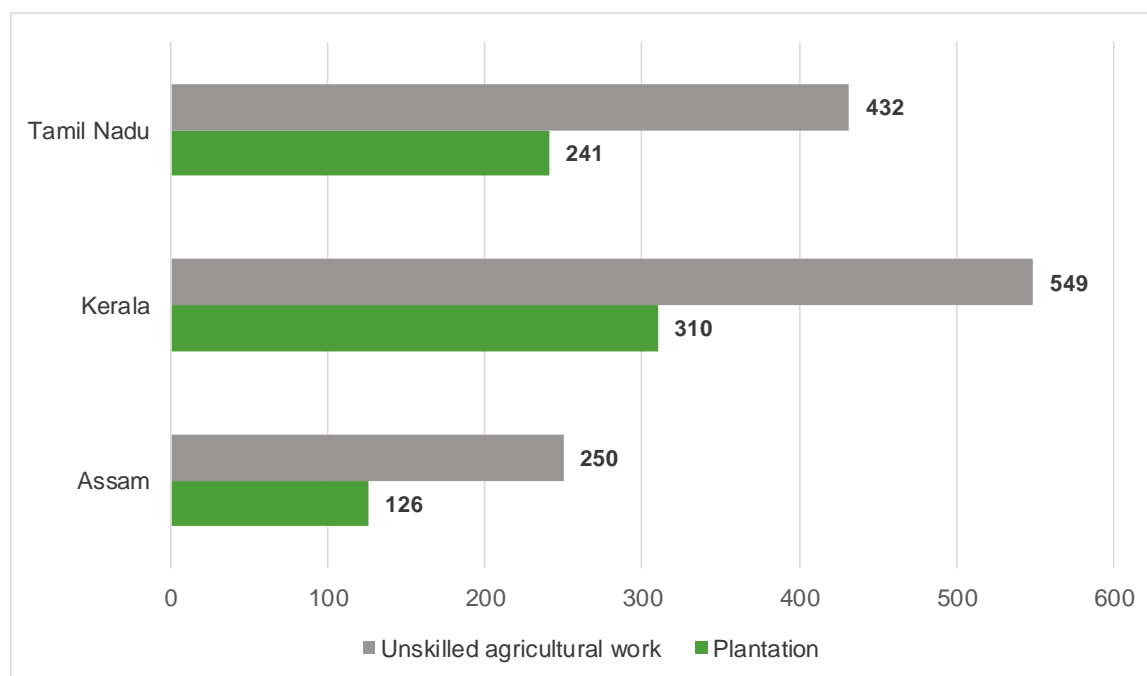
The time to increase female pluckers’ earnings through incentive payments comes on top of their longer regular working hours, especially for casual workers. Sharma (2016: 117) describes how temporary workers’ income insecurity translates into long working hours. Given that casual workers in tea gardens in Assam find employment for no more than six to seven months a year, they are forced to stretch their working day in order to maximize their earnings. In the Nilgiris in Tamil Nadu, temporary workers have to pluck twice the daily target for permanent workers on the same estates (Selvaraj and Gopalakrishnan 2016: 109-10).

Studies of labour conditions in the Indian and Sri Lankan tea industry have observed an erosion of workers’ earnings over time through the intensification of their work (Bhowmik 2005: 4104, Sharma 2016: 120). Gothoskar (2012: 35) explains how, in Tamil Nadu, this has been a response to labour shortage on the tea plantations. The resulting labour intensification for the remaining workforce has taken the form of increased pressure to extend working hours as well as higher plucking quotas that make workloads unbearable.

3.5.3 Tea plantation workers' earnings

Across our study regions, tea plantation workers' low earnings place them below the income poverty threshold. In India, the wages reported on the tea plantations are considerably lower than the notified minimum wages for other agricultural workers at national or state levels (Figure 3.8).

Figure 3.8: Daily minimum wage on Indian plantations and unskilled agricultural work by state, 2016 (INR)

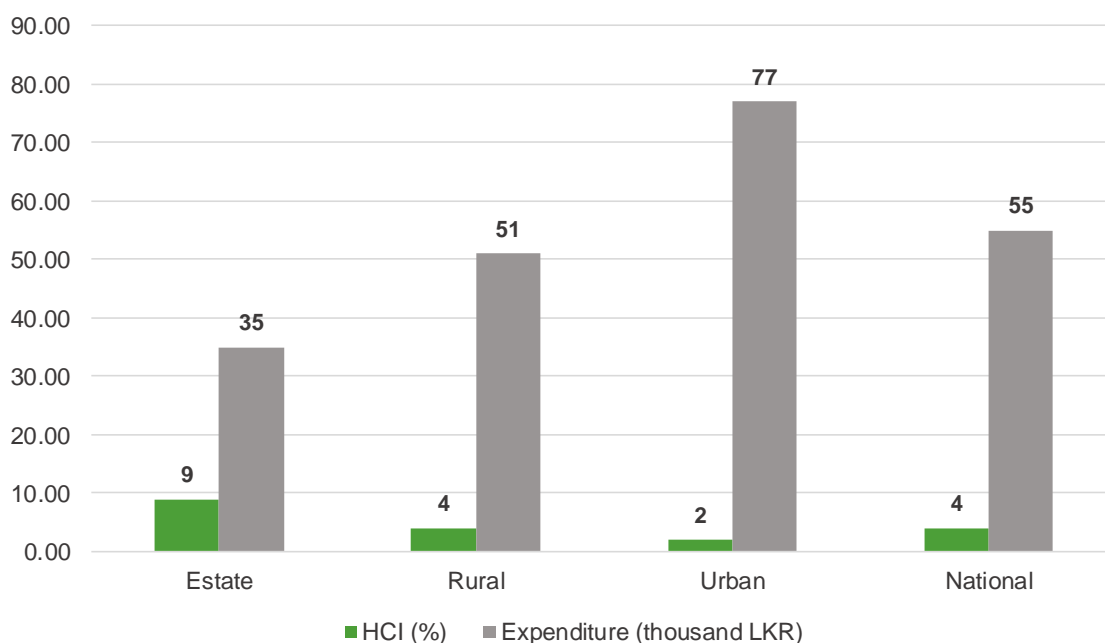


The statutory welfare benefits that plantation workers are entitled to on the basis of the PLA do not compensate for this wide gap (Rammohan et al. 2015: 33, Sarkar 2016: 27, Sen 2015: 544). A study by EPT and Oxfam comes to a different conclusion. Comparing tea plantation workers' conditions in three countries, including Assam in India, they find that tea pluckers' total compensation in Assam is just above both the agricultural minimum wage and the World Bank poverty line, yet, far below the living wage advocated for by independent unions on Assam tea plantations (ETP and Oxfam 2013: 22). In addition, Sarkar (2016: 27) argues that, given the skill level required for the tea leaf harvest, tea plucking should actually be compared with the better remunerated workers in the semi-skilled category.

The daily wages of plantation workers in south India have always been much higher than the wages in north India but, over time, this wage gap has increased. In recent years, these higher earnings have attracted thousands of workers from tea plantations in Assam and West Bengal to migrate to estates in south India (Glocal Research and ICN 2016: 14).

Until the 1980s, wage rates on Sri Lankan tea plantations were so low that production costs on tea estates were even lower than in smallholder tea cultivation. Lobbying the CWC was a key factor in raising wages after its power was strengthened through constitutional changes in 1978 (Heerath and Weersink 2009: 1764-5). A near doubling of plantation workers' daily wages in 2009 contributed to a substantial reduction in income poverty among the plantation population. However, tea plantation workers' are still one of the poorest communities in Sri Lanka (Figure 3.9). Both the share of income poverty as well as its severity remain highest in the large estate sector (DCS 2017: 2-3). In addition, compared to other rural populations, they have the least access to safe drinking water, sanitation and durable goods, including time-saving appliances like washing machines (DCS 2018). This implies lack of effective implementation of their statutory entitlements and that income poverty is augmented by time poverty.

Figure 3.9: Poverty Headcount Index and household expenditure in Sri Lanka by region, 2016



Source: DCS (2017, 2018)

Note: The figure displays expenditure as a more robust approximation of income.

Kotikula and Solotaroff (2006: 9) highlight that the gender segregation of tasks on Sri Lanka’s tea estate translates into differences in monthly earnings. Female tea plantation workers’ incomes are lower than those of males, driven by the fact that they are employed in occupations that receive lower wages. Women tend to earn less than men in all groups. The authors conclude that gender inequality in the plantation sector is characterized not by a gap in labour force participation but by a disparity in earnings.

3.6 THE ROLE OF FAIR TRADE¹⁹

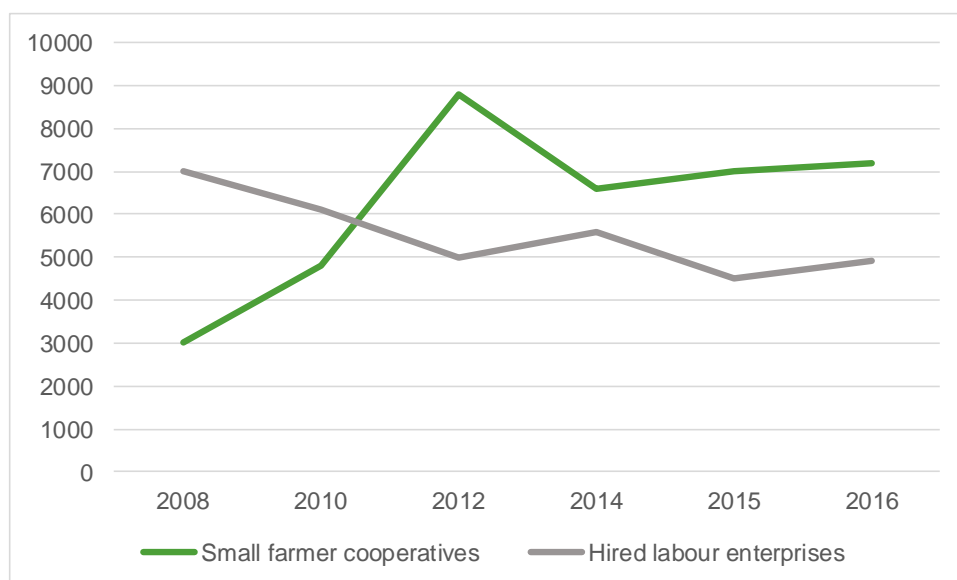
Different types of fair trade certifications of tea estates were launched in the mid-1990s. From the certifying organizations’ perspective, the extension of fair trade to include tea plantations was based both on the civic rationale that rural workers are as deserving of support as peasants, and a market rationale, that many crops are not produced in sufficient quantities by small producers to satisfy demand (Raynolds 2017: 5, 9).

3.6.1 Scope of Fairtrade tea production

Sales from small farmer cooperatives still represent the bulk of production certified by Fairtrade International. This is expressed in the fact that, in 2016, 87 percent of Fairtrade Premium receipts originated from small producer organizations (Fairtrade International 2018: 14). Yet, the revenue from large estates has represented a significant share of the Fairtrade certified production during the past decade. In tea, the share of tea plantations represented 40 percent of the total quantity sold in 2016 (Fairtrade International 2018: 89, Figure 3.10).

Figure 3.10: Fairtrade certified tea volumes sold by type of producer, 2008-16 (MT)

¹⁹ This sub-section is based on Siegmann (2016).

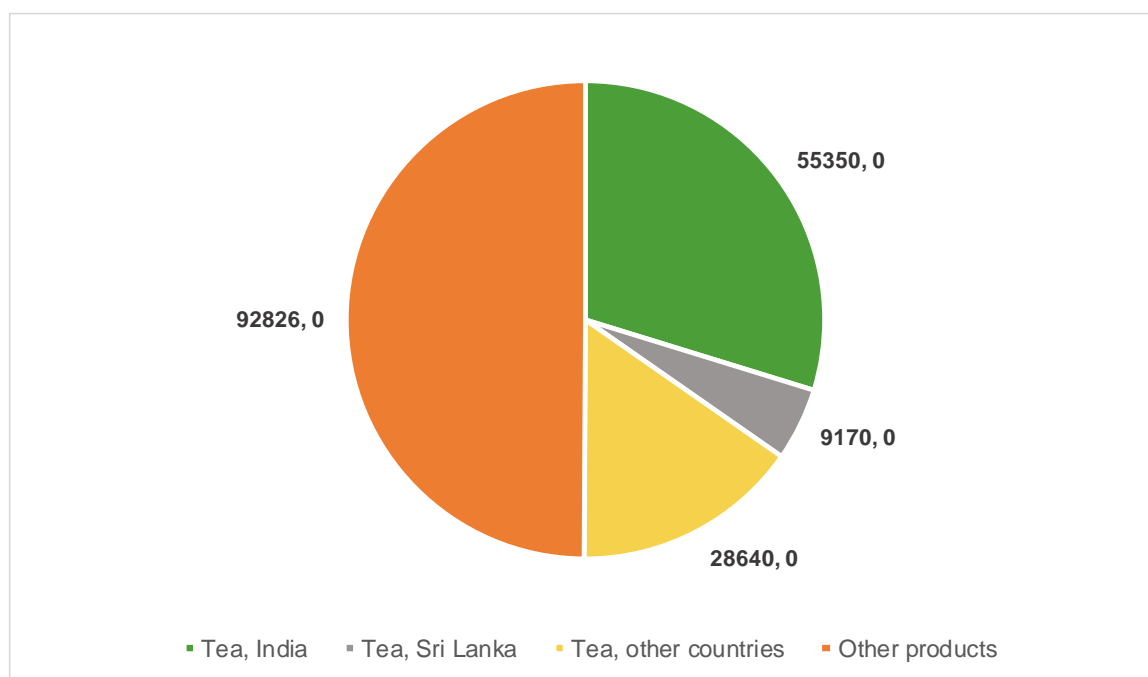


Source: Fairtrade International (various years)

With 3,240 and 870 metric tonne (MT) sales in 2016, India and Sri Lanka are the countries that rank second and fourth in terms of certified tea sales, respectively. However, these sales represent less than a tenth of both countries' certified production capacity, indicating a shortfall in demand for Fairtrade certified tea (Fairtrade International 2018: 91). The fact that many of the main export markets – the Commonwealth of Independent States (CIS, including Russia), United Arab Emirates, Turkey and the Middle East for Sri Lanka and the CIS, Iran, United Kingdom and Pakistan for India – are not yet markets that look for certification is one of the reasons for this (Haagsma et al. 2016: 13, Tea Board of India 2016: 82). The situation is similar for UTZ-certified tea in both India and Sri Lanka (UTZ Certified 2016: 32, Haagsma 2016: 28). This means that tea production and marketing occur within existing conventional value chains with little difference between the actors, institutions, regulations and activities of the conventional tea trade and that of Fairtrade. The social Premium that Fairtrade provides per unit of certified tea exported to benefit workers and invest in their communities is the main exception. Dolan (2010: 37) therefore argues that the integration of fair trade tea within 'conventional' value chains hampers relations that are "[...] coordinated through norms of trust, obligation, partnership and shared expectations."

In 2016, half of all plantation workers in the Fairtrade system were employed in tea cultivation and processing. Indian tea cultivation and processing alone represented more than one third of the almost 186,000 plantation workers employed in the Fairtrade system in 2016 (Fairtrade International 2018: 25, Figure 3.11).

Figure 3.11: Workers on Fairtrade certified plantations, 2016 (N, %)



Source: Fairtrade International (2018: 13, 87)

Despite the significance of estates in Fairtrade tea production, available studies of the role of different types of fair trade certification for tea workers' labour conditions and their wider social development often concentrate on smallholder production (e.g. Dolan 2008, Holmes 2015, Qiao et al. 2016). Those that investigate conditions on tea plantations focus on the situation in India, with Haagsma et al.'s (2016) evaluation of UTZ-certified tea in Sri Lanka being an exception. The following three sub-sections therefore provide and complement the findings of a recent review of the role of fair trade certification for workers' labour conditions (Siegmann 2016).

Raynolds (2017: 10) summarizes the key findings of many of these studies succinctly when she states that: "[c]oncerns over the strength of Fairtrade's certification have been fuelled by the rising number of competing plantation certification programmes which appear to promise social and environmental improvements far above what they deliver." Fairtrade International, too, perceives a weak impact of certification for the farmers and workers involved to date. Seeing an increase in sales of Fairtrade certified tea as a necessary condition for greater impact, the umbrella organization attributes this situation to the low share of their production that certified tea producers sell on Fairtrade terms (Fairtrade International 2016a: 104). Fairtrade International also considers joint engagement with trade unions, governments and the private sector as required steps to improve conditions and wages for tea plantation workers (Fairtrade International 2018: 85).

3.6.2 The role of fair trade for workers' wages and income

In this section, we review the current state of research on the impact of fair trade certification in the Indian and – to a lesser extent – the Sri Lankan tea sector. The section focuses on the question of whether certification has contributed to a progressive transformation of the situation of south Asian tea workers towards decent work in terms of their access to productive employment, equality and empowerment at work. The overview of the scope and approach of the reviewed studies provided in Appendix A2 shows that a comparison between certified and non-certified estates is rare. The table also highlights a complete lack of studies on certified tea plantation workers in Assam, the state in which half of India's tea is cultivated.

As Figure 3.11 shows, in 2016, 55,350 and 9,170 waged workers were employed in Fairtrade certified tea production in India and Sri Lanka, respectively. How remunerative has employment been for the workers involved? The standard for several fair trade organizations has been the requirement to pay waged workers at least the legislated minimum wage (e.g. ETP 2013: 13, UTZ Certified 2016: 33). Fairtrade International's 2012 workers' rights strategy goes beyond that by stipulating a commitment to a living wage as "a wage that covers the basic needs of a worker and her or his family, including food, clothing, shelter, healthcare, education, transport to work and a little extra for unforeseen

circumstances” (Fairtrade International 2012: 2). Alongside six other organizations, Fairtrade International forms the Global Living Wage Coalition, which aims to “[...] see continuous improvements in workers' wages, in the farms, factories and supply chains participating in their respective certification systems and beyond, and with the long term goal for workers to be paid a living wage” (GLWC no date).

The reviewed studies that compare certified with non-certified tea estates in India find only minor differences in the wages that workers are paid. Overall, wage levels are low and insufficient. Focusing on tea plantations in Tamil Nadu, Vermeulen and Dengerink (2016: 63) point out that, for permanent workers, the lowest wages are slightly higher on certified estates than on non-certified estates. This difference is statistically significant for women workers only.

In the same producing region, Lalitha et al. (2013: 42), too, find low wages and no significant differences in daily wages for the different categories of estates once supervisors are excluded. The authors explain this similarity by the consistent implementation of the CBA (Lalitha et al. 2013: 42, Vermeulen and Dengerink 2016: 63). As a result, for almost all the workers included in their study, whether from certified or the one non-certified estate covered, the income from the tea estate is just enough to cover basic food requirements for the family. The majority of workers were able to meet their food requirements only because of the presence of the public distribution system where households get rice at a subsidized rate (Lalitha et al. 2013: 58). Having said that, Lalitha et al. (2013: 42-46) find overtime payments and bonuses to be significantly higher on certified estates. For Fairtrade certified tea estates in Assam, Ray (2016: 30) finds that wages had not risen to desirable levels because – as in other regions – certified estates were reluctant to act outside CBAs in the industry.

Besky's (2008: 5) earlier study, which focuses on tea workers in a certified estate in Darjeeling, highlights mismatches between the claims of estate workers and management as well as between the stipulations of the PLA and tea workers' realities. According to pluckers, piece rates per kilogramme of tea have remained unchanged at US\$0.15 since the inception of certification in the 1990s with a common harvest of 8-10kg per day. In contrast to this practice, the PLA regards plantations as factories, guaranteeing workers hourly or daily wages, not per unit payments. Her findings are supported by Sen's (2009: 137-8) research in the same producing region. She points out that workers therefore perceived certification “as a sham” (Sen 2009: 137). In Besky's (2008) case study, the estate's owner quoted much higher earnings of almost US\$2/hour, in which benefits provided to workers by law were factored in. It seemed to her that the certifying organization accepted this exorbitant figure without question (Besky 2008: 5).

Many of workers' basic needs covered by the notion of a living wage are actually addressed by the benefits stipulated in the PLA. Vermeulen and Dengerink (2016: 64), whose study focuses on UTZ-certified estates in Tamil Nadu, find better provision of services to workers in certified estates. Housing, electricity, pensions, schools, childcare, nurseries, medical clinics, and transport are available to permanent workers on all of certified estates. They are available to permanent workers on 70–90 percent of non-certified estates. Lalitha et al. (2013: 62), in contrast, do not find significant differences between permanent workers on certified and non-certified estates who are entitled to social security and welfare on the basis of their contract. A higher proportion of workers on the certified estates had contracts, while the non-certified estates had a significantly higher percentage of casual workers without contracts. Managers on the certified estates included in Lalitha et al.'s (2013: 62) pointed out that due to labour shortages in the sector they extend certain benefits to temporary workers, which are not required by law, such as the Provident Fund and bonuses.

LeBaron (2018) and Moore's (2010) comparative studies, too, find little difference between certified and non-certified estates in Assam and Kerala and Darjeeling and Tamil Nadia, respectively. Both studies highlight difference in wages and total compensation between regions though. LeBaron (2018: 39-40) finds tea plantation workers in Assam are paid less than the standard set by different certifiers, while workers in tea gardens in Kerala are being paid above legally mandated wages, meeting certification standards. Her evaluation uses the national minimum wage for unskilled agricultural labourers as a point of reference, rather than the CBA for the plantation sector in the relevant state. Moore (2010) describes two progressive Fairtrade certified estates in the Nilgiris, which provide workers with amenities that are much more far-reaching than required by either the PLA or Fairtrade Standards (Moore 2010: 25). These cases lead her to wonder: “[...] what function [Fairtrade] serves for estates that already hold the ideals of social responsibility paramount” (Moore 2010: 25). Neilson and Pritchard (2010: 1844) offer an answer to Moore's question, referring to one of these progressive estates. They point out that the tea

plantations that are most likely to seek fair trade accreditation are those servicing higher value segments of the world market. For producers of high-quality teas fetching returns well above international standard prices, fair trade provides an additional point of brand differentiation. Therefore, they argue that the embrace of certification needs to be understood not only as an act of corporate social responsibility to its workforce, but also within an overall agenda to position its brands and reputation to best effect within lucrative market segments.

This indicates that it might actually be estates that already adhere to better labour practices that seek certification or attract the attention of fair trade certifiers (Besky 2008: 1, Neilson and Pritchard 2010: 1844), rather than certification benefitting estates with the most disadvantaged workforce.

3.6.3 Attaining gender equality and women's empowerment?

With its common commitment to non-discriminatory labour relations, the question is whether fair trade certification has a positive impact on the persistent gender-based inequities on tea estates.

Lalitha et al. (2013: 127) find that plantation companies' adherence to the Equal Remuneration Act means that there is no gender discrimination in wages. Certification did not make a difference in this respect. However, they identify the same gender-based segregation of tasks on the estates included in their study described in earlier sections above, "[...] reflecting the prevailing gender discrimination which ascribes plucking as an appropriate task only for women" (Lalitha et al. 2013: 38).

While the certified Darjeeling plantation that Sen (2009) studied branded itself as empowering women by promoting them to supervisory positions, women perceived themselves as disempowered: Just because they were women, they could not even move up to the level of a field supervisor (Sen 2009: 131-3). The more constrained employment opportunities for women workers in comparison to men are also expressed in the fact that male workers diversify their income more with employment outside the estate, leading to relatively lower incomes for women both on certified and the non-certified estate (Lalitha et al. 2013: 55-6).

In Sri Lanka, however, recent trainings on women's and workers' rights provided in the context of UTZ certification seem to have increased not only the recognition for women workers' contribution. Following the trainings, female supervisors were also appointed for the first time in two UTZ certified estates (Haagsma et al. 2016: 26, 28).

We turn to the question of whether women's interests are represented through trade unions and other collective bodies in the following sub-section.

3.6.4 Empowering workers through organization?

Strengthening workers' collective agency through freedom of association and collective bargaining is widely seen as enabling the guarantee of other labour rights and supporting moves towards decent work as a result. The commitment of different fair trade organizations to workers' collective agency has two components. On the one hand, certification commonly requires the guarantee of workers' right to form and join trade unions. On the other hand, Fairtrade Premiums are managed through collective bodies consisting of worker and management representatives, enabling worker participation in key decisions on the estate. Ensuring that workers have the freedom to negotiate their terms of work is one of the founding principles of Fairtrade International's workers' rights strategy. It reiterates these two commitments to workers' participation and empowerment (Fairtrade International 2012).

The reviewed studies confirm the high degree of unionization of Indian tea estates, independent of certification. Simultaneously, they raise critical questions about whether union membership empowers workers within the (certified) tea chain. Lalitha et al. (2013: 65) find higher union membership rates among workers employed in Tamil Nadu fair trade-certified estates. They have 96 percent membership, on average, while membership rates range between 84-91 percent on non-certified estates. According to them, it is the historical presence of trade unions and the tripartite agreement that shape freedom of association and collective bargaining rather than certification. In Vermeulen and Dengerink's (2016: 64) interviews with estate managers, access to labour unions is comparable for certified and non-certified estates. Their appreciation of them, however, is different. Managers of certified farms are significantly more positive about the contribution of unions to relations with their workers than those of non-certified farms. Sen (2009) questions the assumption that unionization in itself empowers workers. In her study of certified tea plantations in Darjeeling, she argues that the pressure to comply with

Fairtrade Standards blinds auditors to the reality of how little unions are actually doing for workers in certified workplaces. In doing so, she raises questions about the limits of Fairtrade certification to deliver justice within unionized workspaces (Sen 2009: 104-5).

Haagsma et al.'s (2016: 25) more recent evaluation is positive about the role of certification for Sri Lankan tea workers' collective empowerment. It finds that the trainings for workers and estate management provided in the context of UTZ certification have decreased the hierarchical relations on the estates and improved industrial relations: "Workers mentioned that while they could not directly approach management before, unless they did so through the union, now they approached managers directly, bringing up their issues and having them addressed." Workers' enhanced ability to approach the management seems to have come at the expense of their loyalty to trade unions. The authors explain this as a result of their greater commitment to overall estate performance and their new sense of ownership (Haagsma et al. 2016: 38).

Several studies reflect the continued marginalization of women in plantation unions cited above, independent of certification. Lalitha et al. (2013: 65) point out that few of the women who participated in their study stated that they attend union meetings, as they are regarded as male territory. During one phase of their research, not one of the women with whom the researchers interacted was a union member. Respondents explained this by saying that, traditionally, it was men who were engaged in the trade union activities (Lalitha et al. 2013: 66). Sen (2009) finds a similar gender bias in the context of Darjeeling tea cultivation. According to her in-depth study of a certified plantation, the search for ethnic identity among Nepali minorities in India resulted in a further increase of male domination in unions. She concludes that by assuming the presence of trade unions serves as a vehicle for women's empowerment, Fairtrade certification turns a blind eye to patriarchal structures that silence the voices of female workers in male-dominated labour union politics (Sen 2009: 106).

In one specific case, certification was found to act as an impediment for workers' collective agency. In Besky's (2008: 2, 6) case study of Darjeeling tea cultivation, unions were dissolved shortly after Fairtrade certification. While the author does not claim that Fairtrade certification caused this dissolution, she calls attention to the possibility that the regulations of Fairtrade certification might be displacing the Indian state's regulatory institutions. The Standards of Fairtrade International, which certified the estate in question at the time of Besky's study, did not require the presence of unions, but of 'democratically organized bodies'. The 'joint body' – now called the FPC - for the governance of the Fairtrade Premium was seen as fulfilling this criterion. Yet, its composition and (in)activity did not forebode well for workers' participation and empowerment: The FPC was composed of male managers and supervisors and female office staff. It never met during the three months she spent on the plantation. Other studies of the same region report similar findings (Makita 2012: 98-99, Moore 2010: 16-19, Sen 2009: 109). According to Sen (2009: 109): "[...] the Joint Body was not a democratic space; the management controlled every conversation."

As several authors point out, the common lack of workers' participation is also rooted in a lack of awareness among workers and trade unionists about fair trade (Makita 2012: 97, Moore 2010: 10, Sen 2009: 24, Van der Wal 2008: 59). Makita (2012: 100-1) argues that this invisibility of Fairtrade is used to entrench relations of patronage between tea workers and management. This is because the Fairtrade Premium financed additional services and benefits for workers without them being aware of it. In fact, their perception that it was management's generosity that funded these benefits strengthened their patronage ties.

Lalitha et al.'s (2013) more recent study from Tamil Nadu is more positive about workers' knowledge of Fairtrade Standards as a requirement for their ability to claim their rights. During a range of discussions with workers, they found (2013: 99-100) that in one recently Fairtrade certified tea estate, workers had solid knowledge of Fairtrade, of the FPC, of procedures regarding the committee election and for selecting projects for Premium funds. A majority of 70 percent of the committee was selected from the workers, with adequate representation of women. Here, management did not have voting rights; only the workers.

Finally, Sen and Majumder (2011: 31) highlight the possibility that even critical discourses around Fairtrade may give rise to social mobilisation. This is because Fairtrade cultivates certain kinds of expectations in producer communities, even among excluded groups. These expectations may serve as a launching pad for critical counter-politics that tend to challenge and contest national and political

economic relationships undergirding fair trade. Sen and Majumder (2011: 41-3) illustrate this with Darjeeling women tea workers' demand for 'real fair trade', claiming a separate share of the cooperatives' Fairtrade Premium for their own economic projects (Sen 2009).

4. FAIRTRADE AND ITS IMPACT ON THE WORKING AND LIVING CONDITIONS OF TEA PLANTATION WORKERS IN SOUTH INDIA

4.1 INTRODUCTION

This chapter analyzes the influence of Fairtrade certification on the labour conditions and collective agency of workers in tea plantations in south India and the role of Fairtrade on plantation workers' working and living conditions. The chapter is organized as follows. Section 4.2 briefly highlights the socio-economic profile of the participants in the worker survey to set the background for the forthcoming sections. Section 4.3 presents a detailed analysis of the working conditions and collective agency of tea workers by examining a) industrial relations, collective bargaining and the role of trade unions therein; (b) wages, income and expenditure, and (c) working conditions, key worker rights, social security and housing. Section 4.4 undertakes an analysis of the impact of Fairtrade on the working and living conditions of workers.

4.2. SOCIO-ECONOMIC PROFILE OF SURVEY RESPONDENTS

The profiles of the respondents of our worker survey reflect tea plantation workers' societal marginalization identified in earlier research. The vast majority of the participants were female, poorly educated, and belonged to scheduled caste communities that rank at the bottom of the Indian caste hierarchy (Table 4.1).

Table 4.1: Profile of survey respondents in south India by certification (%)

	Certified (N=104)	Non-certified (N=39)
Female (%)	71	74
Age	48	48
Completed primary school (%)	72	82
Married (%)	97	90
Household members (mode)	3.7 (4)	3.7 (4)
Migrant (%)	64	74
Tamil (%)	83	90
Scheduled caste (%)	85	59

While the All-India literacy rate in 2011 was 74 percent, Kerala came top among the states with a literacy rate of 93 percent, followed by Tamil Nadu with a high score of 80 percent. Plantation workers in the study locations in these two states had much lower levels of literacy. More than a quarter of the survey respondents on certified estates (27 percent) had never attended school, a significantly poorer educational background in comparison to the non-certified estate. There, 13 percent of the workers reported that they had never attended school. The respective shares of female workers were even higher, with 32 percent on certified and 17 percent on non-certified estates.

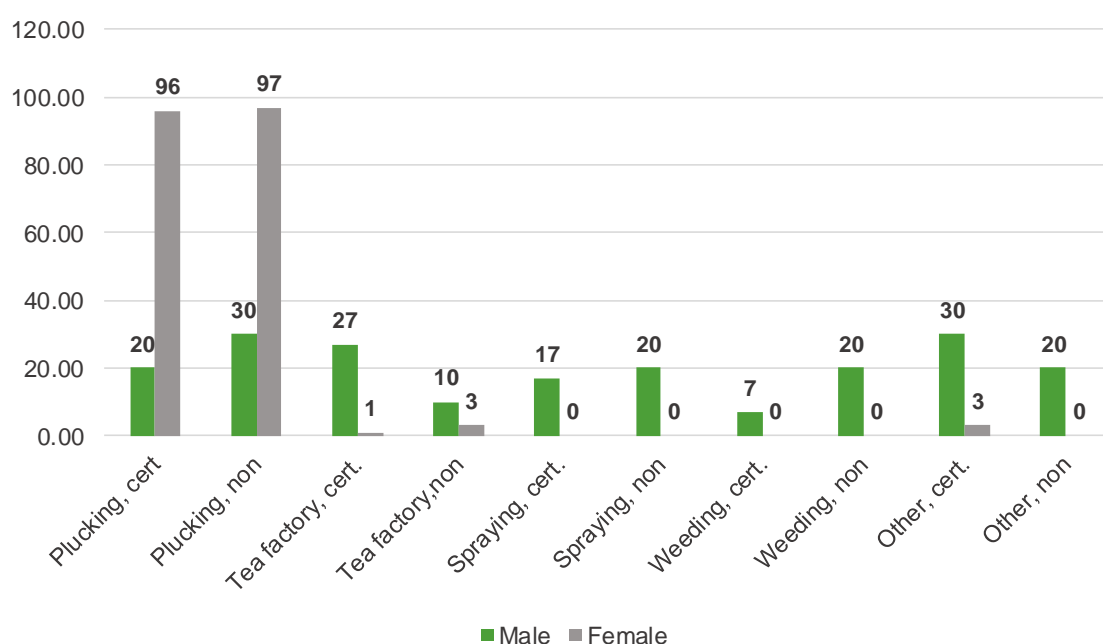
The relatively high average age of 48 years for both certified and non-certified estates, ranging from 34 to 58 years for non-certified and from 28 to 60 years for certified estates, is likely to reflect our sampling design, which only included workers who were employed on the estate at the time of first Fairtrade certification. A household size of four members was most common, observed in 52 percent of certified and 41 percent of non-certified estates.

The share of migrant workers – defined as being born in a district different from the current district of residence – was high, with 74 percent on non-Fairtrade certified estates and 64 percent on certified

estates. The share of migrants includes a large number of female workers who had migrated after marriage. The majority of the older workers were migrants from neighbouring regions of the same state or the nearest state. Some of the workers also identified themselves as emigrants from Sri Lanka. These patterns are reflected in the fact that Tamil is spoken as the mother tongue by 80-90 percent of the survey participants. Not being the native language of Kerala, this sets the tea plantation workforce apart from the population of the surrounding villages.

As the sample is confined to workers who were employed on the estate during the year of first year of Fairtrade certification, it does not cover the recent inflow of migrant workers. The sample estates in the Nilgiris in Tamil Nadu reported the recruitment of migrants from distant states of central India, Jharkhand in particular. Reflecting the findings of other studies outlined in Chapter 3, this situation has emerged in recent years in response to increasing labour shortages.

Figure 4.1: Workers' tasks in south India by gender and certification (% of male/female workers)



Note: The total number of survey respondents was 74 female and 30 male workers on certified estates and 29 female and ten male workers on non-certified estates.

An overwhelming majority of 80 percent of the survey participants from Fairtrade certified estates and 74 percent of respondents from non-certified estates were engaged in tea leaf plucking in 2016. Harvesting tea is the single most important task for female tea plantation workers, while male workers take up both tea factory work and different types of field work, such as spraying and weeding (Figure 4.1). All survey participants from non-certified estates held permanent contracts, while a minority of three percent of participants from certified estates were on temporary contracts. It is striking that all of them were female.

4.3 INDUSTRIAL RELATIONS, COLLECTIVE BARGAINING AND GRIEVANCE REDRESSAL

4.3.1 Workers' collective agency

Based on Fairtrade's ambition to empower workers to negotiate their own wages and terms of work (Fairtrade International 2012: 1), the exploration of tea plantation workers' collective agency is a key

concern of the present study. To understand workers' efforts to improve their working and living conditions, research participants were asked to reflect upon both their individual and collective initiatives to influence these conditions on their estate.

Overall, about 15 percent of workers on both certified and non-certified estates reported individual efforts to achieve changes in their working and living environments. Workers who mentioned such individual efforts tried to address financial or housing-related problems through the estate management. A male field worker from one of the certified estates stated that:

"If I have any need, I don't ask ten persons to accompany me to meet the management. I will go directly and meet the manager." While most survey participants did not perceive any change between the situation in 2016 and the reference period, a few participants from the certified estates saw more avenues to improve their conditions individually now, compared to the year of the first Fairtrade certification.

Workers' collective initiatives have been more common than individual efforts. On certified estates, 36 percent of the survey respondents reported that they have been able to take collective initiatives for the improvement of working and living conditions on the estate. With 26 percent, this share was lower on non-certified estates.

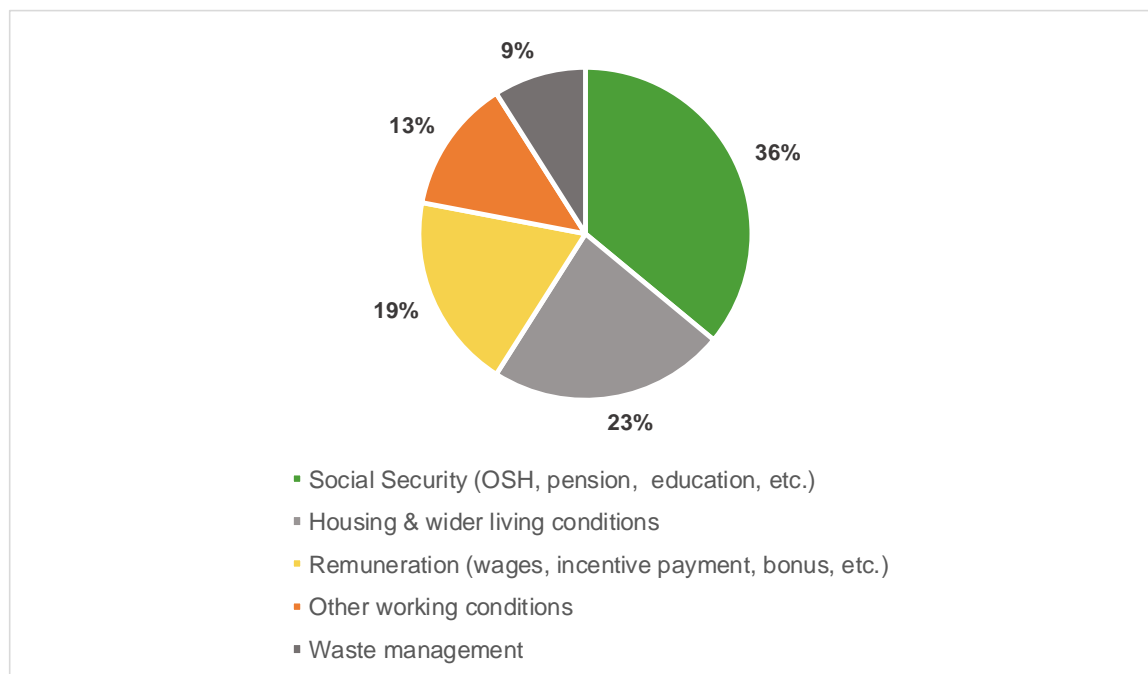
Mirroring their larger representation among the respondents in the worker survey, women tea pluckers represent the majority of those engaged in collective initiatives. Yet, workers with higher education levels, settled and higher caste background are better represented among those involved in collective action, especially on certified estates (Table 4.2).

Table 4.2: Profile of workers in south India involved in collective action by certification (%)

	Certified (N=36)	Non-certified (N=10)
Female (%)	72	70
Plucker (%)	72	70
Age	48	45
Completed primary school (%)	83	90
Married (%)	97	100
Household members (mode)	3.7 (4)	4.8 (4)
Migrant (%)	56	50
Tamil (%)	83	90
Scheduled caste (%)	75	40

Workers' collective initiatives concerned a variety of demands on the certified estate, from different aspects of workers' social security, including occupational safety and health and access to land and pensions, via improvements in housing and wider living conditions to wage increases, bonus and incentive payments (Figure 4.2). On the non-certified estate, with wage and bonus increases, the issues raised were entirely confined to the work environment.

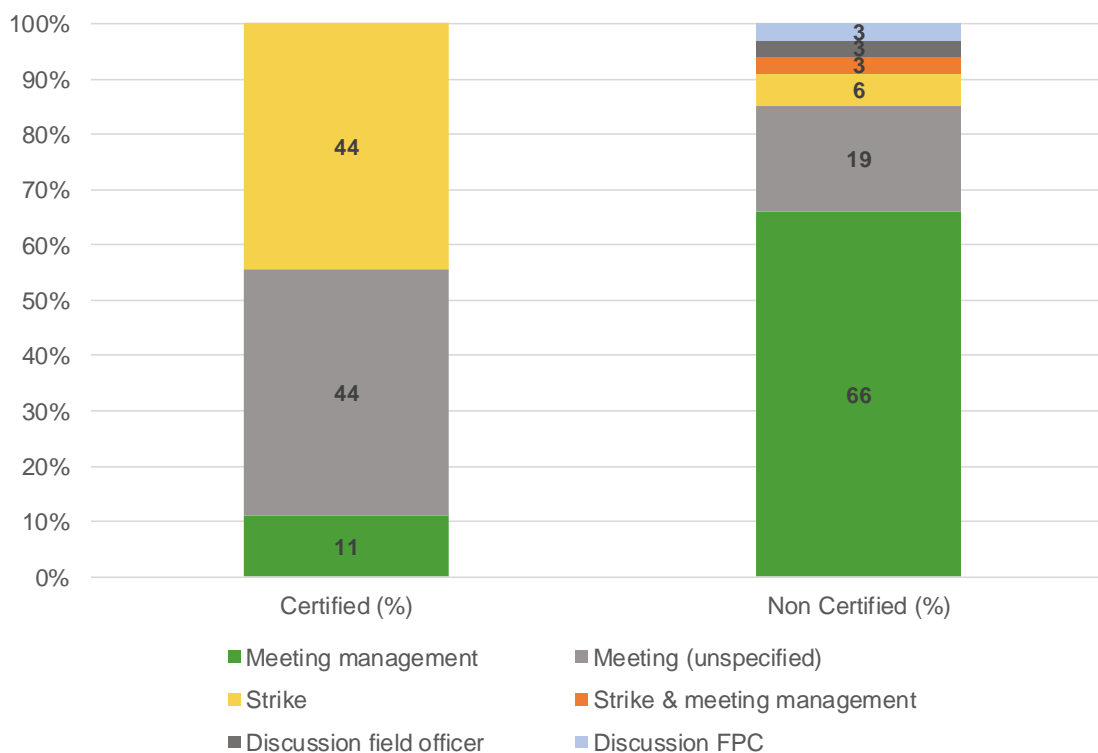
Figure 4.2: Issues addressed by collective action on certified estates in south India (%)



Note: OSH=occupational safety and health

To resolve the issues they faced, workers on certified and non-certified estates applied rather different strategies. While striking was one form of exerting pressure to address workers’ grievances on both certified and non-certified tea plantations, it was relatively more common among workers on non-certified estates (Figure 4.3). The majority of survey respondents on certified estates, in contrast, mentioned different forms of meetings, especially with the estate management, as the form of collective action they had been involved in. A male worker on a certified estate associates this with a changed role of trade unions. Asked whether workers would approach the management through unions or directly in case of any grievances, he responds: *“No, no, we tell [the management] directly. Initially, we depended on trade unions to meet all our needs. But now, things have changed.”* Two field workers in their mid-twenties on another certified estate confirm this. In response to a question on the role of trade unions on their estate, they comment on their relationship with management: *“We have a very good relation with the management. We never get any chance to ask political parties [trade unions] to intervene in any major issue.”*

Figure 4.3: Type of collective action taken in south India by certification (%)



Note: N certified estates=32, N non-certified estates=9

Nevertheless, workers have utilized trade unions as one platform to convey their requirements to management. In two of the selected estates – one certified and one non-certified – a workers’ committee exists which workers see as a way to bring grievances to the attention of the estate management. Focusing on bringing workers’ grievances to the management’s attention, the mandate of these committees is narrower than that of trade unions who also engage in wage negotiations, yet, workers were unanimously positive about their role. As mentioned above, this was not always the case for trade unions.

In most cases, these collective initiatives resolved workers’ grievances. The degree of success was higher on the non-certified estates compared to certified estates. It is difficult to assess, though, whether this difference is due to workers’ better strategies and more effective grievance mechanisms on these estates or due to greater awareness of their rights and entitlements on the certified estates. This latter interpretation is supported by survey respondents’ perception of change over time. In line with the wider range of forms of collective action taken on Fairtrade certified estates as shown in Figure 4.3, 31 percent of them reported that, compared to the year of first certification, they had more avenues to improve their working conditions at the time of the survey. On non-certified estates, with about a fifth of survey respondents, the corresponding share was clearly lower. It is interesting to note that, independent of certification, this optimism about effective grievance mechanisms is highest – more than 40 percent of the survey participants – among the respondents of those estates who mentioned strike as a form of collective action they had used.

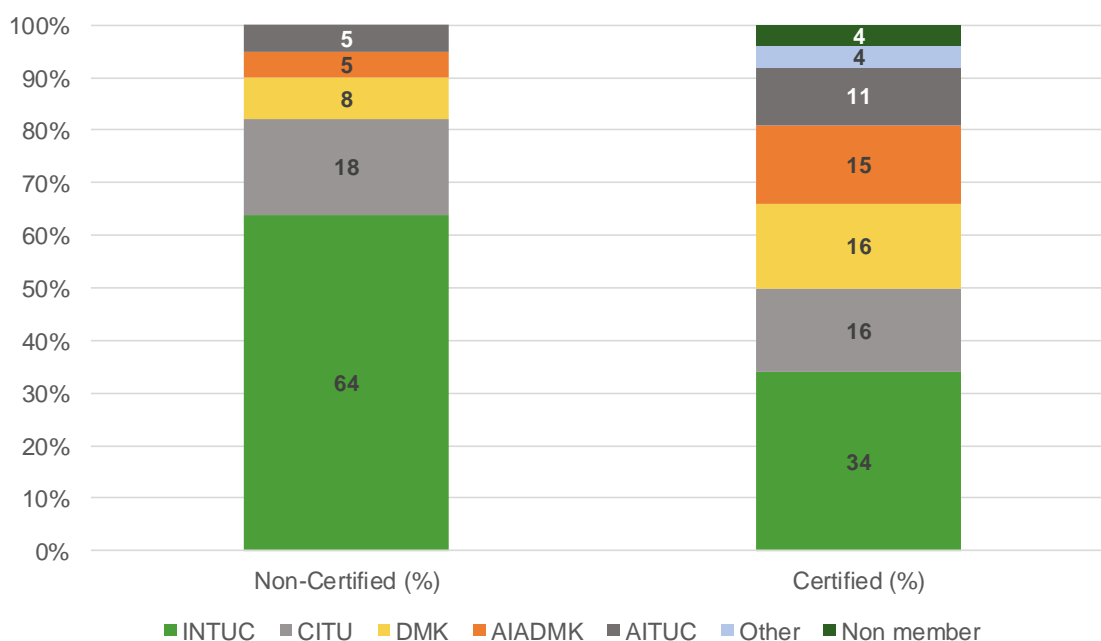
4.3.2 Workers’ ‘enabling’ rights and the role of the unions

Awareness about workers’ rights and entitlements, especially the ‘enabling’ rights to freedom of association and collective bargaining, is key to effectively realizing those rights. The worker survey therefore explored how important the right to freedom of association and other labour rights are to tea workers and whether these rights are guaranteed by the estates on which they worked. Survey participants on both the certified (104 respondents) and non-certified (39 respondents) estates

considered it extremely important to exercise their right to freedom of association. In fact, in the survey, all participants also reported that the estates on which they worked - irrespective of certification - guaranteed this right. The vast majority of survey participants on both certified and non-certified estates did not perceive any change over time in the guarantee of their freedom of association.

In practice, freedom of association mostly means membership of trade unions that are affiliated to political parties. Reflecting the high level of unionization reported in Chapter 3, most workers who participated in the survey were union members (Figure 4.4). Most workers on both the certified and non-certified plantations are INTUC members, their shares being 34 and 64 percent, respectively. The distribution of workers across unions reflected in Figure 4.4 has remained more or less the same since the years of first Fairtrade certification.

Figure 4.4: Workers' union membership in south India by certification (%)



Note: INTUC=Indian National Trade Union Congress, CITU=Centre of Indian Trade Unions, DMK=Dravida Munnetra Kazhagam, AIADMK=All India Anna Dravida Munnetra Kazhagam, AITUC=All India Trade Union Congress

Both workers and management representatives describe the trade unions as mediators that can report the formers' grievances to management. A female field worker on a certified estate described this role of unions in the following way:

"We cannot meet management every time. So, if we have any issue, we go and meet the unions."

The grievances addressed through trade union intervention included both tea plantation workers' labour and living conditions. Some research participants mentioned unions as the sole actor addressing labour rights-related concerns. A female worker in a certified estate elaborated on an example of trade union intervention: *"Suppose, if any worker goes to their hometown by taking two days leave and comes back to work after a few months. At that time, the management may refuse to take [the worker] back to work. So far, nothing as such has happened. Suppose if the management says something like that, we seek help from the union to meet the management on our behalf and solve the issues."*

However, the qualitative interviews in particular revealed that many workers perceived the role of trade unions as minimal. On both certified and non-certified estates, some of them, like the male field workers

on a certified estate quoted below, emphasised that it is the estate management that is providing everything to the workers:

“Field worker 1: We have a very good relation with the management. We never get any chance to ask political parties [trade unions] to intervene in any major issue. [...] - Field worker 2: Political parties are just for the name’s sake. We go and vote during election time, that’s all.”

A female plucker in one of the certified estates goes further than that. She complains that:

“Nothing happened, so far. We don’t go and tell [the union]. [...] Even if we tell them, nothing will happen.”

While all workers on non-certified estates hold membership in one of the eight trade unions present across the estates, a minority of four percent of the respondents on certified estates were not trade union members. It is remarkable that all of these non-members are female. One of them, a tea plucker who had been on a temporary contract since 2005, stated that union membership is only for permanent workers. This contradicts the PLA which does not distinguish between temporary and permanent workers as well as Fairtrade Standards which stipulate that certified plantations have to respect all workers’ right to form or join trade unions (Fairtrade International 2014a: 23). During qualitative interviews, female workers echoed the finding of earlier studies that trade unions are considered male spaces. Asked about her activities as a union member, a field worker from a certified estate, for instance, pointed out that:

“Usually women don’t go for the [union] meeting. Only men attend the meeting.”

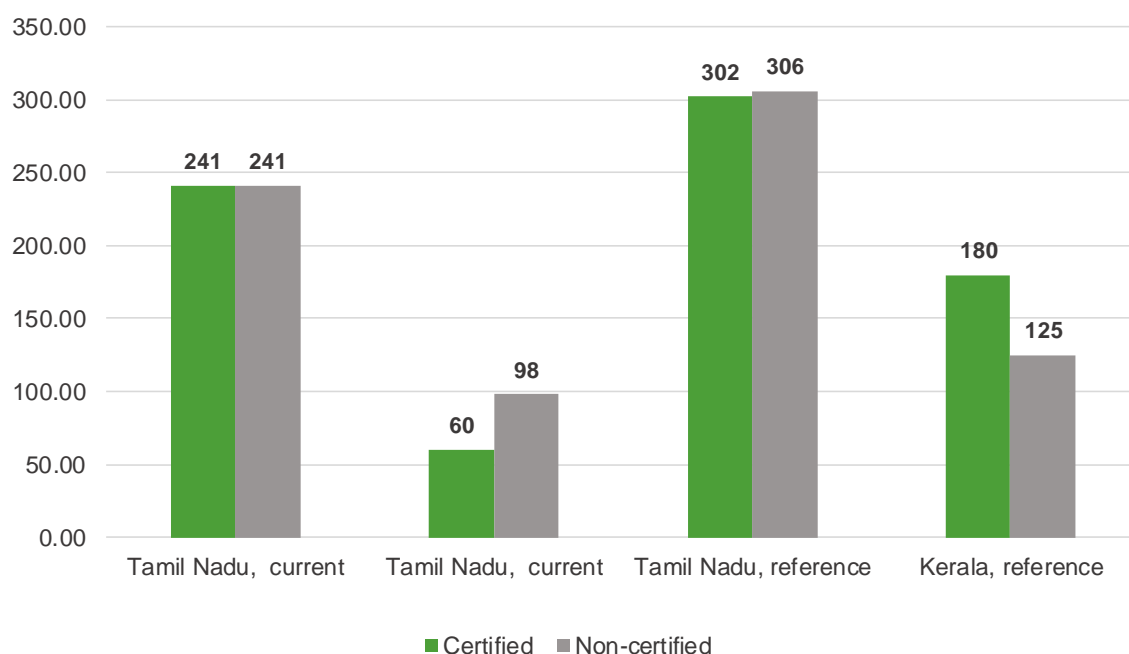
Gender dimensions were also noticeable in trade union hierarchies. One tenth of survey participants on certified estates assumed a leadership position in their respective trade union compared to 13 percent on non-certified estates, with all leaders being male. Besides lack of interest, the majority of those women and men who could not assume a leadership position cited lack of time, lack of education or lack of opportunities as obstacles to become leaders within their union.

4.4 TEA WORKERS’ EARNINGS, HOUSEHOLD INCOME AND EXPENDITURE

4.4.1 Tea plantation workers’ daily wages and working hours

The amount and regularity of wages paid to workers on plantations is a topic of great relevance in the context of tea plantation workers’ poverty. Therefore, a key question for our research is whether the wages paid to tea plantation workers enable them to make a decent living. As described in Section 3 above, especially for field workers, earnings are mostly a mix of time- and effort-related payments.

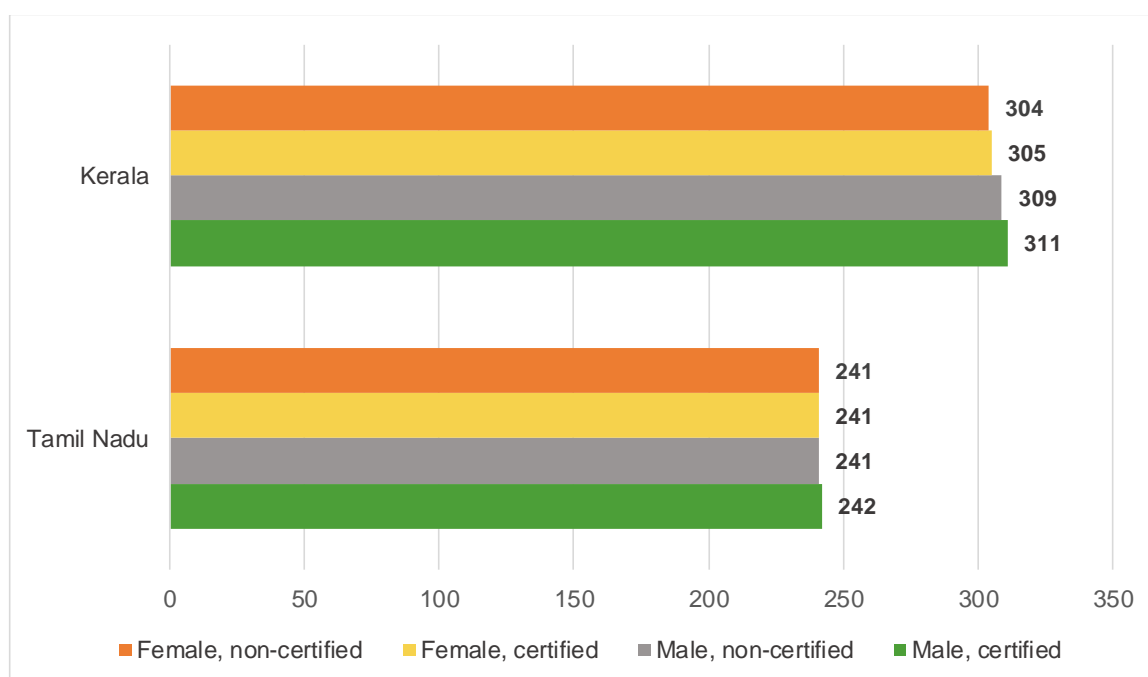
Figure 4.5: Workers' daily wages by state, certification status and period (modes, INR)



Note: The reference year is 1994 for Tamil Nadu and 2009 for Kerala

As described in Chapter 3, the state has a strong role in wage determination. While in Tamil Nadu, the state declares the minimum wage and negotiations take place at the district level subsequently, in Kerala, the wage is decided on the basis of tripartite negotiations and then declared as the minimum wage. Figure 4.5 reflects 2016 daily wages on Fairtrade certified and non-certified estates in Kerala of more than INR 300 while those in Tamil Nadu were less than INR 250. This is related to the higher prevalent daily base wage for workers of INR 310.04 in Kerala and INR 241.31 in Tamil Nadu (Das 2017). The wages on the estates in Kerala were also higher in the reference year compared to Tamil Nadu. This difference, however, can largely be explained by the different reference years of 1994 for Tamil Nadu and 2009 for Kerala. Gender differences in daily wages are present on estates in Kerala (Figure 4.6). They are mainly driven by higher rates for male-dominated tea factory work and supervision in both states.

Figure 4.6: Daily wages in south India by state, gender and certification (INR)



The standard working schedule followed in the tea gardens is eight hours. Asked about the normal daily working hours, all survey participants on certified estates provided this figure. On non-certified estates, the length of the working day varied by the tasks performed. Field workers engaged in weeding and spraying, for instance, mentioned a shorter working day than factory workers and tea pluckers.

Different schedules for different tasks enable or disable the take-up of additional incentive-based work. Normally, the task of green leaf plucking commonly undertaken by female workers starts between 7.30am and 8am and goes on until 4.30pm to 5pm with an hour lunch break in between. On the other hand, workers in tea factories – most of whom are male – normally work one of two or three scheduled shifts per day depending on the quantity of green leaf to be processed. The first shift may be scheduled, for instance, between 6am and 2pm, enabling factory workers to take up incentive-based work in the afternoon.

4.4.2 Incentive wages for tea leaf plucking

The near equality in daily base wages received by female and male workers makes the stark gender differences in workers' ability to increase their earnings through incentive work difficult to discern. In contrast to PLA stipulations, overtime work beyond a normal working day or for more than 48 hours in any week does not seem to be remunerated at double the daily wage rate. Only a few factory workers on a certified estate reported overtime payments. Rather, tea pluckers and some other field workers refer to overtime work as extra income generated through incentive payments for harvesting more than the daily target.

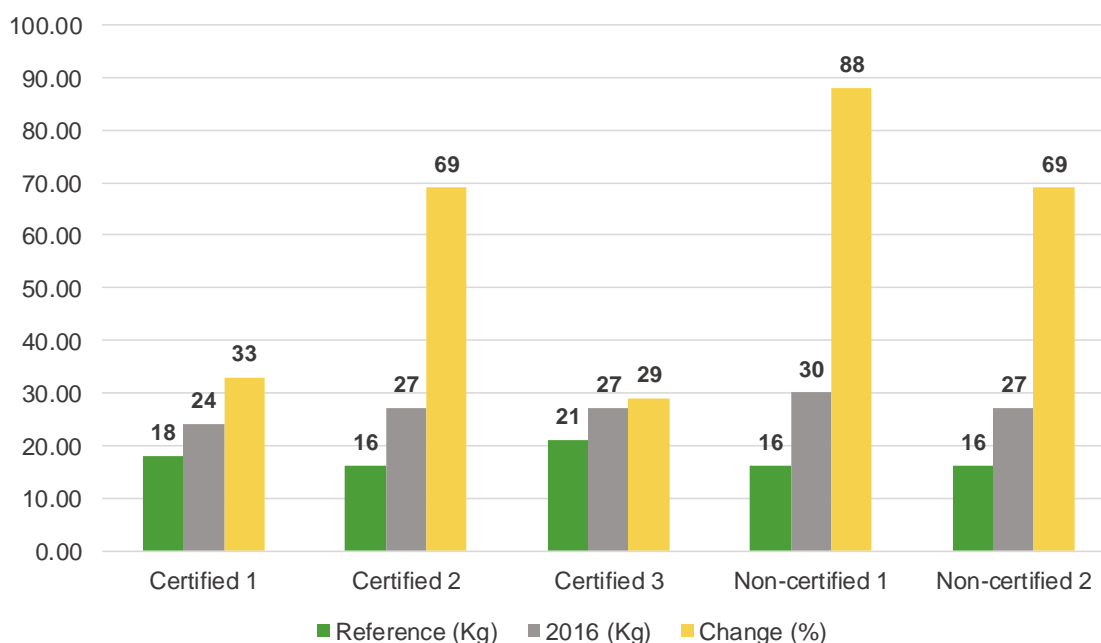
There are three methods being adopted for plucking of tea leaves in the tea gardens, viz., hand plucking, shear plucking and machine plucking. Among the estates included in our study, machine plucking is used on only one non-certified estate. The workers are able to pluck more than the standard plucking target during the peak season (June/July – October), thereby increasing their earnings. During the lean period, the workers more often find it difficult to harvest the set amount of leaves. As elaborated below, this may sometimes lead to a deduction in wages given to the workers. During the peak season, south Indian estates adopt mechanised plucking with shear or machine to harvest the entire yield, while manual plucking is common in the lean season. While the manual harvest as well as harvesting by shear are largely undertaken by a female workforce, machine plucking is commonly done by men. Management and workers share the idea that: "*Machine plucking is usually done by male workers*

because it requires technical skills as well as stamina to carry the machine” (manager non-certified estate). This idea justifies this occupational gender segregation as a performance of masculine strength.

While all tea pluckers who participated in our survey did receive a cash incentive for additional quantities of tea leaves plucked both in 2016 and during the reference year, the higher productivity of the mechanised harvest translates into higher incentive wages for the workers involved. Different daily harvesting targets are fixed for each method. In addition, in some cases, the incentives per additional kilogramme of tea leaves are slightly higher for mechanised harvesting. This implies that those engaged in shear and especially machine plucking are able to generate a much higher incentive wage per day. For instance, with daily machine harvests of between 1,000-1,500kg during peak periods and a daily target of 500kg, an incentive of INR 2 per additional kg of mechanised harvest – by shear or machine – implies that men holding the machine will be able to earn a daily incentive wage of INR 250-500 each. For the largely female field workers harvesting tea leaves by shear, daily harvesting targets are fixed at 27kg per day. Harvests of 50-100kg during the peak period imply a far lower daily incentive wages of INR 46-146 for female harvesters.

Harvesting norms have increased significantly over time. Increases range from about 30 percent to almost double the reference period’s target (Figure 4.7). Besides mechanisation, the difference is likely to be influenced by the different reference years, i.e. 2009 in the case of the lower increases in harvesting targets and 1994 in the case of the higher increases.

Figure 4.7: Harvesting targets and their change by estate and period (modes)



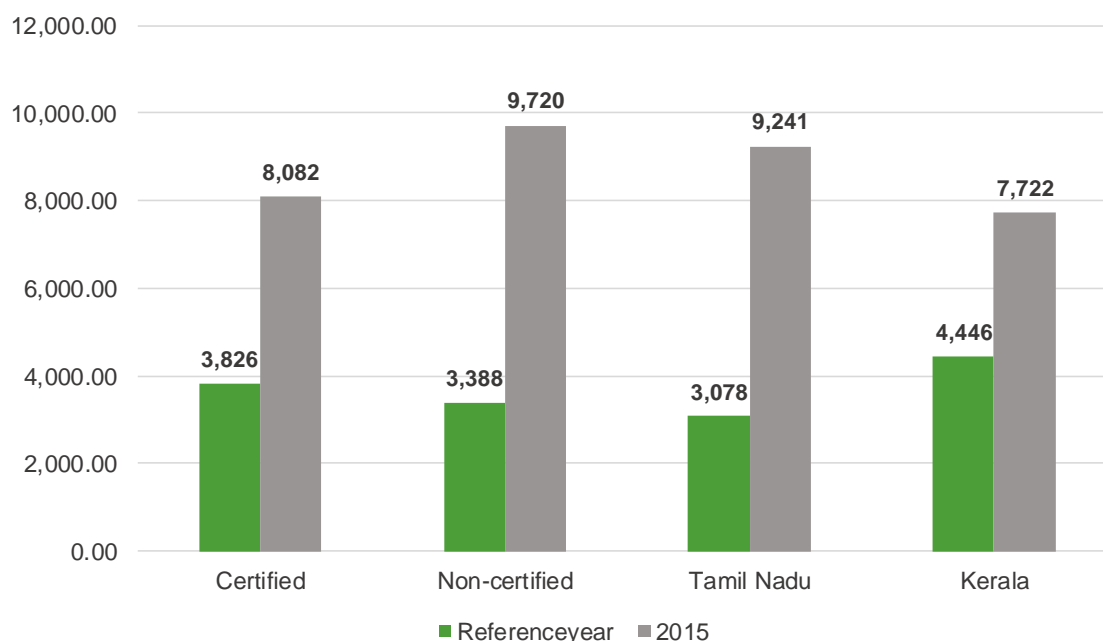
The flipside of the incentive scheme is that earnings were deducted on some estates if pluckers did not meet the specified harvesting targets. This happened on both certified and non-certified tea plantations in Kerala, but not in Tamil Nadu. This practice runs against Fairtrade’s stipulation not to make deductions from wages, unless stipulated in national legislation or CBAs (Fairtrade International 2014a: 27).

4.4.3 Bonus and attendance allowance

The payment of bonuses is one of the important statutory provisions as laid out in the Payment of Bonus Act. It was enacted in 1965 and applies to every factory and other establishments, including plantations in which 20 or more persons are employed on any day during an accounting year. The act provides for the bonus to be paid to workers on the basis of profit on production or productivity.

In our study, all workers participating in the survey received a bonus both in 2015 – the year preceding our field research – and in the reference year. The rate of the bonus paid to workers varied between 8.33 to 20 percent of the total wage across plantations.

Figure 4.8: Annual bonus 2015 by certification, state and year (INR)



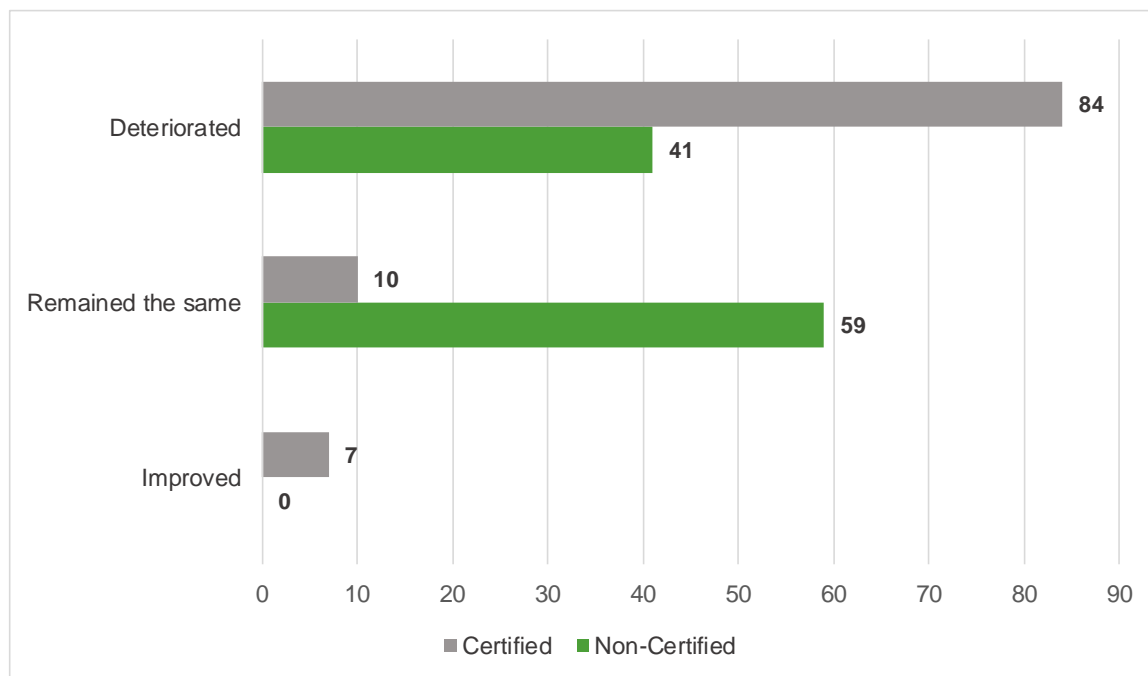
While, in 2015, non-certified estates fared better than the Fairtrade certified estates with respect to the bonus workers received, this seems to be related to higher bonuses of INR 9,241 on average paid by tea estates in Tamil Nadu compared to INR 7,722 in Kerala (Figure 4.8).

In recent years, south Indian plantations have been facing an acute problem of labour shortage. To tackle this, some estates in south India have started providing an attendance allowance. It implies that workers who work for a minimum annual number of days, are eligible to receive a one-time lump sum payment at the end of the year. Additional annual amounts of INR 5,000 or 10,000 are paid for a minimal attendance of 240 days per year. Apart from providing an attendance allowance to the regular workers, one of the certified estates introduced a scheme for retired workers who are willing to work on the estate as temporary workers. The amount paid is sourced from the Fairtrade Premium that the estates receive. This will be discussed in Section 4.6 below.

4.4.4 Tea workers' earnings and expenditure

Unanimously, the participants in the worker survey stressed the crucial importance of receiving a wage that enables them to have a decent standard of living. Yet, especially on certified estates, a vast majority of the participants (84 percent compared to 41 percent on non-certified estates) saw a deterioration in the guarantee of the right to such a living wage over time (Figure 4.9).

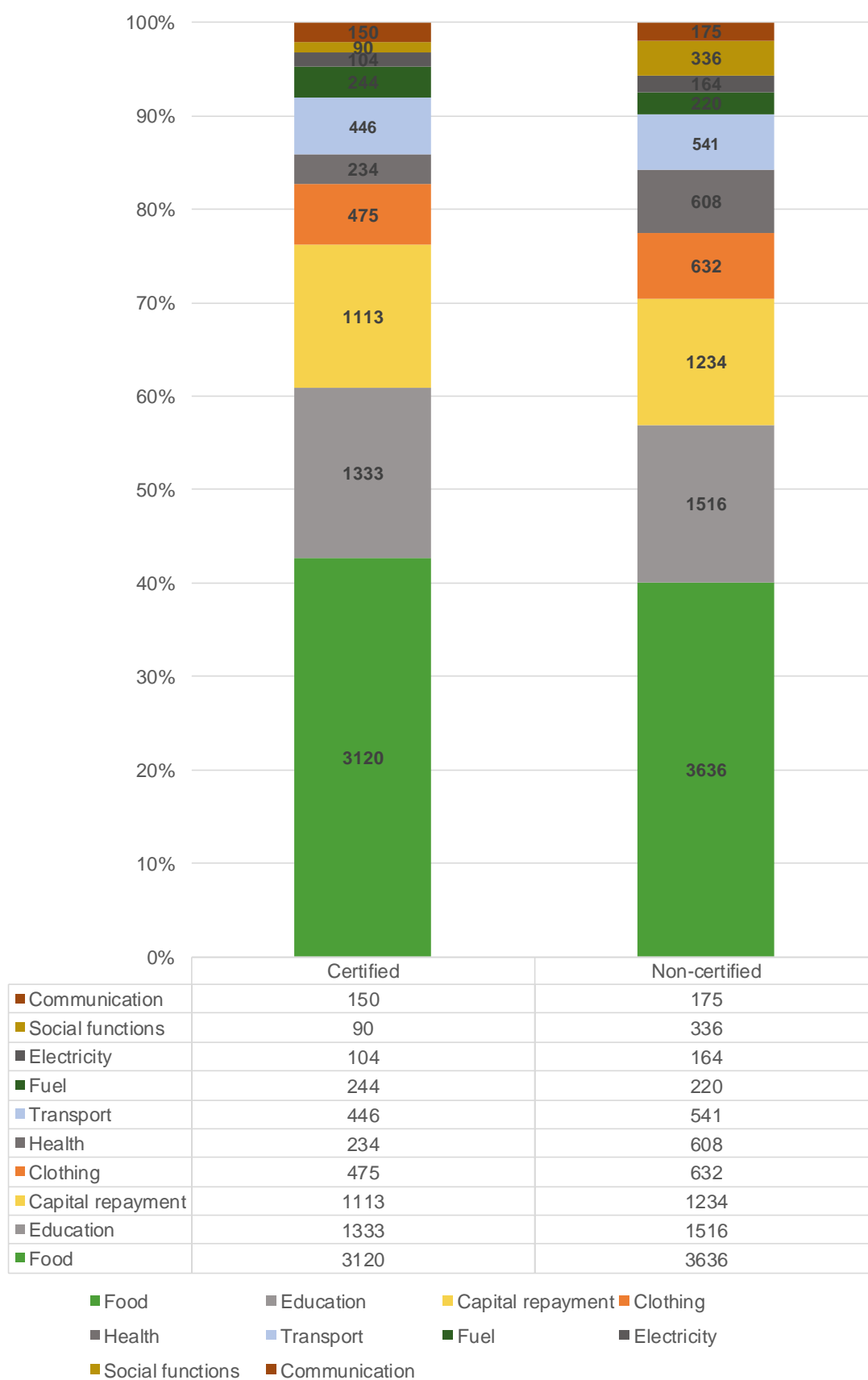
Figure 4.9: Access to living wage in 2016 compared to reference period by certification (%)



Note: 'Access to living wage' is derived from a positive answer to the question whether respondents receive a wage that enables them and their family to afford a decent standard of living.

This finding is corroborated in the qualitative interviews. Workers from both certified and non-certified estates express difficulties to make ends meet. Female pluckers on a certified estate point out that their low wage forces them to make hard choices between food purchases and their children's education: "P.: *When our wage was increased, the price of food increased twice as much.* – S.: [...] *If we want to give an education to our children, we don't have any other way to meet our food expenses.*" When asked what workers would consider a living wage, necessary wage hikes of 25 to 66 percent from the current base wage are mentioned. A south Indian tea factory worker who earns a daily wage of INR 241 replies: "[...] *A minimum wage of 350 rupees per day should be given. Only then we can meet our expenses.*"

Figure 4.10: Tea worker households' monthly expense items by certification, 2016 (INR)



In the worker survey, food and education actually come out as the two biggest current expense items for south Indian tea plantation workers (Figure 4.10). While, in principle, education is free, the high expenses here relate, for example, to costs of transport. The costs, e.g. of food purchases, mentioned in the survey is supported by FGD data. Overall, expenditure is higher on non-certified estates, something that cannot be explained by the – similar – household sizes in the two groups. The fact that they are followed by loan repayments is indicative of workers’ precarious financial situations and of the recurrent gap between earning and expenses that is also reflected in Table 4.3.

Table 4.3: Worker households’ monthly wage income and expenditures by certification and period (INR)

	Non-certified	Certified
Wage income 2016	5744	5839
Wage income reference	2574	2496
Expenses 2016	8901	6190
Gap 2016 (%)	-55	-6

Note: Expenditure for the reference year is not provided due to lack of observations.

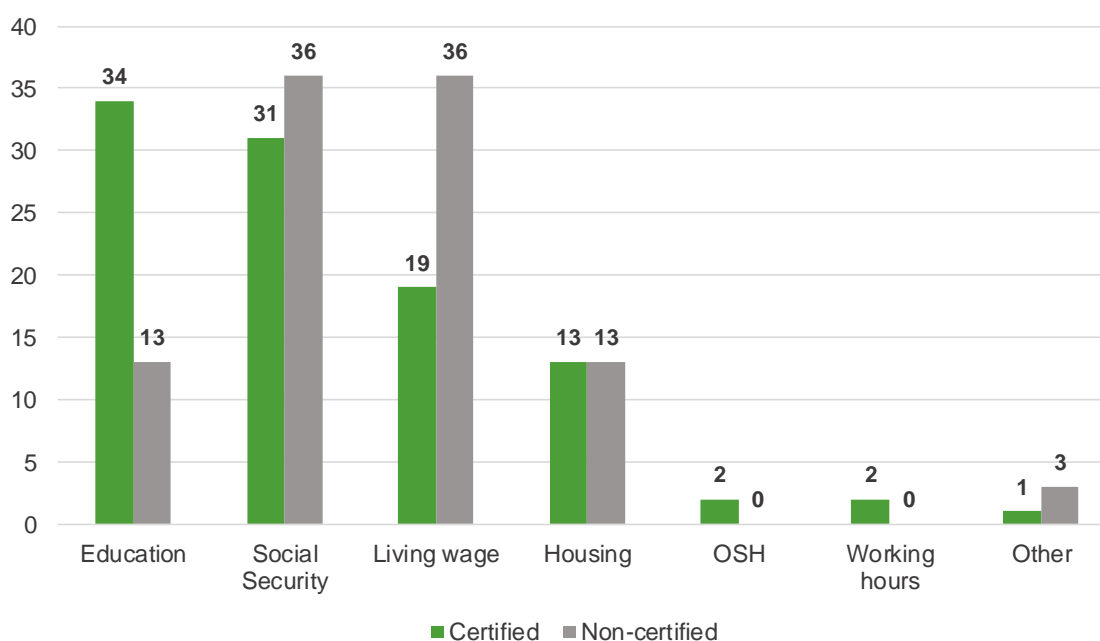
4.5 GUARANTEE OF CORE LABOUR RIGHTS AND WIDER WORKING CONDITIONS

In this sub-section, we explore the guarantee of what workers consider core labour rights and selected key aspects of their working conditions, such as workers’ occupational safety and health (OSH), leave entitlements and social security.

4.5.1 Guarantee of core labour rights

Workers’ own understanding of key workers’ rights to be guaranteed on their estate differed significantly from core labour rights definitions in international policy discourses.

Figure 4.11: Workers' understanding of key rights



Besides the guarantee of income security discussed in Section 4.3.2, the priorities that workers listed spontaneously during the worker survey were more in the realm of social reproduction, such as healthcare and old age security (summarised in Figure 4.11 as social security), their children's education and adequate housing. Workers on certified estates put more emphasis on education for their children, while the importance of a living wage was underlined by survey participants on non-certified estates, in particular. While different aspects of working conditions, such as OSH and working hours were mentioned too, far less emphasis was put on them.

Core labour rights as identified in the ILO Declaration on Fundamental Principles and Rights at Work include freedom from discrimination, freedom from forced and child labour and freedom to form associations and conduct collective bargaining. The guarantee of these core labour rights is a certification requirement for Fairtrade (Fairtrade International 2014a: 19-26). When prompted, survey participants on both certified and non-certified estates unanimously stated that these rights are extremely important to them and that they are guaranteed on their estate now and were in the past.

A more complex image of the guarantee of different core labour rights comes to the fore in the qualitative interview data:

Several workers recall underaged workers being employed on tea plantations in the past. A male factory worker on a certified estate explains: "*Fifteen years ago, if we could not provide education, [our children] joined here for work.*"

As described above, the formal guarantee of workers' rights to freedom of association and collective bargaining does not necessarily mean that workers feel that trade unions provide them with a collective voice.

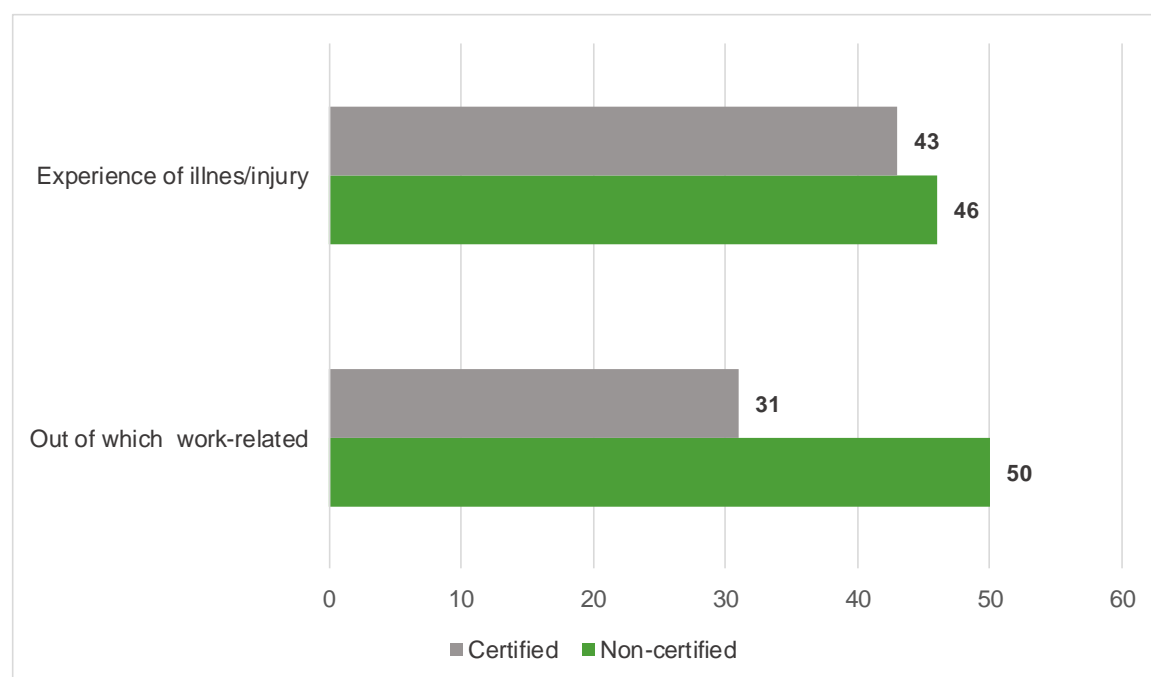
While south Indian tea plantation workers do not label compulsory overtime practices as forced labour when prompted, male workers on both certified and non-certified estates state that, although remunerated at a premium rate, longer hours are compulsory for workers due to the widespread labour shortage. The ILO (2005: 8) considers the threat of dismissal or of not receiving normal pay unless workers accept to work long overtime hours as forced labour. Workers accept this compulsory overtime as a way to overcome poverty. A male field worker on a non-certified estate explains that: "*[...] because of this extra work only we are able to manage our household expenses. Without that, our life would become miserable.*" The boundaries between forced and voluntary provision of overtime work is blurred here.

Last but not least, as highlighted above, to date, the gender-based segregation of tea plantation workers into different occupations on the estate implies different working hours, opportunities for overtime work and income-earning for female and male workers that disadvantage women.

4.5.2 Occupational safety and health

As indicated above, tea plantation workers consider the guarantee of OSH a key labour right. A little less than half of all survey participants on both certified and non-certified estates report that they had suffered from illnesses or injury during the year preceding the study. Of that group, 31 percent of those employed on certified estates and 50 percent from non-certified estates report that these health problems, especially blood pressure, pain in knees, shoulders and other body parts, were work-related (Figure 4.12).

Figure 4.12: Workers' experience of illness or injury (%)



Most survey participants did not perceive changes in the guarantee of OSH on the plantation that employed them. On one certified estate, pluckers took the view that the working environment actually changed for the worse in recent years. In line with Gothoskar (2012: 35) who describes that, especially when using shears, the physical impact and the pain in workers' arms, shoulders, chest and back is considerable, according to them, shear plucking causes pain. Over and above this, they are exposed to pesticides, snakes and leeches during the tea leaf harvest. Compared to non-certified estates, slightly more survey participants on certified estates experienced improvements over time (eight percent compared to three percent of the respondents employed on non-certified estates). An improvement that they singled out is the provision of protective gear for sprayers. In some of the FGDs, participants attribute the current provision of, for example, masks for sprayers as well as shoes, gloves, masks and helmets for factory workers, to Fairtrade certification. The fact that workers on non-certified estates relate similar changes in OSH to other certifications, for example ISO, may be explained by the fact that the provision of protective gear is a shared commitment of different certification schemes.

For pluckers, positive change results from the improvement in infrastructure. A female tea plucker and worker representative on a certified estate made this comparison: "We used to carry the heavy leaf bags on our shoulder and walked a long distance. Now, the estate provides proper infrastructure, and vehicles go nearby to pick up the leaves."

Overall, it seems that Fairtrade-induced changes in OSH have benefitted male field workers and factory workers more. The following statement of an FPC member exemplifies this: “*The company is providing all kind of safety measures. What workers have asked for now is shoes for ladies. We will be discussing and deciding this issue in the next [FPC] meeting. The company is providing shoes for men, mask for sprayers, etc.*”

4.5.3 Tea plantation workers’ leave and social security

The PLA entitles tea plantation workers to paid annual, sickness and maternity leave. The survey results suggest that, in 2016, workers on certified estates in south India availed of a higher number of annual leave days compared to non-certified plantations, namely on average 14 days compared to 11 days per year. The difference between workers employed on estates of different certification status is insignificant in the reference year (Table 4.4). Maternity leave days availed of on both certified and non-certified estates largely correspond to the 12 weeks PLA entitlement for permanent female workers. Its take-up both in 2016 and in the reference period was marginally higher on certified estates. None of the plantations provided paternity leave.

Table 4.4: Workers’ annual and maternity leave days by certification and period

	Annual		Maternity	
	2016	Reference	2016	Reference
Non-certified	11 (9)	11 (9)	89 (90)	88 (90)
Certified	14 (14)	11 (9)	90 (90)	90 (90)

Note: Modes in brackets. Respondents who did not avail of any annual leave days are excluded from the calculation of annual leave means.

The qualitative data raise doubts about whether tea plantation workers in south India actually get *paid* annual leave as stipulated by the PLA as well as by the Fairtrade Standard (2014a: 30). Talking about annual leave, a number of workers indicate a trade-off between taking leave and income generation. A female tea plucker and FPC member employed on a certified estate illustrates this. Asked why few people take leave on her estate, she responds: “*If we are in a good healthy condition, then we can work more and earn more salary.*” Rather than wage payment, similar to Lalitha et al.’s (2013: 48) findings, workers on a certified estate report the reimbursement of travel expenses when they go on annual leave. All workers report that they can avail of paid sick leave. The qualitative interviews reveal that this entitlement is understood as encompassing half a day’s wage.

In line with the PLA stipulations, all workers can avail of medical benefits from their estate. Survey respondents from both certified and non-certified estates report that a primary health centre or hospital on the plantation provides free medical services to the workers. Policies regarding the reimbursement of medical expenses outside the estate vary by estate, but do not seem to have changed over time. Two estates – one with Fairtrade certification, the other without – fully reimburse medical expenses if workers undergo treatment outside the estate. On the other estates, certain criteria need to be met for full recovery of costs, such as treatment in government hospitals or recommendation by the plantation company’s doctor. Both on certified and non-certified estates, the sometimes significant travel costs are often excluded from reimbursement. A male worker from a non-certified estate highlights the financial distress associated with such policies: “*The primary dispensary on the estate provides only minor treatments to the workers. For severe cases, the estate refers the workers to the government hospital. Sometimes, we may need to spend nearly INR 5,000 for our treatment. Suppose if we produce the full medical bills the estate reimburses only INR 2,500. This actually creates a problem for us.*” On one Fairtrade certified estate, the Premium received was used to reimburse the medical expenses workers incurred, giving relief compared to the reference period.

All survey participants are aware of their entitlement to provident fund payments. Yet, for Indian tea plantation workers, old age security remains a challenge. Most of the workers are landless migrants.

Once retired, they neither own land on the estate or its surroundings to live on in terms of housing, and off in terms of subsistence agriculture. The PLA only includes a stipulation that male workers who are parents are entitled to worker housing. Hence, workers either depend on their children's continued employment on the estate or on their ability to provide for dependent parents in another way. A male factory worker and FPC member on a certified estate describes the associated vulnerability in the following way: "There are many workers who have worked on the estate for the last twenty to thirty years. They have provided education for their children from here itself, and most of [the children] got into either an estate job or into outside work as a driver. When [the workers] retire they have to go back to their hometown where they don't have a house to stay. If we go there, they ask us: 'Who are you?'" He, therefore, suggests investing the Fairtrade Premium for old age security: "Hence, during the time of retirement, if the estate can buy us three cents of land²⁰ using Fairtrade money that would be helpful for us."

Another certified estate actually has started to address this need for old age security. After retirement, it pays all permanent workers a modest pension of INR 1,500 or INR 1,000 (depending on the duration of their employment on the estate). In addition, an attendance allowance reduces both workers' absenteeism and the labour scarcity faced by south Indian estates. This allowance is saved in the bank in the name of the worker and disbursed after retirement.

4.6 THE ROLE OF FAIRTRADE ON SOUTH INDIAN TEA PLANTATIONS

Through its intervention in the tea value chain, Fairtrade seeks to promote sustainable livelihoods and workers' empowerment as well as to contribute to fairer trade. For tea and other plantations, this has been translated into detailed certification requirements. The Fairtrade Standard for Hired Labour sets the requirements that determine participation in the Fairtrade system that apply to workers, empowering them to combat poverty, strengthen their position and to take more control of their lives. Key certification requirements cover employers' payment of decent wages, the guarantee of workers' right to join trade unions, and make certain that health, safety and environmental principles are adhered to (Fairtrade International 2014a). The payment of a Premium to be used for workers' social development distinguishes Fairtrade certification from other certification systems.

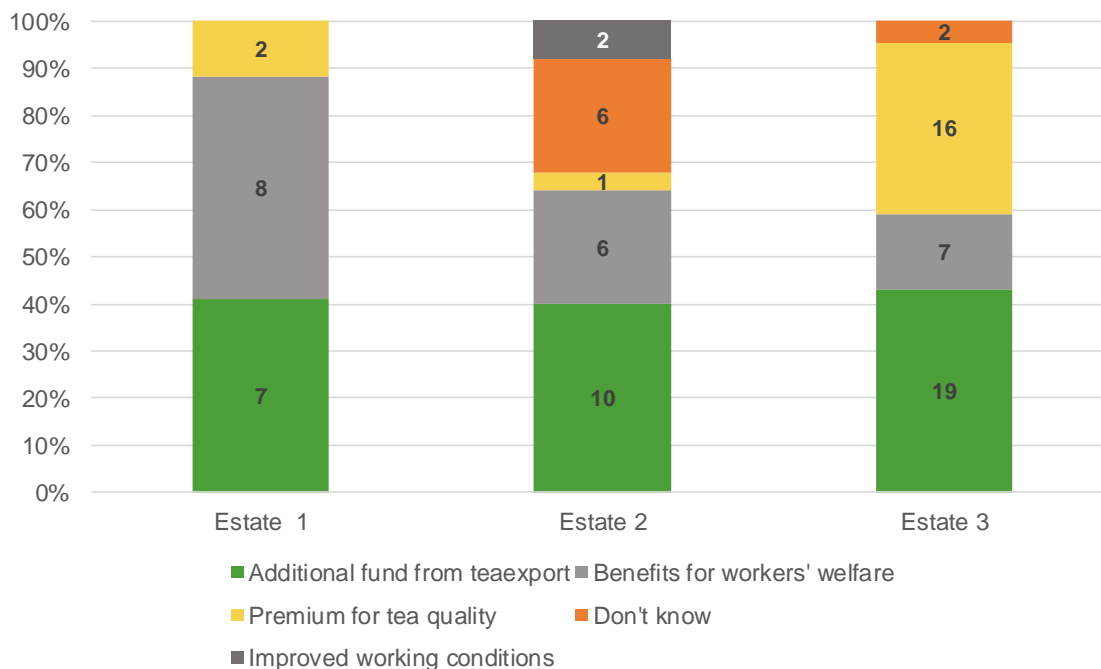
In this section, we explore the role of Fairtrade certification on the three Fairtrade certified estates in south India where we conducted our study. As observed by Neilson and Pritchard (2010), the estates applying for Fairtrade certification are commonly already committed to high labour standards. This holds for our study locations, too. Therefore, but also given that these estates also hold other certifications, it might be rather myopic to attribute improvements, if any, entirely to Fairtrade certification.

4.6.1 Workers' perception of Fairtrade

The worker survey brings to the fore that, while all survey participants are aware of their estate's Fairtrade certification, the meanings associated with certification differ. While in exceptional cases, workers associated Fairtrade with the guarantee of better working conditions, the most common understanding of Fairtrade certification is that the estate receives extra – 'foreign' or 'German', due to Fairtrade's location in Bonn, Germany - funds from tea exports. In addition, many survey respondents list uses of the Fairtrade Premium for workers' welfare when asked about the meaning of Fairtrade. Surprisingly, especially on the most recently certified estate, Estate 3, survey participants see Fairtrade funds as a reward for the sale of high-quality tea, something that lies outside the scope of the Fairtrade Standard for Hired Labour (Figure 4.13).

Figure 4.13: Workers' most common understandings of Fairtrade by estate

²⁰ One cent of land is equivalent to 1/100 of an acre.



Note: Figures refer to the number of respondents.

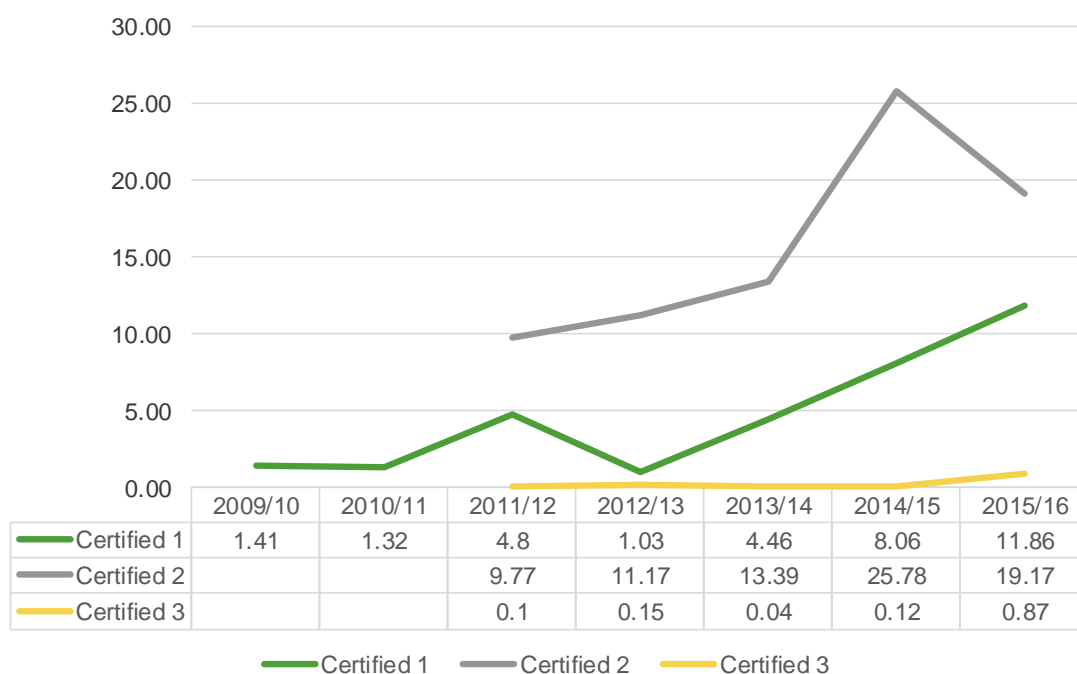
4.6.2 Uses of the Fairtrade Premium

In the qualitative interviews, workers highlight the uses of the Premium funds when asked about the role of Fairtrade on their estate. Asked about changes on their estate since it was first certified, an illiterate female plucker highlights Fairtrade’s role for workers’ and their families’ health and education: *“If we wanted to go to the hospital during that time, we had to take money out of our own pocket. There were no reimbursement facilities during that time. Now it is like, even if we don’t have money, we can borrow from someone and after returning from hospital we get reimbursed from Fairtrade. They are spending on education as well. It helps many children to get education. During those days, many of the workers did not provide education to the children. But after getting Fairtrade, our children are not coming to work on the estate.”*

Even benefits that workers expect in the future, like disbursements of Fairtrade funds after retirement, are appreciated in the present. This is suggested by a statement of a female plucker on the estate that invests part of the Fairtrade Premium fund in pensions and other forms of old age security. She states: *“For us, foreign money is important. We will not get it now. They will give us the amount during our retirement period. It will be useful either to purchase a house or to buy some land. We are feeling happy if we think about that.”*

The Fairtrade Premium funds available differ per estate (Figure 4.14). This is related to the size of the plantation, the type of tea produced (e.g. black or green, conventional or organic), but – crucially – to the share of certified tea sales. As reported in Chapter 2, these shares range between half of the production on Estate 1 to just five percent on Estate 3.

Figure 4.14: Fairtrade Premium received by estate, 2009/10-2015/16 (INR million)



Note: For Estate 3, the figures denote the amount spent.

Asked about the uses of the Fairtrade Premium on their estate, survey participants across the three study locations, also highlight investments in health and education, alongside improvements in housing and housing appliances. Support for education covers a wide range of activities, from the construction of new schools and teaching staff accommodation, to the purchase of new computers, to free school transport and scholarships for higher education. While workers underline the relief provided by the use of Premium funds for the reimbursement of medical expenses, estate managers proudly describe the improvement in the medical facilities in estate hospitals. On Estates 1 and 2, a number of workers mentioned the attendance bonus described above as a benefit.

The uses that workers mention do not always cover all Premium investments that estate managers list in interviews. This can be related to the very thin spread of items. Especially on Estate 3, the share of certified tea sales is the lowest of the study locations, while the plantation employs the highest number of workers. As a result, Premium funds per worker are low. This probably explains why, on this estate, Premium funds are often used to fund collective goods, such as a library, and events, such as sports activities. In contrast, equipped with larger Fairtrade Premium funds, Estates 1 and 2 also use them for individual benefits, such as the attendance bonus, pensions or loans.

Table 4.5: Use of Fairtrade Premium by estate

	Estate 1	Estate 2	Estate 3
Education	20	24	32
Healthcare	21	22	34
Housing	25	16	32
Attendance bonus	4	20	
Old age security		3	
Employment diversification	3		
Loans	3		

Crèche	1		18
Personal protective equipment	1		
Fund for social events	7		7
Improved working conditions			1
Sport facilities			22
Library			11
Other	2	2	5

Note: Figures refer to the number of responses (multiple response possible).

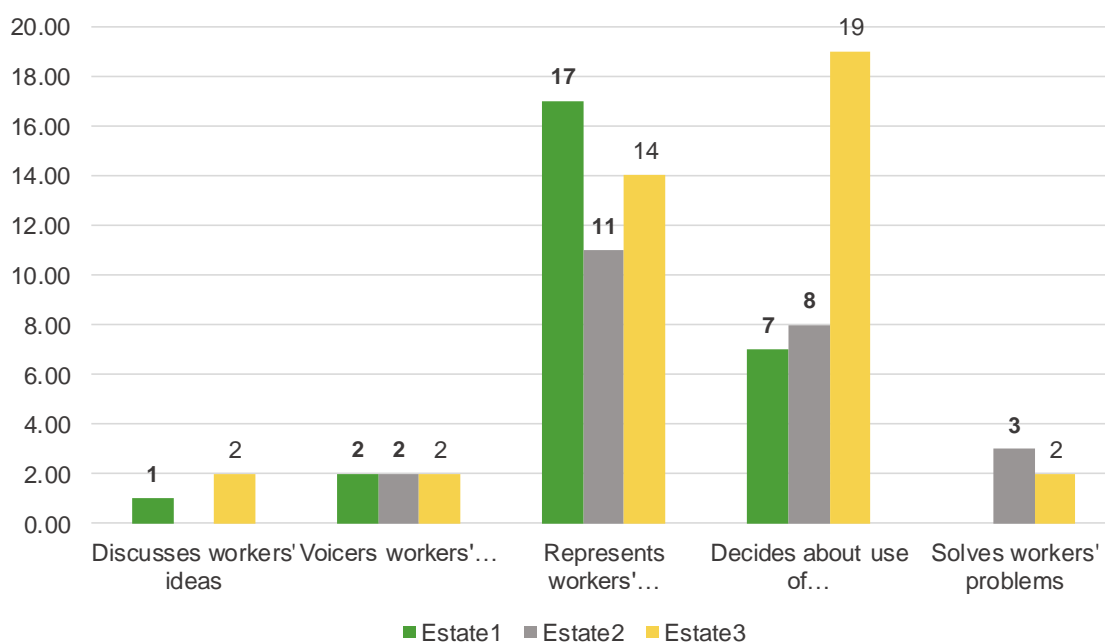
While even small investments, such as the purchase of flasks and hotboxes to keep tea and food warm and safe for breaks, are appreciated by workers, they are struggling with Fairtrade rules for eligible uses of the Fairtrade Premium. The following statement by a male tea factory worker highlights that the Fairtrade Premium is insufficient to address workers' current and future income security: "*Some people have asked for cash. [The FPC] said it is not possible to distribute the amount as cash. They said that there is a need for a specific reason to distribute Fairtrade amount as cash. Some of us asked for pension, they said, we are putting this amount into your account for that. [...] We have asked for help to constructing houses after retirement. They said they will distribute money for that. The final decision is yet to come.*"

4.6.3 The role of the Fairtrade Premium Committee

The role of the FPC is to manage the Fairtrade Premium for the benefit of all workers. The FPC’s task involves deliberation on workers’ needs and grievances, conveying workers’ suggestions to the management and, finally, taking decisions on how the Fairtrade Premium should be utilized (Fairtrade International 2014a: 14).

These tasks are reflected in how the FPC is perceived in the south Indian study locations. All survey participants are aware of the FPC’s existence, and, across estates, workers underlined the FPC’s role as a representative of workers that conveys grievances and suggestions to the management and decides about the use of the Premium. They put different emphasis on the FPC’s authority, though, with survey participants on Estates 2 and 3 perceiving more decision-making and problem-solving authority (Figure 4.15). The view of a more mediating role between workers and management on Estate 1 is illustrated by a female plucker who states: “If we need anything from Fairtrade money, we tell the [FPC], they go and discuss with the management and get it for us.”

Figure 4.15: Workers' perception of the FPC's role



Note: Figures represent numbers of responses.

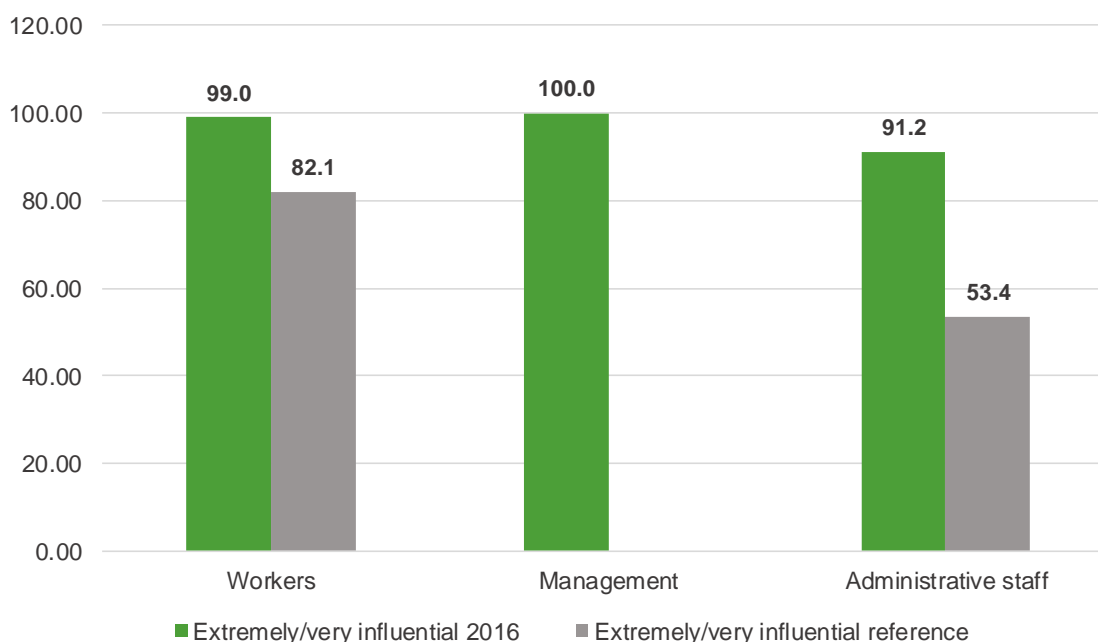
The composition of the FPC is supposed to reflect the composition of the workforce, taking into account, for example, gender, work areas, union membership, migratory and contractual status (Fairtrade International 2014a: 13). The selected certified estates display to varying degrees how this diversity is reflected in the group of FPC members we interviewed. On Estates 1 and 2, women workers represent two thirds and almost half of the FPC members, respectively. On the more recently certified estate, women are hardly represented. This also implies a poorer representation of tea pluckers compared to field supervisors and factory workers on this estate. On this estate, however, both permanent and temporary workers are selected for the FPC.

Almost all survey participants report that workers are represented in the current FPC, followed by management representatives. Only a few survey respondents could recollect and report about the composition of the FPC during the reference period. None of the workers could remember trade union members or leaders as part of the FPC in 2016. This is curious in the context of the high unionization of south Indian tea plantations, but also given the fact that FPC members on Estate 1 explain that, until 2016, they were appointed by the different trade unions active on the estate: “[F]or this estate, we never faced a situation to choose our members for the committee through voting. We have three unions

here and the unions suggest two members each from them.” During the field research, changes in this procedure were discussed. The example also points to different procedures for the selection of FPC members, with appointment and elections being alternative procedures.

While the FPC is assumed to be governed by workers with just an advisory role for management, both workers and management are seen as extremely or very influential in the committee, followed by administrative staff (Figure 4.16).

Figure 4.16: Influence of different groups in FPC by period (%)



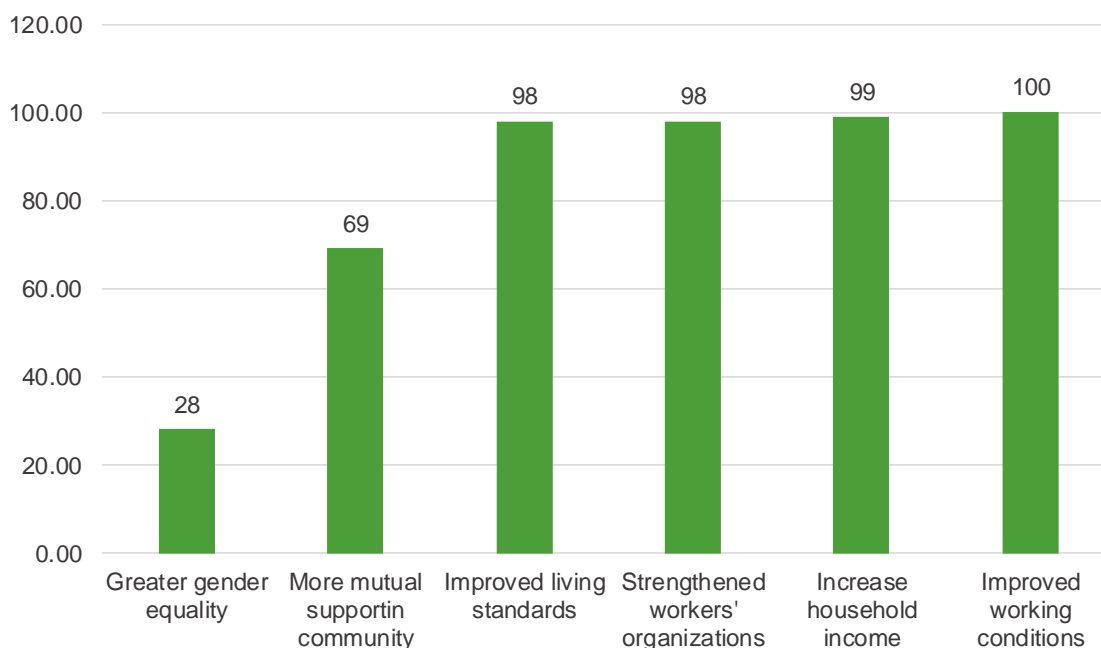
Note: For management members, the mean could not be calculated for the reference period due to missing data.

The strong influence of management advisors that comes out of the survey data is reflected in the qualitative interviews. Asked who decides about the use of the Fairtrade Premium, a female worker representative mentions the FPC. When the question is repeated, another worker lists decision-makers in the order that reflects the survey results: “*Management, administrative officer and worker representatives.*” The qualitative data bring to the fore that, over time, workers’ role in the governance of the Fairtrade Premium has been strengthened. One FPC member points out that: “*The activities of earlier committees, mainly the first committee, were monitored mainly by the estate. During those days, we didn’t know anything about the Premium, how to use it, etc. However, the second committee to a certain extent, it was functioning. After we became members in the committee, we have given a clear picture about Fairtrade to the workers and as compared to the earlier committees, we are doing well.*”

4.6.4 Workers’ overall assessment of Fairtrade

In terms of an overall assessment of Fairtrade’s role in their work and wider livelihoods, survey participants appreciated improvements in their working conditions, and noted stronger worker organizations as well a positive impact on their household income as the main benefits of Fairtrade certification on their estate (Figure 4.17). A positive evaluation of Fairtrade’s contribution to more equal conditions for female and male workers is confined to both female and male respondents in one of the study locations. Supporting the discussion in Section 4.4 above, workers do not associate Fairtrade certification with wage increases. None of the respondents agreed with the statement that “Fairtrade certification has contributed to an increase in my wage.”

Figure 4.17: Workers overall assessment of Fairtrade's role (%)



The unanimously positive evaluation of Fairtrade's effect on working conditions is not straightforward. As shown above, few Premium investments are directly related to working conditions, such as improved personal protective equipment (PPE). Small investments, such as in tea flasks and hot boxes to keep tea and food safe and warm for breaks are appreciated by the workers, though. Independent of the Premium, Fairtrade certification is linked to improvements in OSH, for example, through the construction of toilets. For sprayers, in particular, such improvements involve less use of and/or more careful handling of agro-chemicals. This is, of course, also related to the fact that two of the studied estates produce organic tea.

The observed increased household income through Fairtrade certification, too, is puzzling at first sight. When certification is irrelevant for wage levels in the context of worker households' strong reliance on income from estate employment, how would such an increase come about? Workers' positive evaluation needs to be read in the context of the role of Premium investments, for example, for improving children's education or for covering healthcare-related expenditures. As reflected in Figure 4.10, education especially is a major regular expense. If incurred, expenses related to healthcare that are often not covered by the estate, such as transport or treatment in private hospitals, represent a huge burden for poor tea plantation workers. In this situation, the uses of the Fairtrade Premium provide relief. Together with Premium investments in income diversification as well as in attendance allowances, these investments increase workers' disposable income.

Last but not least, the strengthening role of certification for workers' organizations is not self-evident. A number of workers clearly separate the mandates of Fairtrade bodies and trade unions. Asked what they discuss in the FPC, an FPC member describes their concerns as related to, for instance, health and education. The trade union, in contrast, "[...] helps to solve issues related to work." The positive evaluation of Fairtrade's role for worker organizations that comes to the fore in the worker survey becomes more plausible, though, when we assume that worker organizations are understood to cover the FPC too. Earlier sections have highlighted that, other than male-dominated trade unions which are often perceived as ineffective and politicized, many workers appreciate the more gender-balanced FPC as an effective channel for their grievances.

5. FAIRTRADE AND ITS IMPACT ON THE WORKING AND LIVING CONDITIONS OF TEA PLANTATION WORKERS IN ASSAM

5.1. INTRODUCTION

In this chapter, we explore the working and living conditions of the workers on tea plantations in northeast India based on the status of adoption or non-adoption of Fairtrade certification. The prime objective is to discern the bearing of Fairtrade on improving the working and living conditions of the workers on the selected tea plantations in Assam, northeast India.

The tea industry holds an important place in the economy of Assam, which accounts for more than half of India's total area under tea cultivation. In addition to the existing large tea gardens owned by reputed Indian and multinational companies, tea gardens are currently owned and operated by a large number of small tea growers, many of whom are formerly unemployed youths. Reportedly, Assam's tea industry provides average daily employment to more than 690,000 persons within the state, which accounts for about half of the total plantation labour force at national level (Government of Assam 2015). The labour force participation rate (LFPR) is higher in the districts in which plantations are concentrated, such as Jorhat, Sibsagar, Golaghat, Dibrugarh, Dhemaji and Tinsukia. This is mainly due to a relatively high female LFPR, as about 50 percent of the workforce in the tea sector are women (Government of Assam 2014). The tea gardens in Assam are also well known for their ethnic diversity, the majority being identified as 'tea tribes'²¹. Their ancestors were recruited from Bengal, Bihar, Odisha, Uttar Pradesh, Madhya Pradesh, and Chotanagpur under the colonial indentured labour system during the second half of the 19th century (Behal et al. 1992, Das 2016).

The tea garden workers of India's northeast have been categorized as OBC by the Government on account of their relative marginalization²². Issues of employment security, fair wages, provision of basic services and amenities along with improving the overall living standards of the tea workers continue to be a major challenge. Unemployment is found to be the highest in the tea gardens (15.3 percent) as against the state's average unemployment rate of 13.4 (Government of Assam 2014: 49). The poverty head count ratio in tea garden areas is 37.6 percent against the state average of 37 percent (Government of Assam 2014: 58). Furthermore, life expectancy at birth in tea garden areas is 49.10 against the state average of 56.26 and annual per capita income is INR 21,588 against the state average of INR 26,016 (Government of Assam 2014: 24, 191). Many studies have highlighted that tea plantation workers in Assam face severe deprivation in entitlements specified under the PLA and the Factories Acts, such as housing, safe drinking water and sanitation compared to other areas in the state (Borah 2014, Government of Assam 2014). Poor educational standards and facilities lead to widespread illiteracy (Borah 2014: 80-2).

Against this backdrop, it is relevant to examine the specific impacts on the working conditions and living standards of the workers on Fairtrade certified estates relative to the non-Fairtrade estates. Hence, in what follows, we present the salient aspects of the analysis of our mixed methods field data. After an introduction of the socio-economic profile of the participants in the worker survey (Section 5.2), this chapter covers tea workers' collective agency (Section 5.3), their earnings and expenditure patterns (Section 5.4), working conditions (Section 5.5), and the role of Fairtrade on the certified estates (Section 5.6).

²¹ According to Sharma (2009: 1321), post-Independence, the descendants of Assam's indentured tea plantation labourers adopted new identities in preference to the older, pejorative 'coolie'. The term 'tea-tribe' was one of these, conferred by the state.

²² Recognition as 'scheduled tribe' with the associated benefits of legislated affirmative action has been demanded by the 'tea tribes' in Assam. Administratively accepted tribal organizations have opposed this, apprehensive that "the entry of new communities within the domain of 'tribal' would deprive the already recognised and socio-economically marginalised ethnic communities of Assam of the constitutional safeguards designated only for genuine 'tribals'" (Bordoloi 2014: 47-8).

5.2. SOCIO-ECONOMIC PROFILE OF PARTICIPANTS IN THE WORKER SURVEY

As mentioned in Chapter 2, in Assam, our research was undertaken on three tea estates, out of which two were Fairtrade certified. Table 5.1 shows that, in line with the overall labour force on Assam's tea plantations, a slight majority of survey participants were female workers, more so on certified estates with 56 percent compared to 51 percent of the respondents. The largest proportion of the workers who participated in the worker survey in the case of both certified and non-certified estates belonged to the highly productive age classes of 30-40 years and 40-50 years age groups, namely 75 percent on certified and 81 percent on non-certified estates, with their average age being about 40 years.

Table 5.1: Profile of survey respondents in northeast India by certification (%)

	Non-certified (N=41)	Certified (N=75)
Female (%)	51	56
Age	40	41
Completed primary school (%)	42	41
Married (%)	76	69
Household members (mode)	3.5 (4)	3.6 (4)
OBC ('tea tribe') (%)	100	97

This age profile more or less matches the age profile of the workers and worker representatives who participated in the FGDs on both the Fairtrade certified and non-certified estates: Almost 73 percent of the workers who attended the FGD from certified estates as well as 71 percent of the workers from the non-certified estate belonged to the age group 30 to 50 years.

As regards family size, workers on the Fairtrade certified estates reported an insignificantly higher average family size of 3.6 members as against 3.5 members on the non-certified estate.

The majority of the workers on both Fairtrade certified and non-certified plantations reported that they had migrated and settled on the plantations long ago. The vast majority of the male workers had migrated when they were very young, i.e. during the 1960s through to the 1980s. The majority of the women workers, in contrast, were either born on, or arrived at the estates following their marriage, as their husbands were already working on them.

With little more than 40 percent of survey participants having completed primary school on both certified and non-certified estates, the educational achievements of the tea plantation workers who participated in the survey are low compared to the state's overall rural population (Government of Assam 2014: 73). These averages veil significant gender differences in workers' educational status. While on the non-certified estate, a third of the female survey respondents had completed primary school compared to half of the male workers, this gender gap in education was much wider on the certified estates: Here, less than a quarter of women workers had completed primary school compared to about two thirds of their male counter parts.

This marginalized educational status is reflected in the fact that the vast majority of survey participants on both the Fairtrade certified and non-certified estates belonged to the OBC community, but specified that they belonged to 'tea tribes' (Table 5.1).

On the basis of the terms of appointment, workers are divided into two categories, namely permanent and casual or temporary workers. A permanent worker is one who resides on the tea estate and whose name is entered on the estate roll of workers. Permanent workers are entitled to all statutory benefits

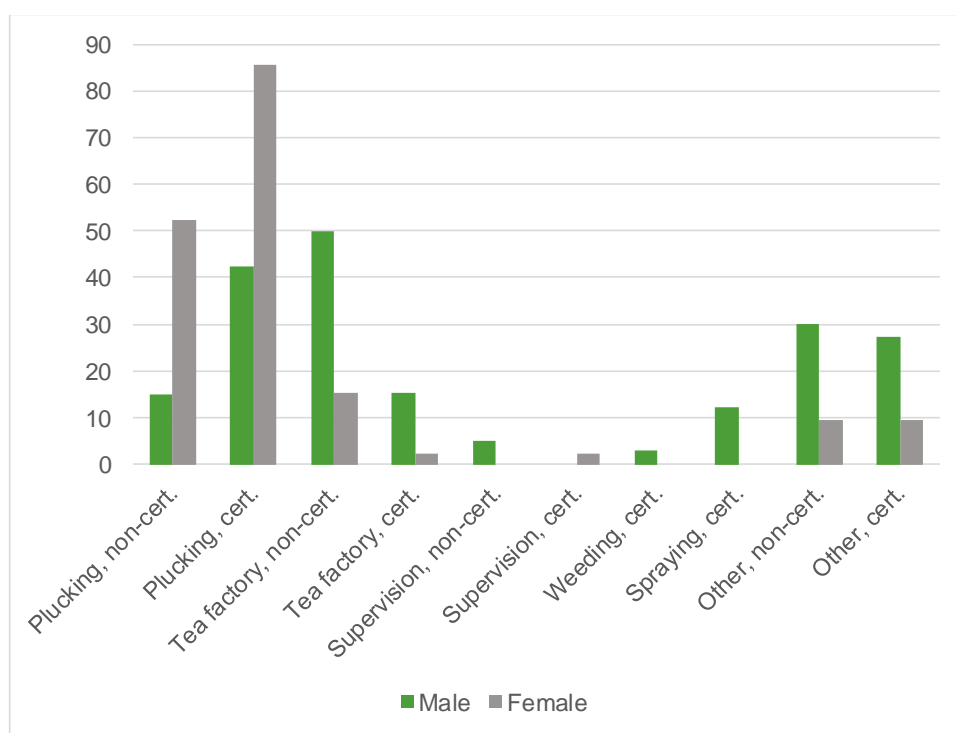
like sickness allowances, rent free accommodation, maternity benefits, etc. The survey data reveals that relatively more workers with temporary contracts are hired in the case of Fairtrade certified estates (6.7 percent) compared to the non-certified estate (2.4 percent). The qualitative interviews suggest that the share of temporary workers in the plantation labour force is rather high, indicating their underrepresentation in the worker survey.

In theory, the temporary workers are engaged in the garden to work for a specific period and become permanent after completing 440 days of continuous service on the estate (Lalitha et al. 2013: 127-8). In practice, the plantations in Assam seem to follow a rather different policy when it comes to recruiting temporary workers and making them permanent. A manager on a Fairtrade certified estate shared that plantations commonly use a so-called '*badli*' system for the appointment of permanent workers (Sen 2015: 546): They make temporary workers permanent only if there is a vacancy arising from the retirement of a permanent worker on the estate. On retirement, the worker who is retiring, is given an option to nominate one of her or his children to be a worker on the estate.

The qualitative data, in particular, reveal that workers who have been employed for years and even decades still hold temporary status. Workers on both Fairtrade certified and non-certified estates express serious concerns about this. This quote from a female plucker on a certified estate expresses her dissatisfaction with this unequal treatment: "[...] *For instance, I am in my 50th year and I have been working on this estate during the last 30-35 years. Even now I am a temporary worker. Because of being temporary worker, many facilities are not available for temporary workers. For instance, temporary worker houses do not get an electricity connection. They are not able to get firewood for cooking purposes.*" This practice also contrasts with the Fairtrade Standard for Hired Labour which stipulates that all regular work is to be undertaken by permanent workers (Fairtrade International 2014a: 31).

Tea plucking emerges as the most common activity undertaken by the survey participants: In 2016, two thirds of the workers on the Fairtrade certified estates compared to a third of the workers on the non-certified estate worked as tea pluckers. In the case of the non-certified estate, the largest share of the participating workers – 44 percent – were engaged in tea factory work.

Figure 5.1: Workers' main tasks by gender and certification (%)



Note: Other tasks include fertilizer application; pruning; cleaning of the garden areas, factory premises.

Figure 5.1 illustrates that, not unexpectedly, tea plucking is a female-dominated activity while factory work is the domain of male workers. As highlighted in Chapter 3, this, as well as the concentration of male workers in other field work tasks, such as weeding and spraying, are common features of tea plantations.

5.3 WORKERS' COLLECTIVE AGENCY AND INDUSTRIAL RELATIONS

5.3.1. Collective agency of tea workers in Assam

Workers' collective agency is a key consideration in this study, given Fairtrade's vision to help build the conditions under which workers "have the power to affect the decisions that impact their lives" (Fairtrade International 2012: 1). The workers who participated in our study were asked to reflect upon their individual as well as collective efforts to make improvements in the working as well as living conditions on the estates concerned. With this objective, the workers were asked to report if they had any experience of influencing the overall living and working conditions on the estate through their individual as well as collective initiatives.

Survey participants hardly report both individual and collective efforts to achieve notable changes in working and living conditions. On both certified and non-certified estates, with one exception, workers see no change over time in their collective ability to intervene for change. Only a few workers on the Fairtrade certified estates – and none on the non-certified estate - in Assam said that they had made collective efforts for improvements. The issues addressed by survey respondents included keeping the surrounding clean and clearing the weeds in the tea garden. These concerns are probably related to the risk of snake bites. A male sprayer on the same certified estate explains how snakes are often hiding in thick weeds in the tea gardens: *"During plucking, bees and snakes create problems for the workers. Sometimes snake bites happen. This is a fear factor for the workers during the work as the tea bushes are thickly covered with grasses in the surroundings."* To address this concern, they sought help from the trade union and raised awareness among other workers.

FGD participants highlight a range of other concerns, such as the continued use of temporary contracts for long-time workers that deprives them of many crucial entitlements, poor conditions of worker housing and harsh working conditions. A female plucker on the non-certified estate elaborates: *"Our houses are in poor condition. The floors of houses are made of soil plastered with cowdung paste. During rains, the floors get completely wet and become difficult to stay. The wages we get are very low and we are unable to manage our day-to-day affairs using this wage. The ration items we get are of sub-standard quality and we have to buy almost everything from the outside shops by paying higher prices. There are no proper sanitation and toilet facilities within the garden benefitting the female workers. We also have to walk some distances to reach the weighment places. This becomes quite difficult during monsoon, when we have to walk long distances carrying the tea leaves bag on our back/head."*

FGD participants report that they approached their union as well as the estate management to resolve the problems. As a male plucker on a certified estate explains, however, neither has proven very effective: *"Many a times, our complaints do not get adequate attention from the workers' union or the management and hence, many requests, such as improvement in [worker housing], etc., remain unattended."*

Mirroring Sharma's (2016) findings reported above, one of the reasons for the lack of collective action to improve working or living conditions is workers' time poverty. Many workers highlighted the lack of time and opportunity to form groups or engage in organizational activities, after the routine work in the plantations. A permanent female plucker on the non-certified estate remarks: *"Sir, frankly speaking, we don't even find time to think about our personal life while working in the garden. We are always engaged in one or the other work. We don't get leisure time to enjoy or think about improving the facilities in the workplace."*

Another temporary plucker on the same estate highlights the division of workers, for example, on the basis of their contractual status, as a reason for the lack of collective agency: *"We also don't get opportunities to come together as a collective group. There are no such occasions. There is no unity amongst the workers. Even permanent workers do not mingle and interact with temporary workers."* Her observations speak to the argument that workforce segmentation, for example, on the basis of contractual status, but also along the lines of gender and other social markers, is a way to forestall workers' collective agency (Reich et al. 1973: 634).

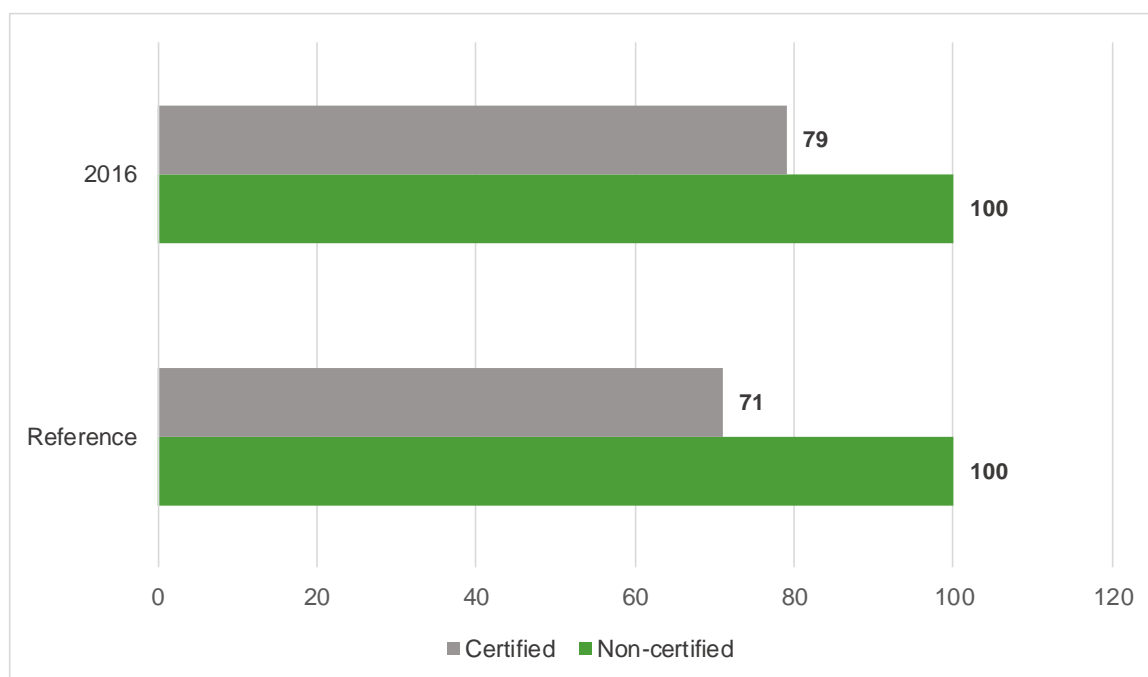
5.3.2 Workers' collective rights and the role of the trade union

The emergence of trade unions in Assam around the time of India's independence may be considered relatively recent. The planters, in contrast, were well-organized from the beginning of 1879. As a result, organized and protracted struggle has been rare, while sudden outbreaks of protest have been common among the plantation labourers of Assam, with absenteeism one of the modes of expressing dissent (Bharali 2004: 8-9, Varma 2006).

On present-day tea plantations in Assam, the dominance of the ACMS in the trade union landscape mentioned in Chapter 3 has a bearing on workers' experience of freedom of association and collective bargaining. Unanimously, all survey respondents on both the Fairtrade certified and non-certified estates consider these rights extremely important. In fact, all respondents also report that their estates have guaranteed these rights since the reference period. This contrasts with the serious restrictions to freedom of association found on many tea estates in Assam reported in Chapter 3.

In this context, the question of whether ACMS' 'monopoly' supports the effective guarantee of workers' rights becomes very relevant. Almost 96 percent of the workers on the Fairtrade certified estates and all of the workers on the non-certified estate identified themselves as members of this union. Figure 5.2 shows that, especially on the certified estates, a significant group of workers opined that ACMS does not always help protect workers' rights. Interestingly, even survey participants who had agreed that the trade union defends and promotes workers' rights criticize its lack of pro-active support for workers.

Figure 5.2: Trade union as defender and promotor of workers' rights by certification and period (%)



The greater dissatisfaction with the plantation union expressed by survey participants on certified estates can be related to the fact that they see alternative channels for their grievances. This is supported by a temporary tea plucker from a certified estate who argues that, while the union does not enable workers' collective bargaining and actually suppresses other initiatives to organize, the FPC actually does contribute to improvements: *"We don't get opportunities to form groups as there is only one workers' union. So, we have to adjust ourselves with whatever facilities/ benefits that the estate management provides us. We do not have the strength of bargaining power as there is only one union. But, nowadays, the Fairtrade committee is doing many things that the workers' union could not do."*

Overall, the FGD data highlight that the ACMS does not seem to make any significant impact on working or living conditions on the estates – Fairtrade certified or not. A female temporary tea plucker on a Fairtrade certified estate observes that: *"The union is for name's sake and many of us are not even members in it. Many of the workers are also not aware of the union and its activities."* A temporary plucker from the non-certified estate supports this view. Moreover, she highlights that women workers' concerns, in particular, are not addressed by the union: *"The workers' union is not very active, as there is only one union. There are no meetings convened by the workers' union to learn and discuss about workers' problems. Moreover, the workers' union does not care about the problems of women workers. They only listen to the male workers."*

All workers express the lack of opportunity for assuming a leadership role in the trade union. As a reason, most survey participants state a lack of interest. Women workers on certified estates, in particular, highlight their lack of education as an obstacle to upward mobility in the plantation union. Overall, the low education status of the tea plantation workers in Assam clearly represents a major hindrance to a process of strengthening the union as an instrument for defending workers' rights. The laxity shown by a majority of the tea plantations in implementing the provisions of the PLA poses a major constraint in this regard.

5.4 TEA PLANTATION WORKERS' EARNINGS AND EXPENDITURE

5.4.1 Workers' wages

Similar to what we observe in south India, wages on tea plantations in Assam are a mix of time-rated and incentive wages. By and large, the plantations in Assam follow a fortnightly wage payment system. Incentive work enables workers to earn extra income.

Tea plantations in Assam follow a standard work schedule of eight hours per day for tea pluckers and tea factory workers. Reflecting this, the majority of the survey respondents state that their working hours on the estates were eight hours per day in 2016 as well as during the reference year. A smaller number of workers report that their daily working hours were six hours. Reflecting the gender differences in working hours observed in other studies (Chapter 3), these respondents were engaged in male-typed field work, such as spraying.

In terms of daily wages, no differences are observed between certified and non-certified estates or between male and female workers in Assam. The common daily wage reported by the workers was INR 126 as stipulated in the 2015 CBA (ACMS 2015). Yet, as highlighted above, female pluckers work longer for the same daily wage as some male field workers.

The qualitative data show that the term 'daily' wage needs to be taken with (more than) a pinch of salt. A male sprayer on a certified estate observes that organic certification has led to an increase in the workload for field workers, for example, in harvesting, weeding or spraying: *"As the estate became organic, the workload increased. As per the current work arrangements, we have to work for 2-3 days to complete a task to get a day's wage. For instance, when we undertake weeding or spraying, such operations are task-based and it takes 2-3 days to complete one full task to get the full wages of INR 126 stipulated for a day."* His observation illustrates that, paradoxically, the costs required for the additional labour seem to be borne by the workers rather than them benefitting from the higher prices that organic tea fetches.

Workers report fortnightly wage earnings of INR 1,200-1,600. Apart from the cash wages, plantations in Assam provide food grains at a concessional price. The employers in the states of Assam and West Bengal provide the workers with cooking fuel. This partly compensates for the lower wage rate prevailing in the north Indian states compared to that of plantation workers in south India.

While there is no difference between the average daily wages for male and female workers, fortnightly wage earnings differ between female and male workers on the non-certified estate.²³ Here, in 2016, male workers earned INR 1,326 on average compared to INR 1,290 for women workers. The gender earnings differential is related to occupational segregation with tasks with a higher concentration of male workers, such as tea factory employment and security guards earning more per fortnight than the female-dominated tea leaf harvest.

This may be related to the unequal treatment of female- and male-dominated occupations in the CBA: While deductions for harvesting less than the daily target have been allowed since the 2013 agreement between the ACMS and employers in the Assam tea industry, tea factory workers are entitled to additional compensation (ACMS 2013).

5.4.2 Incentive wages for tea leaf plucking

On tea estates in Assam, the tea harvest is largely conducted manually. The base output fixed for hand plucking has been stipulated at 24 kg per worker per day since 2013 (ACMS 2013), up from 23kg per day since the 2010 CBA (ACMS 2010) and 21kg since 1993 (ACMS 1993), which were relevant in the years of first certification On certified Estates 1 and 2, respectively.

All tea pluckers in Assam who participated in the worker survey receive cash incentives for harvesting more than the daily quota of tea leaves. The amount received per additional kg of tea plucked differs by estate and is not based on certification. On one certified and one non-certified estate, this incentive wage was INR 1 per kg. This parallel may be explained by the two estates being subsidiaries of the same tea plantation company. In the other certified estate, the incentive amounted to INR 3 per kg.

Most pluckers report the absence of wage deductions if they are unable to fulfil their daily plucking target. On one of the certified estates, however, INR 2 is deducted from pluckers' base wage if less than the stipulated target is harvested. While, as indicated above, this policy hits the large group of mainly female pluckers, it is in line with the 2013 CBA.

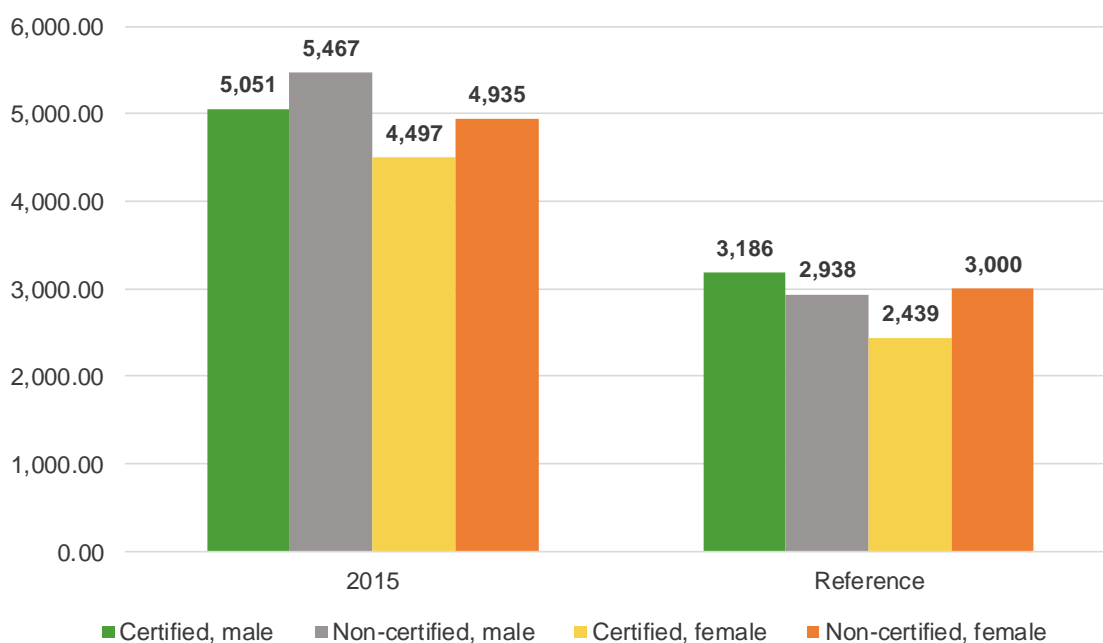
²³ On one of the certified estates, no fortnightly payment was reported. On the other, there were too few observations for a meaningful gender comparison.

5.4.3 Bonus and attendance allowance

An attendance allowance has been another form of incentivizing tea plantation workers in Assam. As a result of the prevailing low wages, tea estates in India's northeast, in particular, have been facing a problem of workers' absenteeism. An ACMS representative explains: *"Workers' absenteeism is a major problem on plantations in Assam, mainly because of the low wages prevailing in the gardens. The wages for works outside the garden are very high compared to the wages we get on the plantations. A worker going outside for work gets about INR 250-300 per day against only INR 126 as wages when work on the estate."* The Assam daily wages for employment in the Mahatma Gandhi National Rural Employment Guarantee (MGNREG) programme, which match the state's minimum wage, represented a wage floor of INR 182 in 2016. To address this situation, an attendance allowance was introduced in the 2012 CBA to provide an incentive to workers to present themselves for work. It implies a payment of INR 1 to each worker who works for five or more days per week (ACMS 2012). Only a few survey participants on one certified estate reported that they had actually received this allowance. Overall, in the context of much higher wages outside the estate, it is questionable whether such a small incentive does, indeed, have a motivating effect.

All workers, however, received the annual bonus payment, which they are entitled to under the PLA. The most common bonus payment in 2015, the year before the survey took place, was INR 5,000 both on certified and non-certified estates. However, with INR 5,184 compared to INR 4,743 in 2016, the average was higher on the non-certified estate both in 2015 and during the reference period. Figure 5.3 highlights that within estates, bonus payments differ by workers' gender.

Figure 5.3: Bonus payment by certification, gender and period (INR)

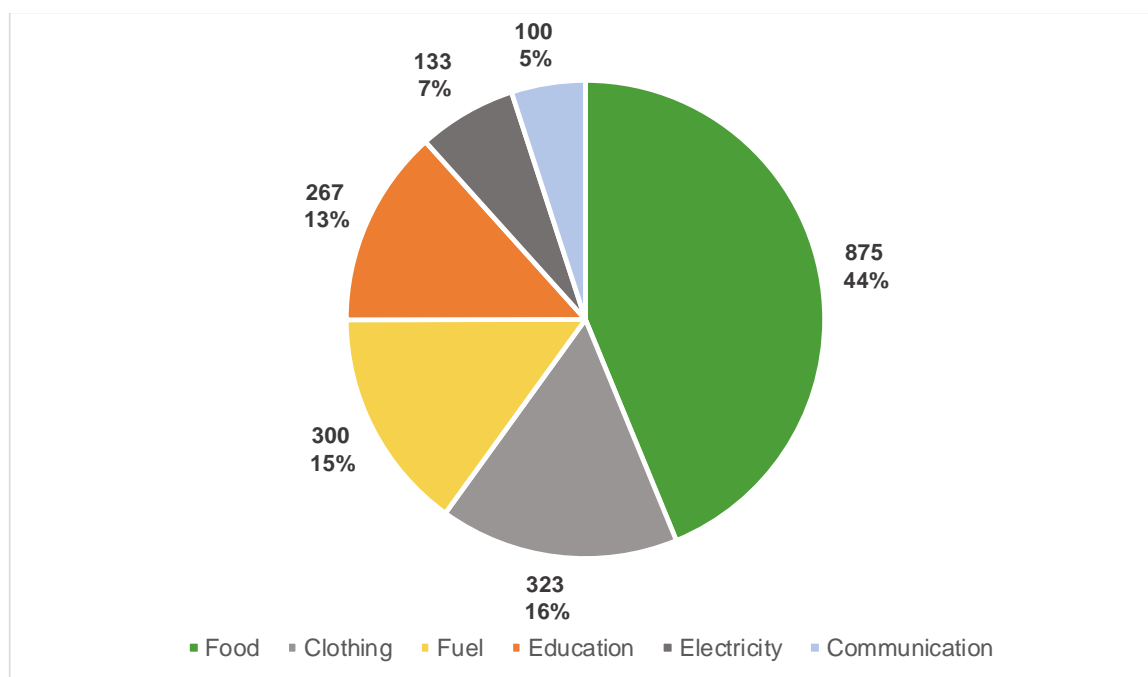


5.4.4 Tea workers' earnings and expenditure

Given the low wages prevailing on the tea plantations in Assam, the question as to whether workers think their wage helps them to afford a decent standard of living is highly relevant. While all survey participants consider a living wage to be an extremely important right that should be guaranteed by the estate, workers on the certified estates were more pessimistic about its effective guarantee by their employer compared to the non-certified estate.

Qualitative interviews corroborate that tea plantation workers' wages are abysmally low and grossly inadequate for the workers to afford a decent living. Workers on both certified and non-certified estates observe that their cost of living had increased substantially, especially for buying vegetables, for items related to their children's schooling, and for buying other household items. Figure 5.4 reflects that food items and education are the major expenses for tea plantation workers' households. Education expenditure relates, for example, to the coverage of transport costs to reach schools located far from the estate. A female plucker on a non-certified estate sums up: *"The wages we get are very low and we are unable to manage our day-to-day affairs using this wage."*

Figure 5.4: Worker households' monthly expenditure on certified estates by item, 2016 (INR, %)

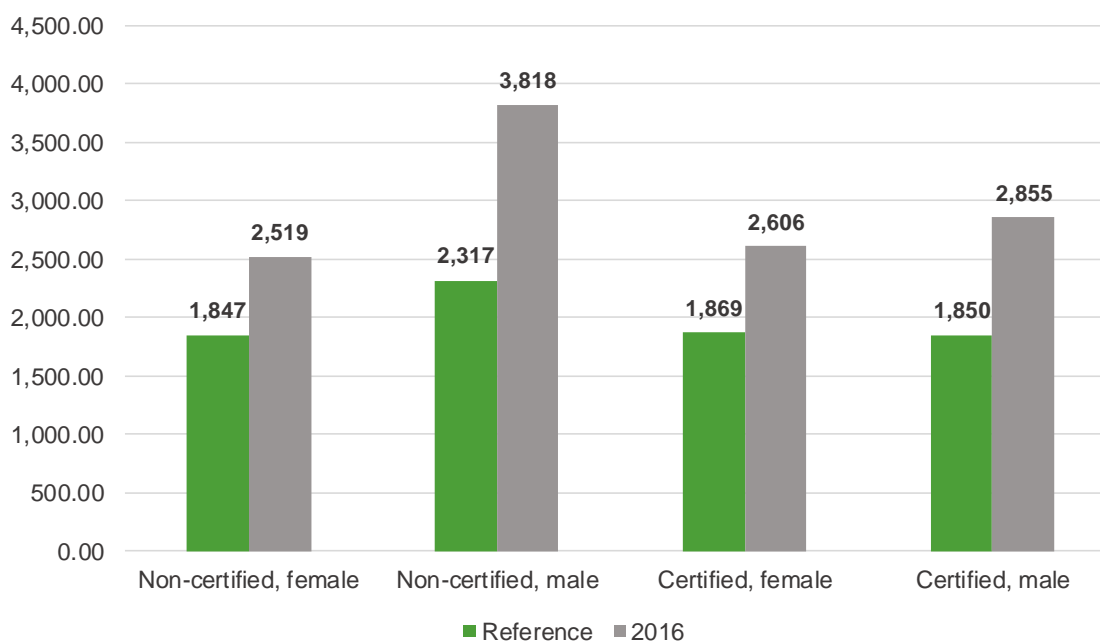


Note: On the non-certified estate, the number of missing data prevented the calculation of averages.

Union representatives consider an increase in the prevailing base wage to INR 300 as a prerequisite to guaranteeing tea plantation workers in Assam a decent standard of living: *"An increase in wages could help solve many problems that prevail on the tea estates. Given the increasing living costs, we would like to get a minimum wage of INR 300 per day that can help us manage the affairs somewhat better."*

Tea plantation workers' income patterns in Assam mirror the findings from the analysis of bonus payments above: In 2016, the average monthly household income from wage employment is higher on the non-certified estate compared to the certified estates (INR 3,136, compared to INR 2,713). Again, the earnings in female respondents' households are lower than that of male respondents (Figure 5.5). This, too, is likely to be driven by gendered occupational segregation with, for instance, female-dominated plucking receiving average earnings of INR 2,477 in 2016, which was about seven percent lower than the wage earnings of factory workers (INR 2,671).

Figure 5.5: Worker households' monthly earnings from plantation employment by certification, gender and period (INR)



As noted earlier, there is a glaring difference between the wage earnings of the workers in south India and those in Assam in the north. For instance, the monthly wage earnings of a tea plucker in Assam are little more than half those of a tea plucker in south India. The monthly allotment of 900g of dry tea per family (ACMS 2011) and subsidized weekly rations of foodgrains in Assam (e.g. Saikia 2008: 314) do not compensate for this wide gap.

Overall, the low earnings reported by the workers in Assam are a cause for serious concern, as such small earnings do not allow them to have a decent standard of living. The low wage earnings trap also results in low household expenditure for food and non-food items, leading to persistent poverty in the tea gardens, irrespective of whether they are certified or not.

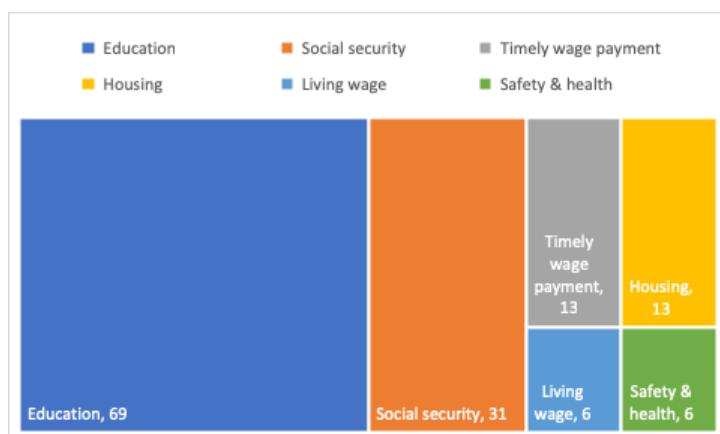
5.5 CORE LABOUR RIGHTS AND WIDER WORKING CONDITIONS

5.5.1 Workers' priorities

To identify workers' key priorities, survey participants in Assam were asked which key workers' rights should be guaranteed by their employer. When prompted about the significance of freedom of association and the right to collective bargaining, freedom from discrimination, forced and child labour, the right to a living wage, occupational safety and health as well as the right to be treated respectfully, workers on both certified and non-certified estates consider the guarantee of these rights extremely important.

Respondents also listed priorities freely, without being prompted. The importance of a living wage is underlined in the open responses (Figure 5.6). The graph also shows that concerns about children's education and workers' social security, especially regarding healthcare, are prominent among the reactions. Education is important for female workers, in particular, with 80 percent of their responses identifying education as a key right, compared to half of male workers' responses. While Figure 5.6 does not cover the non-certified estate due to missing data, FGD interviews on this estate reflect similar concerns. A young female tea plucker on the non-certified estate summarizes: "[...] We have many problems while working and living in the garden. These relate to working conditions, housing, health facilities, educational facilities, wages and many others, including the confirmation of workers status as permanent workers."

Figure 5.6: Workers' key priorities (%)



Notes: OSH = occupational safety and health. The percentages only refer to workers on certified estates as the related questions contain missing data for the non-certified estate.

The two priorities of education and housing highlight that, as landless labourers, tea plantation workers' old age security depends to a large extent on their children as well as on whether they have an entitlement to estate housing. The widespread use of temporary contracts, even for workers who have been employed on the estate for many years, challenges the guarantee of these priorities. A conversation between female pluckers on a certified estate – all of them employed on temporary contracts – reflects how temporary workers are doubly deprived in terms of their old age security. One of the women points out: *"[...] temporary workers do not get a majority of the benefits provided to the permanent workers in the garden. Temporary workers also do not get the Fairtrade-related benefits. If their husbands are also working as temporary, then the entire family/household does not get any benefit, including the benefits as provided as per the Labour Act. [...] Temporary workers also face problems in educating their children in the garden school. The children of temporary workers do not get job preference within the garden. The school dropout rate is also very high amongst the children of temporary workers."* Firstly, they do not have an entitlement to estate housing which can be passed on to the next generation – enabling them to stay as dependants after retirement. Secondly, their children do not seem to be able to access education in the estate's school. In this way, they are barred from accessing a second, probably even more important aspect of old age security guaranteed by the PLA, namely increased job prospects for their children, implying an improved ability to take care of parents in old age.

As pointed out above, the guarantee of other rights, such as worker housing and a living wage remains a big concern on tea plantations in Assam that neither management nor the trade union seems to address effectively.

5.5.2 Occupational safety and health

One of the priorities reflected in Figure 5.6, namely the guarantee of a working environment free from risks for health and safety, is a concern for female rather than for male tea plantation workers in Assam. A tenth of female workers' responses identify OSH as a key right to be guaranteed by the estate. None of the male workers thought so. While none of the workers on the non-certified estate perceive any change in the guarantee of OSH on their estate, on the certified estates, a few workers actually identify improvements.

In the worker survey, 12 percent of the respondents employed on the certified estates, compared to none on the non-certified estate, report illness or injury during the past year. Out of those, 60 percent were related to their work, according to the survey participants, and included injury, body pain and fainting.

The experience of health problems varies by the task that they perform. In line with Borah's (2014: 84, 87) observation that female pluckers are more vulnerable to health problems, field workers, in particular, complain about back and knee pains due to long hours of walking and standing in the field, as well as about the risks posed by snakes and leeches. The work-related complaints recorded in the worker survey affected tea pluckers only. A female plucker on the non-certified estate elaborates on the physical hardships of her work: *"We also have to walk some distances to reach the weighment places. This becomes quite difficult during monsoon, when we have to walk long distances carrying the tea leaves bag on our back/head."*

However, workers also note and appreciate health-related improvements on their estates over time. A female field worker on the non-certified estate points out how investment in infrastructure has reduced health risks for tea pluckers, in particular: *"Earlier, the fields used to get flooded during the rainy season. That affected our work very badly. We had to stand in the water while plucking tea leaves. Now, during the last few years, the problem has been less and less as the management has been spending money to construct drains to remove the flood waters. This is a major improvement. As a result, we do not experience health-related problems, such as fever, mosquito bites, bite by other small insects, etc."*

In other field-related tasks, such as spraying, fertilizer application, etc., workers report more widespread use of PPE, such as masks and gloves, over time to avoid exposure to agro-chemicals and fertilizer/manures. As will be explained in more detail below, this is likely to be attributed to the certification requirements of Fairtrade and other social and environmental labels.

5.5.3 Tea plantation workers' leave and social security

Plantation workers' leave entitlements are enshrined in the PLA. In 2016, workers on both certified and non-certified estates in Assam report that they are entitled to 15 days of annual leave. It seems this entitlement has increased over time on the non-certified estate (Table 5.2). Maternity leave days do not differ over time but between estates: With 90 days compared to 84 days on the certified estates, the leave entitlement commonly reported on the non-certified estate is higher. The survey contradicts some FGD data with regard to the eligibility to maternity leave. During a group discussion on a certified estate, the female participants criticize the fact that temporary workers are not entitled to maternity leave. In the survey, female workers employed on temporary contracts do report access to the same maternity leave entitlement as permanent workers. Paternity leave is unheard of across tea gardens in Assam.

Table 5.2: Leave days in Assam by type, certification and period (mode)

	Annual		Maternity	
	2016	Reference	2016	Reference
Certified	15	15	84	84
Non-certified	15	10	90	90

All survey respondents report a right to paid sick leave both in 2016 and in the reference period. The manager of the non-certified estate specifies that, on his estate, this involves an entitlement of ten days. The qualitative evidence about effective access to this right is less clear-cut. On both certified and non-certified estates, workers highlight that while, presently, temporary labourers do access sick leave, previously, they were excluded from this entitlement. A male field worker on a certified estate shares: *"When instances of snake bites happen, we do not get paid leave to undergo treatment if so required."* This experience contrasts with the Fairtrade Standard for Hired Labour which assumes that plantations put in place a regulation on regular sick leave and sick leave caused by employment injury that also guarantees the worker some form of income during absence (Fairtrade International 2014a: 30).

In different forms, tea plantations in Assam offer medical facilities to workers and their dependants. A hospital on one of the certified estates has 24 beds, while the non-certified estate hosts ten beds. There, nurse, compounder and health assistant are present with a doctor visiting twice per week. On the certified estate, medical personnel, including a doctor, are permanently present. Workers observe, though, that the healthcare facilities in the tea gardens in Assam need improvement. A male worker on the non-certified estate expresses this in the following way: *"We have difficulties in getting the proper medical care here. Though we have a small hospital, it does not have more facilities for conducting basic tests. We do not have facilities for ambulance services to take a patient to outside hospitals if it is required."*

The survey data suggest that healthcare facilities on the estate are accessible to all workers free of charge. Yet, a temporary plucker employed on one of the certified estates explains that a distinction is made on the basis of workers' contractual status: *"Temporary workers will have to pay INR 5 to register in the garden hospital. Going to outside hospitals would cost more for us and if treated in hospitals outside, we do not get the reimbursement."* For more advanced treatment, workers are referred to hospitals in the nearest town. When workers undergo treatment in private hospitals, the reimbursement of expenses turns out to be problematic. In this regard, management policies seem to differ by estate: While on one certified estate, most survey participants reported that their expenses for private treatment outside the estate were covered, this share drops to 59 percent on the other certified estate and 32 percent on the non-certified estate.

In terms of old age security, survey respondents benefit from the statutory provident fund facilities both during the survey and in the reference period. None of the workers reported coverage through life insurance. This is likely to be related to the fact that tea plantation workers in Assam are unable to set aside part of their low wages for the insurance premium. As pointed out above, key ways in which the PLA addresses tea plantation workers' old age security is through housing and medical entitlements if their sons are employed permanently on the estate. Given the restrictive interpretation of eligibility to permanent contracts on the estates we studied, this implies that old age security is a major concern for tea garden labourers in Assam.

5.6 THE ROLE OF FAIRTRADE IN TEA PLANTATIONS IN ASSAM

This section is based on the information gathered from two certified estates in Assam that were first certified in 2001 (Estate 1) and in 2012 (Estate 2), respectively. In the following, we explore workers'

understanding of Fairtrade, the uses of the Fairtrade Premium, the role of the FPC as well as their perception of the overall impacts of Fairtrade on their respective estate.

5.6.1 Workers' perception of Fairtrade

With only one exception, survey respondents on both estates were aware of their estate's Fairtrade certification. While on the more recently certified Estate 2, the largest share of survey respondents sees certification as improving the welfare of tea plantation workers (38 percent), on the other estate, the biggest group of workers (27 percent) understands certification as a Premium payment for exporting quality tea (Figure 5.7). None of the survey participants associates certification with working conditions on the tea plantation. Especially on Estate 1, which has been in the Fairtrade system for a longer period, many workers are unable to specify what certification implies (41 percent of respondents compared to 24 percent on Estate 2). Compared to their male colleagues, women workers are more aware about Fairtrade on Estate 1, while the reverse holds true on Estate 2.

Figure 5.7: Understanding of Fairtrade certification in Assam



Note: Figures refer to the number of responses.

5.6.2 Uses of the Fairtrade Premium

The amount of Fairtrade Premium funds varies by estate owing to the differences in the quantity of Fairtrade certified tea exports. The cumulative amount of Premium received by Estate 1 was INR 13.3 million since 2001, with inflows peaking in 2006-07 and 2008-09. On Estate 2, which was Fairtrade certified in 2012, the cumulative amount of Premium received up until 2016 was INR 1.33 million. Overall, averaging INR 1,268 and INR 789 per worker for the whole period for Estates 1 and 2, the amount of the Premium is nominal.

In addition to the limited Premium funds available, qualitative interviews reflect that Estate 1 was not very active in using the Fairtrade Premium in the initial years after certification. A worker and FPC member observes a catalytic role of the Fairtrade audit in this regard: "[...] more of the activities that you see now were launched only during the last 8-9 years, as the management was under pressure to undertake various activities in view of the queries raised by the Fairtrade audit team. So, many of the projects were launched during the last 8-9 years and workers also started knowing about them only very recently."

Despite the small size of the Fairtrade Premium fund in both estates, all survey participants are aware of various uses of the Premium. These uses seem similar on the two estates, with the provision of household appliances, such as gas connections, water filters, pressure cookers or mosquito nets, being the most common Premium investments alongside basic protective equipment for work, such as sandals and umbrellas. A few workers on Estate 1 list educational projects, such as scholarships, bags for school children and a coaching centre.

Qualitative interviews highlight workers' unequal access to Premium benefits. Temporary workers critique that, in addition to being excluded from PLA-related entitlements that only permanent workers receive, they do not have access to individual Premium investments. Besides differential access on the basis of contractual status, workers also demand less concentration of Premium benefits among office staff. An illiterate tea plucker expresses this in the following way: "[...] *there are many items that are very useful to us and we get them mainly based on our demand raised in the meetings of the committee. However, there are certain projects, like the 'selective scholarship', which is only benefitting children of higher classes. We need a much wider coverage of the scholarship scheme to cover more children of lower classes as well.*"

Overall, increasing the education-related uses of the Fairtrade Premium is a widespread concern. This is reflected in the following recommendation for future uses of the Premium by a male field worker: "*We also often request the management to provide a school bus for the tea garden students so that our children could go to school or college. Most of the schools and colleges are very far [...] from the tea garden. We find it extremely difficult to spend money for sending our children to school by using the private transportation facilities, which are very costly.*"

Representatives of the estate management provided more detail about the uses of the Fairtrade Premium. Tables 5.3 and 5.4 presents key Fairtrade-related activities implemented on Estates 1 and 2, respectively. As reflected in the worker interviews, on Estate 1, housing-related activities, such as the provision of LPG cylinders and gas stoves (with 75 percent of the cost being born by the estate and the rest by the worker) or infrastructural improvements, like roads and drainage, are the ones that have a wider coverage, compared to, for instance, educational support that benefits very few workers.

Table 5.3: Key uses of the Fairtrade Premium on Estate 1

<i>Education</i>	<i>Housing</i>	<i>Infrastructure</i>	<i>Livelihoods</i>	<i>Culture</i>
Scholarship for workers' children	Blanket for retired workers	Road for worker housing	Sewing machines	Cultural programme
School building ceiling	LPG connections	<i>Puja</i> shed* construction	Tailor training	Football training
Distribution of school bags	Pressure cooker and utensils	Fencing at <i>Puja</i> * site and church	Interest-free cattle loan	Musical instruments
Electricity at school	Fuel-saving stove	Concrete drain in worker housing		Sports items
Books for students	Medical treatment support for selected workers	Tent materials		
Tutor's salary (coaching centre)	Mosquito nets	Street lights		

Taxi/auto fare for students during exams	Water filters
Financial assistance for higher studies	Quilts
Monetary assistance to students	CFL bulbs
Student excursion	
Coaching class for students	

Note: **Puja* shed is used for offering religious rites, functions and festivals.

The Fairtrade projects on Estate 2 are similar, though not as diverse as on Estate 1 (Table 5.4). The activities included water filter and mosquito net distributions, gas connection to workers living in the garden, planting trees, organizing training camps, health awareness programmes, etc.

Table 5.4: Key uses of the Fairtrade Premium on Estate 2

Projects/activities	Year launched	Amount spent (INR million)
Mosquito net distribution	2014/15	1.22
Water filter distribution	2014/15	
Gas connections	2015/16	0.11
Improved drains of worker housing	2017/18	-

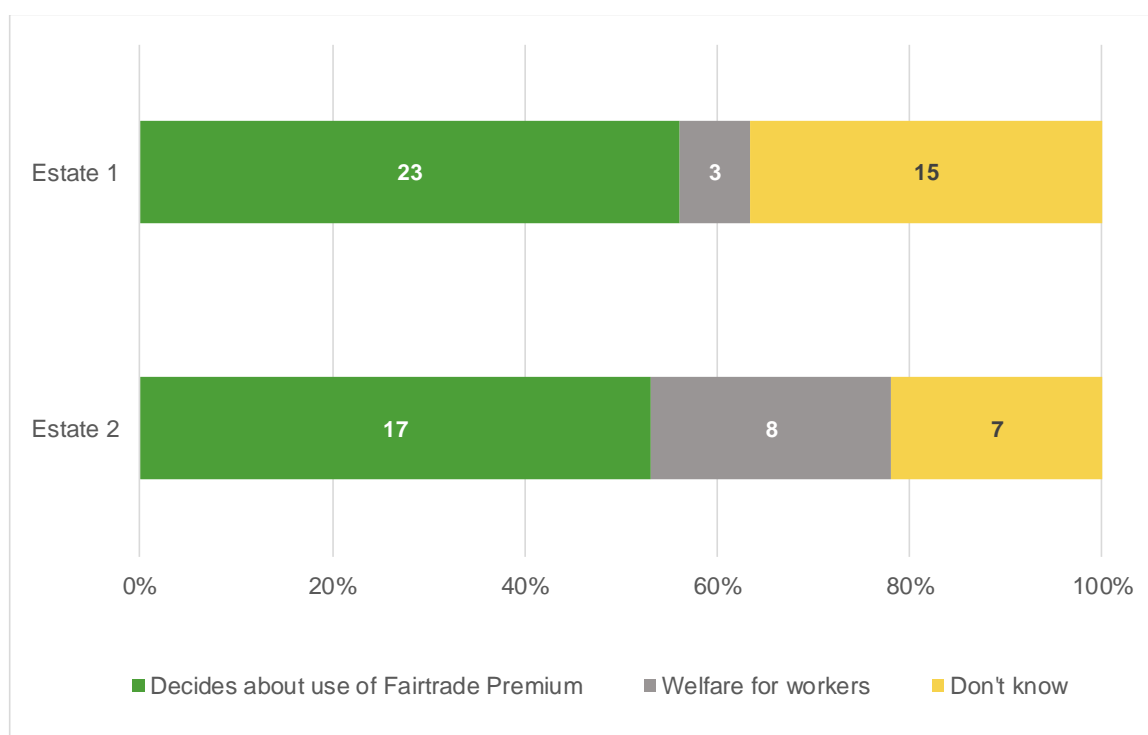
Even small items provided through the Fairtrade Premium fund have the potential to improve tea garden workers' livelihoods. For instance, during group discussions, workers reported that the provision of water filters has contributed towards a notable reduction in the incidence of diarrhoea and related diseases caused by the consumption of contaminated or poor quality drinking water. A male field worker observes: "Before Fairtrade was adopted by the estate, most of the workers were not aware about safe drinking water. But, when the Fairtrade Premium Committee distributed water filters to workers under the Fairtrade project, all workers are very happy and now, they realize the quality improvement in drinking water with improved health impacts."

Similarly, workers state that the provision of a gas connection is a huge one-off investment. Being able to use gas has positive side effects in terms of saving women's time, in particular, for the collection of firewood, as well as avoiding health hazards from indoor air pollution. A female plucker highlights the benefits for workers and the tea company alike: "The gas connection and LPG cylinders are the other benefits that helped us change our conditions. Earlier, we use to walk long distances in the garden to collect and fetch fuel wood for cooking and water heating purposes. Now, we use the gas cylinder for the purpose and are free from many of the hassles. It also helps the estate to comply with the regulations of cutting down trees in the garden."

5.6.3 The role of the Fairtrade Premium Committee

All survey participants on certified estates in Assam are aware of the presence of the FPC on their estate. When asked about their knowledge of the FPC, more than half of the respondents emphasise the decision-making role of the FPC regarding the use of the Premium (Figure 5.8).

Figure 5.8: Workers' understanding of FPC's role by estate



Note: Figures refer to the number of responses.

A smaller number of workers mention contributions to workers' welfare, for example, in the form of household appliances or education, without making explicit reference to Fairtrade or the committee's decision-making role. A significant group of survey respondents - 37 percent on Estate 1 compared to 22 percent on Estate 2 - are unable to explain the FPC's role.

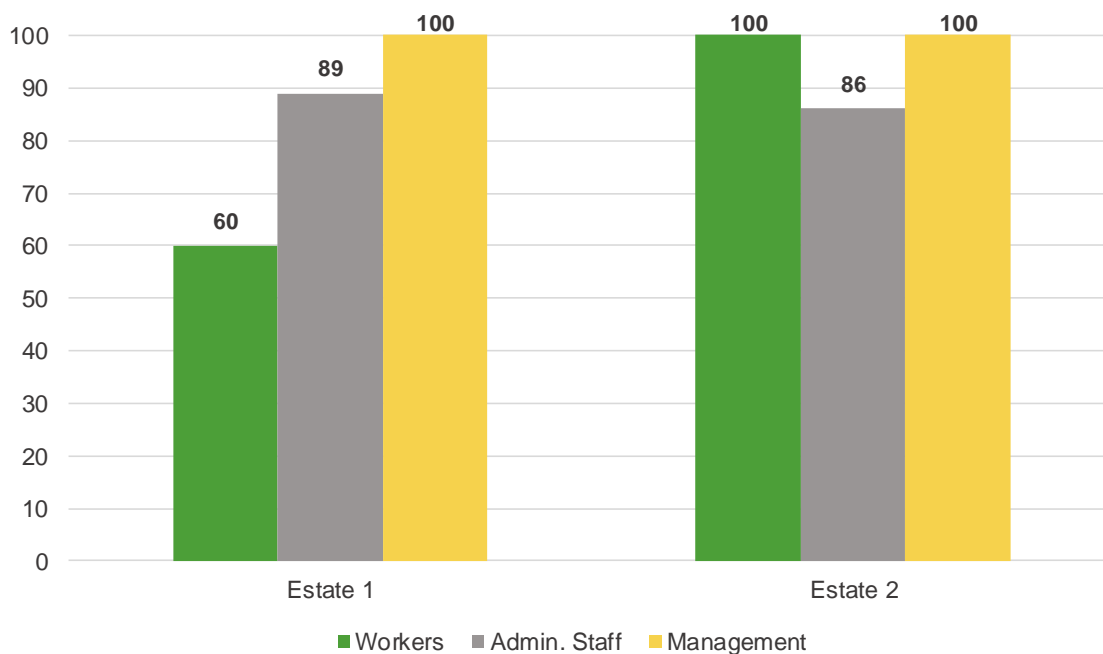
None of the survey participants perceives the FPC as an alternative channel to bring workers' grievances to the attention of the estate management. This is reflected in FPC members' own understanding of their responsibility. One of them describes the FPC's role as a unidirectional communicator to the workers rather than voicing workers' concerns in meetings with the management: "The Fairtrade committee members have to inform the workers of the estate about the activities of the committee. The members also inform the workers about the decisions that have been taken in Fairtrade committee meetings."

Workers identify workers and management representatives as the main member groups of the FPC both in 2016 and in the reference period. Administrative staff and trade union representatives were mentioned by a smaller share of respondents. A much lower number of survey respondents could recollect and report the composition of the FPC during the initial period of Fairtrade certification.

On both Fairtrade certified estates in Assam, both female and male worker representatives are elected to the FPC. While initially, the FPC was small on Estate 2 with secretary, joint secretary, treasurer and a four-member advisory board, it now has 22 members. Each member's tenure is three years.

The majority of the survey respondents reported that worker members, management and administrative staff are the three most important actors who decide how the Fairtrade Premium is used on both certified estates in Assam (Figure 5.9). In contrast to the non-voting advisory role that the Fairtrade Standard for Hired Labour foresees for the FPC's management members, survey participants unanimously see the management as extremely influential in the committee. Especially on Estate 1, this contrasts with only 40 percent of respondents perceiving the same degree of influence among worker members.

Figure 5.9: Influence of key FPC member groups by estate, 2016 (%)



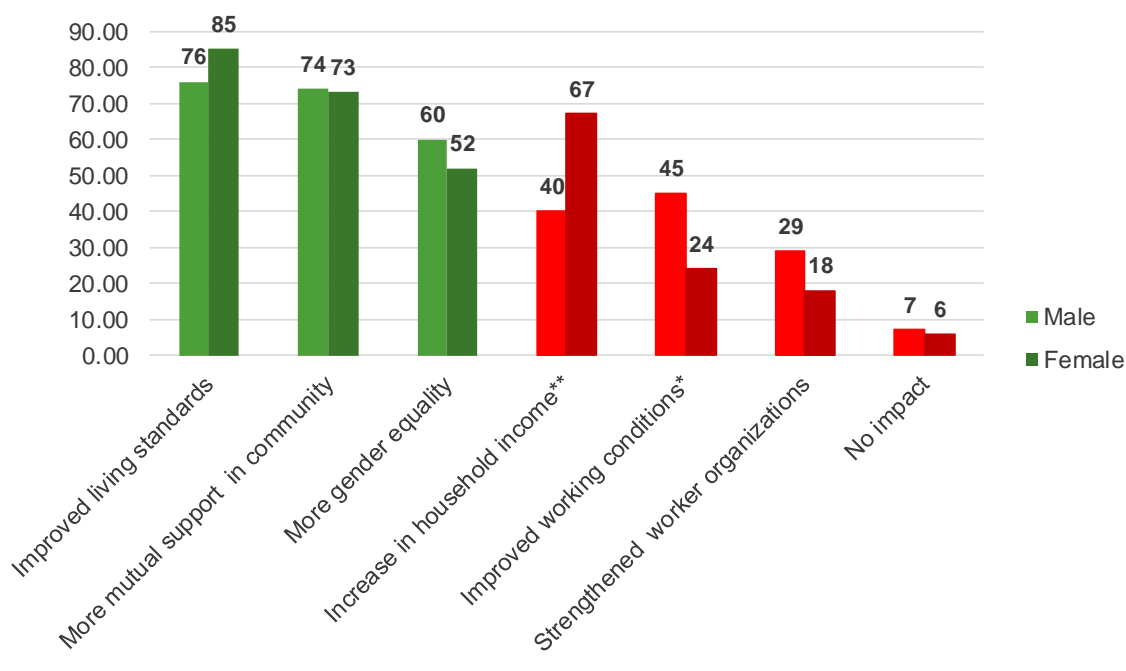
Note: The percentages reflect survey respondents who identified the respective group of FPC members as 'extremely influential' and/or 'very influential'.

The influential role of management advisors in the FPC is reflected in the qualitative data. When asked about the amount of funds available from the Fairtrade Premium, a female FPC member highlighted: *"Actually, we do not know about the money part. We just convey the various demands and recommendations of the FPC and it is basically the management that takes a final decision to implement the recommendations."*

5.6.4 Overall assessment of Fairtrade's role

Asked to reflect on the role of Fairtrade on their estate, survey participants emphasize Fairtrade's positive impact on living conditions and mutual support in workers' communities. In addition, about half of respondents agree that their estate's certification has contributed to more equal conditions for female and male workers and was associated with an increase in worker households' income.

Figure 5.10: Overall impact of Fairtrade activities by gender (%)



Notes: Green reflects a predominantly positive evaluation of the respective statement, red a largely negative evaluation of the statement.

*Pearson Chi-squares are significant at the 0.1 level, **Chi-squares are significant at the 0.05 level.

Although these quantitative evaluations do not differ much between the two certified study locations, gender differences are notable in Figure 5.10: While overall, male survey respondents seem to be more positive about Fairtrade’s role on their estate, a significantly higher share of women workers compared to men supported the statement that Fairtrade certification has contributed to an improvement in their conditions of work.

At first sight, women’s appreciation of Fairtrade’s role in improving working conditions is a puzzling result. As reported in Section 5.6.1 above, none of the survey participants spontaneously associated certification with improved working conditions. Besides, the discussion above highlights that few Premium uses are related to working conditions. Directly work-related changes on the estate in the context of occupational safety and health are more likely to benefit the male-dominated workforce in the factory. In this context, a male plucker lists: “*The factory workers have got masks, hand gloves, soaps, dresses to maintain cleanliness in the factory works and other works in the tea garden. So, factory workers find more benefits in the form of health improvements.*”

The reasons for women’s positive evaluation might lie elsewhere. Female pluckers’ abovementioned association of drainage in the fields with Fairtrade – improving their work and health significantly – offers one explanation. Moreover, the favourable assessment could also be related to the fact that women’s work does not end once the bags of tea leaves are weighed: their shift continues in tea plantation workers’ households. There, several Fairtrade-funded appliances, such as gas connections, save them time and improve their health. In addition, the fact that the FPC offers more space for female representatives than the male-dominated union hierarchy might explain women workers’ relatively more positive evaluation of Fairtrade’s role for workers’ organizations.

In contrast, a larger share of male survey participants perceive a contribution by Fairtrade to increases in household income. This evaluation, too, is surprising in the light of the fact that, in the same survey question, no worker perceived an impact of Fairtrade certification on their wages. Here, too, the money-saving impact of some of the household appliances provided with Premium funds might have been felt. In addition, some of the investments of the Fairtrade Premium relate to skill development and alternative

livelihoods, which might have translated into additional income sources. Nonetheless, as mentioned above, other conversations complicate this assessment as several research participants highlight that, for example, their estate's organic certification has been translated into an erosion of daily wages as the estate management ties it to higher harvesting and weeding targets.

Overall, while the adoption of Fairtrade has brought in some positive changes to the certified estates in Assam, the analysis also opens up a larger issue: Can Fairtrade go beyond the narrow confines of thin distribution of Premium benefits to address the broader goals of decent work and workers' empowerment as aspired to by Fairtrade? So far, the comparison of workers' collective agency, wages and wider working conditions on Fairtrade certified and non-certified estates does not bring out significant positive differences caused by Fairtrade's approach.

6. FAIRTRADE AND ITS IMPACT ON THE WORKING AND LIVING CONDITIONS OF TEA PLANTATION WORKERS IN SRI LANKA

This section of the report presents the findings of the research in Sri Lanka, drawing from mixed methods research on the three selected Fairtrade certified and one matched non-certified estate as well as a range of key informant interviews with professionals working in the tea industry. The chapter presents findings on three areas that are relevant to Fairtrade's objectives, namely, tea plantation workers' collective agency and industrial relations (Section 6.2), wages and wider working conditions (Sections 6.3 and 6.4), and the role of Fairtrade on certified tea plantations in Sri Lanka (Section 6.5). The chapter opens with a brief overview of the recent history of Sri Lanka's tea sector (Section 6.1).

6.1 RECENT HISTORY OF THE SRI LANKAN TEA SECTOR

The tea industry in Sri Lanka is at least 200 years old and has undergone many changes over the years (Jayawardena and Kurian 2015). This section records key milestones that took place in the Sri Lankan tea sector in the 1990s that have had a significant influence on present-day working conditions:

- The privatization process of the estates commenced in 1992 and took place in two rounds²⁴. As the role of the private sector started to take shape, the management style changed to one where productivity and efficiency were prioritized and oriented towards the market. Labour management was also geared towards this objective.
- At the same time, the Plantations' Housing Social Welfare Trust (PHSWT) – now called the Plantation Housing Development Trust (PHDT) – was set up to support living conditions and worker welfare on the estates, and funds were allocated by the State for worker welfare.
- The mid-1990s saw a rise in demand for Ceylon tea with new markets emerging in Russia and the Middle East.
- The first CBA was signed in 1998 (see Box 6.1).

²⁴ Privatization was applied for five years initially in 1990 and then extended in 1995 to 50-year leases. The government retained ownership of the land and only management of the plantations and maintenance of the living spaces is done by the private sector. Therefore, if the land is to be given to the workers, the government needs to take action.

Box 6.1: The Contents of the Collective Bargaining Agreement

The CBA was signed between the Employers' Federation of Ceylon (EFC) – covering 20 regional plantation companies – and trade unions represented by the three main unions – Ceylon Workers' Congress, the Jathika Estate Workers' Union and the Joint Plantation Trade Union Centre. The collective agreement features two main sections (Part I and Part II):

Part I covers conditions of employment – wages, payment conditions, overtime, work days, bonuses, leave and other benefits (maternity) and customary practices. It also stipulates that unions will support productivity improvement on the estate. It covers deployment of cadre, categories of labour, labour relations management, disciplinary grievance/dispute procedures and industrial relations.

Part II covers trade union-related issues such as representation (*thalaivars* or trade union leaders), check off for subscriptions and leave for seminars/workshops. It also covers entitlements such as contributions to religious institutions, transport to hospitals, funeral expenses, crèche facilities.

Wages change every two years while the other conditions remain the same as in the original CBA agreement.

It was during the same period – from 1995 onwards – that Sri Lanka's tea industry was introduced to social and environmental certification, such as Fairtrade, ISO 9000 and others. These were seen as identifiers of better quality production by the estate owners. Hence, the changes that affected working conditions and worker welfare in the early 1990s were influenced by a combination of these factors – ranging from structural changes in the industry, to certification and management style. For the estates that adopted Fairtrade in the early stages (1995 – 1997), the changes seen from the time of adoption up until the present are starker than for those that were certified more recently. The sections below describe the types of changes seen on the estates from the time they were certified in order to highlight any changes that can be attributed to Fairtrade certification.

6.2 WORKERS' INDUSTRIAL RELATIONS AND COLLECTIVE AGENCY

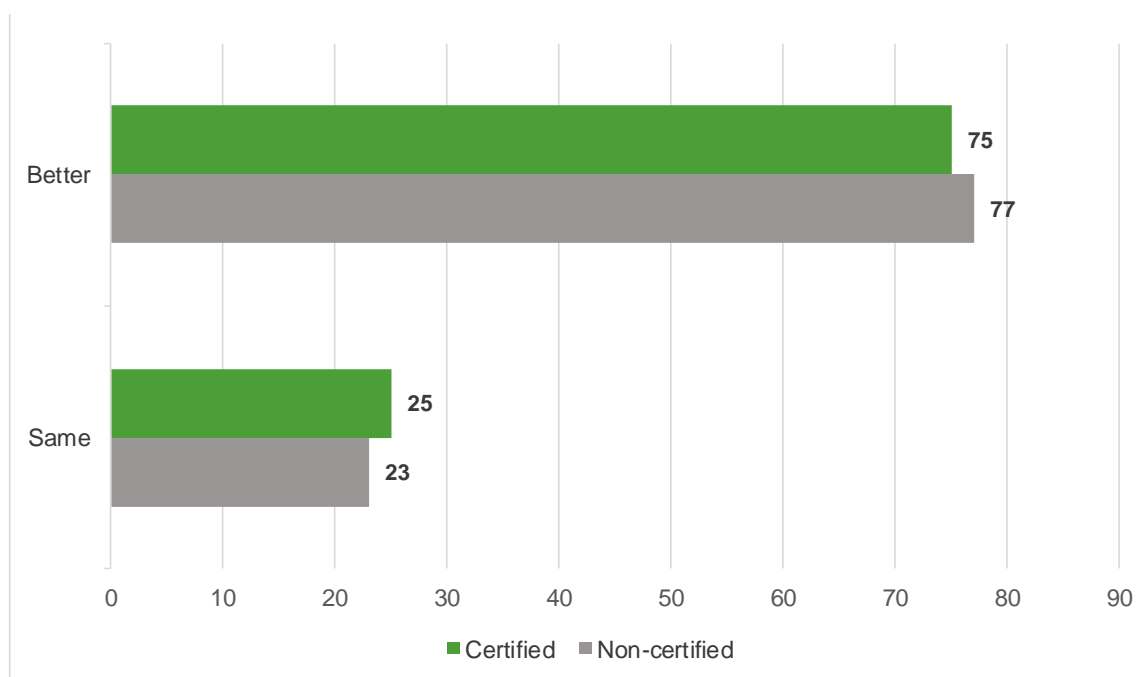
6.2.1 Workers' collective rights

As formal companies the estates are governed by the labour laws of the country and uphold core labour rights. In addition, the CBA stipulates specific entitlements at work and for living conditions on the estate. Trade unions are very active on the estates. In this sense, all the estates in the study fulfil the minimum standards of freedom of association and the right to collective bargaining set by the Fairtrade Standard for Hired Labour.

Workers' rights to join unions and bargain with management are not restricted on any of the estates. All survey respondents from the non-certified estate and 99 percent of respondents from the certified estates felt that these rights were both extremely or very important and guaranteed on their estate. Only one dissenting survey participant, a male worker from a certified estate stated: "*We take care of our needs, so the union is not needed.*"

Compared to the reference period, most workers perceive a positive change over time in the guarantee of these collective rights on both Fairtrade and non-Fairtrade estates (Figure 6.1). No observable patterns on this reflection are found when analyzed on the basis of the respondent's gender.

Figure 6.1: Guarantee of workers’ freedom of association and right to collective bargaining over time by certification (%)



However, while collective bargaining takes place, only a few people on both the Fairtrade certified and non-certified estates (mainly men) had seen or read the CBA. Even trade union leaders at estate level seem to lack a good understanding of the national processes. They insinuate that they are not even consulted as illustrated by the quotation from representatives of two unions on a Fairtrade certified estate: *"Union A: We got an increment in 2014, but we did not get any information on it until it was increased. They did not tell us what they are going to do. We got to know the joint agreement has been signed by looking at the TV news. At that time, we got an increase of about 65 rupees. Until then, neither the trade union nor anyone else asked anything from us. No one asked us: 'How much would be sufficient for you?'"*

6.2.2 The role of trade unions and collective action

As outlined in Chapter 3, trade unions have a long history with worker rights on the estates. During our 2016 survey, participants associate union representation on the estate with ensuring rights related to individual grievances, such as disputes over pay slips, leave entitlements, treatment by superiors or cases of interdiction. At the sectoral level, trade unions play a key role in structural issues, such as wage negotiations, housing and citizens’ rights. A male worker on a certified estate underlines that: *"Only the trade union can speak about the salary. Only if the unions speak, they will increase our salary. We cannot speak directly. The union has to speak on behalf of us. We cannot speak to the estate on the salary. We cannot demand fiercely from them. We can speak only about work-related issues. If women have any issues, we will speak to the management and get them leave. The trade union will speak if ten people need a job on the estate or to change roofing sheets. If the management does not do it we will give a letter to the union and they speak to the management and do it."* He describes a division of labour between workers’ individual action and collective action through the union, in which structural issues such as salary increases, a job for a group of people or problems with worker housing are issues that require trade unions’ collective intervention.

The statement also suggests gendered layers of representation: While collectives of workers are represented by trade unions in wage negotiations, in conversations with the estate management, female workers are represented by males. A female worker on the same estate contradicts when she describes

pluckers' grievance redressal in a different way: *"Each party has one thalavi [female union representative]. There is one District thalaivi. They will take the issues to the thorai [manager] and give us feedback."* While female workers' problems can also be channelled through female union representatives, leadership remains in male hands. Asked whether there are opportunities for women workers to lead trade unions, a female union representative concludes: *"They will not allow us to become the party leader. If we get an opportunity we can become a leader. We should try and see. All the unions have male leaders."*

Over time, the role of the trade unions has changed for various reasons. Similar to Haagsma et al.'s (2016) findings reported above, in day-to-day activities, the dependence on trade unions has reduced over time due to less hierarchical relationships between managers and workers as well as between managers and trade unions – on certified and non-certified estates. A male worker on the non-certified estate compares: *"Those days, we did not directly go and speak. Those days, if we want to speak to the sinna thorai [assistant manager] we would speak through the field officer. Now, we can speak directly. The phone number of the thurai is written down and anyone can talk to him."* Even union representatives acknowledge that people now address some issues on their own. A union leader on a certified estate states: *"People can go directly to the management, we don't restrict them."*

These changes in the positioning of the trade unions can be attributed partly to streamlining and improving the way in which issues such as discrepancies in salaries, getting maternity benefits, etc., are handled. More importantly, such change can be due to an increasingly educated workforce that is more empowered and aware and does not rely only on the trade unions for information. Interestingly, a trade union leader on a certified estate points out that: *"Our next generation will not trust the trade unions. Those days, our people were illiterate. But now, at least they are studying up to Grade 5. They can read and they are listening to news and they know what's happening around. They are able to take decisions on their own."*

A worker on a certified estate highlights that the weakened role of unions is also related to internal competition between them: *"Where the plantation is concerned, the dispute among trade unions is the reason why plantation workers are not coming up in life. I speak about my trade union and others will speak against my union. This is what is happening from those days. We workers fight with each other just because of these unions. Sometimes, we don't even speak to the neighbours because of these union issues. This is a barrier for our development. Sometimes if my neighbour is from another trade union and if I speak to him, the member of my union will ask: 'Why are you speaking to him?' This is the truth."*

While their influence might be waning in day-to-day dealings as outlined above, the fact that membership rates are high demonstrates that their presence is still seen as necessary. Eighty-four percent of the respondents from Fairtrade estates and 88 percent from the non-Fairtrade estate had union membership and each pay a subscription fee that is taken from their salaries as per the CBA. Perceptions gleaned from the FGDs reveal that the reason they are needed is strongly tied to their role in the wage negotiations.

Although it was only on the certified estates that survey participants mentioned their low wages as a concern that they addressed through collective action, the role of the unions in wage negotiations caused debate during the qualitative interviews on both the certified and non-certified estates. The issue of wages is constantly raised – through the trade unions, through direct appeals to the managers, and in any discussion forum that exists on the estate. Workers acknowledge that previously the influence of trade unions and strike action had paid off but, in the 2015 negotiations, strike action had not helped. Some hold on to the hope that if they don't strike, the trade unions can negotiate a better deal. Others are not interested in striking any longer as the result is a loss of earning capacity – a view that is shared even by trade union leaders on the estate. One union leader on the non-certified estate believes that they need to get value for the membership they pay: *"When we talk to the union about the salary in general they ask us to strike, but it affects us only. All the five unions got together and decided not to strike because we are the ones who get affected by it. Once we went on a 10 – 15 days strike so that they will negotiate on salary but the salary negotiation, it did not happen but we lost our salary. If we work on the estate, we get about 1,500 rupees so now we are preventing strikes and all. If they can let them negotiate and increase our salary that's what we pay our membership fee for."*

The general feeling on both certified and non-certified estates is that wage negotiations take place with “people in Colombo” and that the workers’ ability to influence the outcome is not very strong. Furthermore, as expressed in the statement by a male worker from a certified estate below, the disillusionment and disappointment over not getting what they feel is a sufficient wage is tangled up with politics and differences of opinions between the different trade unions and the disharmony it creates: *“The wage is not sufficient we go to the unions to speak about the salary issues. There are so many unions so each one goes to their own unions. We will go on a strike or work slowly if the unions tell us to do so. Those things are not done these days. By doing that we only got an increment from 270 to 450. They have to increase the wages every two years. That’s what the agreement says but it has been on hold for more than one and half years. There was no change because of the differences among the unions. One party is asking for 800 rupees and other asks for 1,000 rupees. It’s all politics.”*

6.2.3 Other collective action and grievance redressal mechanisms

Beyond approaching trade union representatives, all estates have different modalities by which workers can raise issues. The CBA also specifies grievance redressal processes starting from the estate level all the way to arbitration with which the unions can intercede if there are disputes.

The grievance redressal process as laid out in the 2003 CBA gives workers several options at the estate level as well as a progression for solving issues from an estate level all the way to the labour courts:

- An “Estate Labour Day” once a week.
- Grievances/disputes to be recorded in a “Minutes Book” and addressed on Estate Labour Day by the superintendent/assistant. Solution to be carried out within seven days and recorded in the Minutes Book.
- If urgent, grievances can be raised through the trade union for immediate action.
- If decision is unacceptable, it can be taken up with the union representative in the district for discussion with management.
- If there is no settlement at the local or regional level within a period of 14 days, it can be reported to the managing company, or its representative, by the parent union.
- If a matter cannot be settled at the company level, the union can pursue it with the Department of Labour. It can be taken further to arbitration if needed (Section 3 of the Industrial Disputes Act).
- If this procedure is not complied with, the party at fault will be guilty of misconduct.

In addition to the CBA, with the exception of the mobile service (see Box 6.2), the following other grievance redressal measures have also been implemented at estate level on both Fairtrade certified and non-certified estates:

- Direct access to manager/assistant managers at any time, so that the workers do not have to wait until Estate Labour Day.
- Complaint boxes where they can drop off comments anonymously if they wish.
- Being able to approach other staff – clerks, welfare/HR/ Fairtrade officers. Two Fairtrade estates had appointed female officers to handle harassment-related issues.
- Mobile service (once a month in each division).

Box 6.2: Taking grievance mechanisms to the people

One Fairtrade certified estate has established a “mobile” service. This mobile unit was started in the 1990s, before Fairtrade certification, by the management as part of the company’s welfare strategy and is in operation to this date. It involves taking relevant staff – the chief clerk, welfare officer/Fairtrade officer, assistant superintendent – and visiting each of the divisions. The workers can approach the officers and address any issues they may have to them. One instance mentioned was of a worker being addressed inappropriately by a field supervisor. The field supervisor was made to apologize to the worker at the mobile service. Issues related to pay, targets, facilities, etc., are addressed at mobile meetings. The mobile service takes place once a month and alternates between the divisions. Given that, on this particular estate, the divisions are far apart and getting to the main office is difficult, this allows a more convenient option in terms of location. However, if the grievance is urgent, workers would have to go to the head office or go through the trade union or Fairtrade officers (who were originally the welfare officers on the estate).

Workers are aware of these mechanisms and have used one or more of them for various issues – both individually and collectively. Both Fairtrade and non-Fairtrade workers have used individual agency to resolve issues that directly impact the worker such as interdictions and pay deductions. They addressed issues related to working conditions, such as the lack of toilets in their work environment, and lack of workplace safety due to tall grass in which snakes could hide. Issues related to their living conditions that they brought up included insufficient space in their houses, lack of toilets and water, and issues related to additional income, such as land for cultivation and space to house cattle.

On both the certified and non-certified estates, about two thirds of survey participants report that they had individually acted to improve working conditions. Table 6.1 shows, however, that individual agency is a gendered phenomenon, with a far larger share of male compared to female workers reporting that they took steps to resolve problems with their working and living conditions. Women seemed more reluctant to make use of existing grievance redressal mechanisms, stating that they know these modalities exist but have not had the need to use them. Although the qualitative data does not imply that conditions are very different between the Fairtrade and non-Fairtrade estates, both female and male workers employed on certified estates show greater satisfaction with the results of such individual actions and see a greater improvement over time compared to workers on the non-certified estate.

Table 6.1: Individual grievance redressal by gender and certification (%)

	Gender	Have individually tried to improve working conditions	Successfully resolved issue	Have more avenues to resolve issues since year of certification
Certified	Male	68	74	79
	Female	24	67	72
Non-certified	Male	80	50	60
	Female	27	43	50

The comparison of Tables 6.1 and Table 6.2 shows that female workers especially on certified and non-certified estates rely more on collective approaches to resolve their issues.

Table 6.2: Collective grievance redressal by gender and certification (%)

	Gender	Have collective ways to improve working conditions	Have more avenues to resolve issues since year of certification
Certified	Male	82	83
	Female	51	72
Non-certified	Male	80	100
	Female	62	67

The issues raised collectively include direct work-related issues such as challenging the quantity of leaf to be plucked in the dry season, incorrect recording of the leaf weight, working conditions such as lack of toilets, rest areas and safety (e.g. from snake bites) in the fields, the ability to leave early during heavy rains. Several of these grievances are backed by the Fairtrade Standard for Hired Labour, which prescribes, for instance, that the company provides clean toilets with hand washing facilities close by (Fairtrade International 2014a: 26). Grievances addressed are also related to workers' living conditions, such as the lack of roads, housing, toilets and water, assistance for religious facilities and assistance for additional funds (e.g. requesting loans during lean period). The quote below by a male trade union leader working on a certified estate reflects the fact that unions represent an important collective channel to address workers' grievances: *"If they are taking leave, very often we speak. The workers also have to abide by the rules and regulations. If someone has a financial need, they to go through us. People speak about the general issues (pavement, collapsed building, if an accident takes place, cleaning the environment) through the thalaivars [trade union leaders]. They come to us to register their names."*

Less hierarchical relationships between managers and workers influence the way in which Sri Lankan tea plantation workers address their problems collectively. Workers report that they mostly spoke to the management, with a few speaking to union members, and report that issues brought to the notice of management were more likely to be resolved. It seems that issues related to work and additional funds (loans) are more likely to be resolved than those related to living conditions. In the FGDs, workers also state that they do not need to wait for the "labour day" and deal with issues as they arise, which is a step beyond the CBA for more timely process. Women workers on a certified estate express this in the following way: *"Before 1995, we spoke with the periya aiya [field supervisor], but now we speak directly to the thorai [manager]. Those days, we were afraid to speak directly. After 2005-2006 only, we started to speak directly to him. Now the fear is gone. It has changed in all the estates. Now our people are more civilized. Those days, the education level was low. Now we are educated so we know how to speak. Those days, thalaivars [trade union leaders] would speak on behalf of us."*

6.3 WAGES AND INCOME

6.3.1 Tea plantation workers' earnings

As outlined in Chapter 3 above, Sri Lankan tea plantation workers' earnings are a mix of time-rated payments based on stipulated working hours and payments based on daily targets. Both on Fairtrade certified and non-certified estates, working hours are tied to occupational roles. As a result, they differ for men and women: Male field workers work six hours at a stretch and female pluckers work eight hours with a break in between. Workers perceive this as being the same working hours, just differently utilized. Women state that as men work a half day they are free to do another job and earn more income for the household. Some of the women state that they are able to leave early if the target is met, but others report that they have to stay for eight hours.

At the time of study, the daily wage in the plantation sector based on the 2013 CBA was a base wage of LKR 450. For both certified and non-certified estates and across tasks performed, this is the daily wage that most survey participants report. The wage can go up to a maximum of LKR 620 per day with an attendance bonus of LKR 140 paid if the worker has completed 75 percent of the work days offered per month and a fixed price share supplement (LKR 30). There are also some mandatory monthly deductions for the Employee Provident Fund (EPF) and the Employee Trust Fund (ETF) of LKR 81, LKR

150 for the trade union membership fee and another LKR 150 for the *kovil* (temple). A male field worker on a certified estate makes the sum of all deductions: "They deduct ETF, advance money, *deepavali* [Hindu Festival of Lights] money, 72 cents for tea leaves, for the *kovil*, for Fairtrade loans. Altogether they deduct 4,000-5,000 rupees."

Hence, the maximum workers can earn per month during 25 working days is around LKR 15,000. Pluckers can earn more if they pluck beyond their given targets (at LKR 20 per kg) and work on Sundays or holidays. In addition, all workers are entitled to an annual attendance bonus (LKR 750) if they work more than 75 percent of the working days for the year.

However, workers who are not covering their full quota and whose attendance is varied report lower earnings. According to our survey results, the average monthly earnings across estates is LKR 11,070. For tasks for which sufficient observations are available, such as plucking, monthly wage earnings for workers on certified estates are slightly higher compared to the non-certified estate (Table 6.3). These earnings are significantly lower than the 2016 average monthly earnings of LKR 16,940 in the estate sector (DCS 2018: vii) and lower than what could be earned potentially. The daily earnings of workers on tea estates in our sample hover around the 2016 minimum wage of LKR 400 (Parliament of the Democratic Socialist Republic of Sri Lanka 2016).

Table 6.3: Monthly wage earnings by main task (LKR, N in brackets)

	Tea factory	Supervision	Plucking	Spraying	Weeding
Non-certified		10,000 (2)	9,473 (25)		
Certified	17,636 (11)	15,333 (3)	10,743 (68)	8,000 (2)	6,250 (4)

Note: Tasks with only one observation are excluded.

The data in Table 6.3 also shows variation among the different categories of estate workers with supervisors and factory workers reporting much higher earnings than the rest, and field workers reporting much lower salaries than expected. This variation is also related to the gender segregation of tasks on tea plantations which impacts on the income that can be earned. The pluckers are mainly female (93 percent of the sample). During the flush periods, men are engaged in the tea leaf harvest too. Other field workers such as sprayers, pruners, and weeders are all male. The fact that weeders and sprayers earn the least may be related to the greater irregularity of their work. Field supervisors tend to be male. While female pluckers on one certified estate insist that: "Women cannot become *kangani* [field supervisor]," actually, on one of the certified estates, one female supervisor did participate in the survey. These supervisory levels can earn a better income than others in the field. The factory workforce is more mixed, especially on certified estates. Yet, male workers form the majority. The factory workers have a better income overall than any of the field level jobs. Hence, despite the fact that, as labourers, they all get the same wage rate, there is a difference in earning capacity in the different job types depending on the task and the targets with women workers being disadvantaged.

Overall, despite being employed in a formal sector and despite the permanent contractual status of almost all participants in our study, Sri Lankan tea plantation workers' monthly earnings are unpredictable. This is related both to their daily wage schedule and the seasonal variation of work availability, especially for pluckers and other field workers.

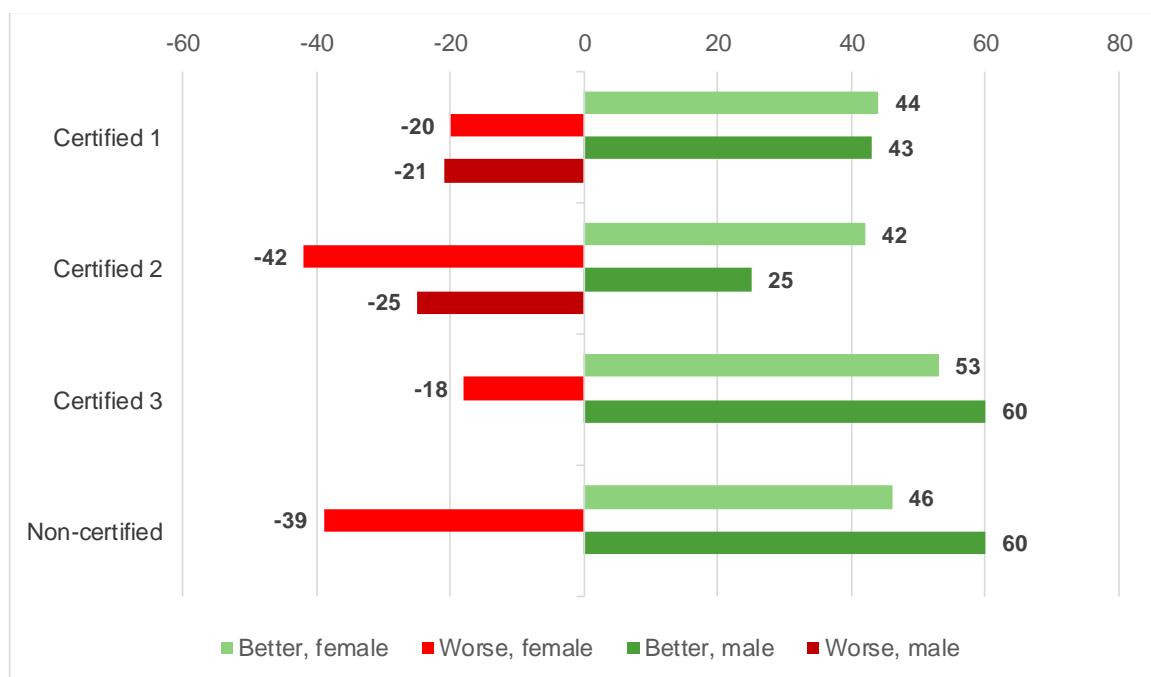
6.3.2 Towards living wages?

According to the Fairtrade Standard for Hired Labour, over and above tea estate wages that meet the criteria set by the CBA, wage increases are supposed to gradually close the gap with a living wage that affords the worker and his or her family a decent standard of living (Fairtrade International 2014a: 28). One trade union leader on a certified estate translates the notion of a living wage – bare of a buffer for unforeseen circumstances - in the following way: "We have to educate our children and have to eat and live. We are not asking a salary to save money in the bank, but to lead a peaceful live."

The survey results confirm that all tea plantation workers in Sri Lanka consider the right to a wage that allows for a better wellbeing extremely or very important. Out of workers' top priorities listed spontaneously in the worker survey, the emphasis put on living wages is the only one that differs significantly between workers on certified and non-certified estates as well as between female and male workers (Pearson Chi-square < 0.1), with workers on Fairtrade certified estates and female workers, in particular, identifying the guarantee of a living wage as a key right to be guaranteed by their employer.

This contrasts with the fact that a large share of workers consider their earnings inadequate. The majority of survey respondents – 54 percent on certified and 67 percent on non-certified estates – report that their estate does not provide wages that guarantee workers and their families a decent standard of living. While participants saw improvement rather than deterioration in this regard over time, Figure 6.2 reflects that female more than male workers pointed to weaker guarantees of a living wage since the reference year.

Figure 6.2: Living wage guarantee over time by estate (% of female/male respondents)

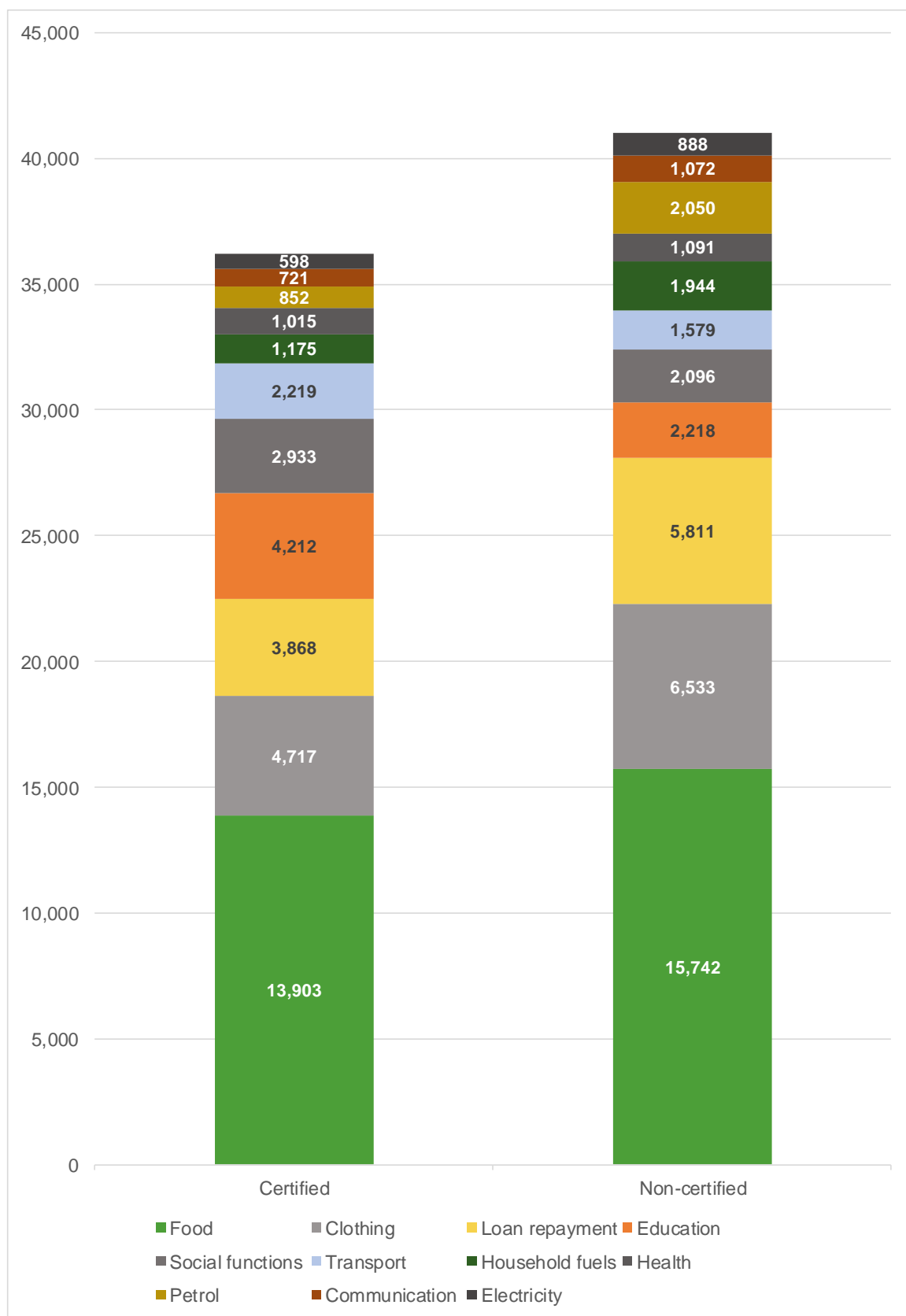


Note: The remaining share of female/male respondents by estate did not perceive any change regarding the guarantee of a living wage on their estate.

Women workers’ greater pessimism can be related to their lower monthly earnings, but also to the greater responsibility they perceive in making ends meet. This can be concluded from the fact that female survey participants link their pessimism with inflation and rising expenses related to children’s education and health. A female plucker on a certified estate argues that education was less important in earlier years. A father employed on a different certified estate elaborates: “[...] if there are children who are in school, they would need a tuition fee of 5,000 rupees, sometimes it will be more than this. School fee [is] 1,000 rupees. We need 3,000 rupees for transport.” He concludes: “Anyhow, we need around 18,000 -20,000 rupees monthly, but we get only 5,000 rupees a month. More expenses than income. This is how our life is going on.”

In the FGDs when we asked people what a living wage must include they stated it should include the ability to afford health and education as well as to enjoy cultural events, such as the Hindu festival of *deepavali*, and treat their families. In fact, providing for a good education that increases the wellbeing of their children was a foremost concern with the workers.

Figure 6.3: Worker households' expenses by certification, 2016 (LKR)



These priorities are reflected in the survey results regarding worker households' expenditure (Figure 6.3). Overall, average expenses reported on the non-certified estate are higher compared to those of survey participants from certified estates, namely LKR 33,170 compared to LKR 23,888. Compared to the higher expenditures reported in the 2016 Household Income and Expenditure Survey in Chapter 3, the average expenditures on the certified estates especially are very low. Expenses for education and cultural events are highest after the most basic necessities of food and clothing. Given that the total average spending is far higher than the monthly income, access to loans is crucial, but repaying them puts additional pressure on the household budget. Overall, during an FGD on a certified estate, female pluckers mention monthly incomes of LKR 20,000 to 25,000 as adequate for a decent standard of living: "[...] if we have about 25,000 per month, we can live a normal life." This depends, of course, on the number of earners and dependents. Families with single earners find it most difficult to meet their expenses, as expressed by a tea plucker on a Fairtrade certified estate: "*My husband passed away and only I am working. The children are studying and the in-laws are with me and I cannot manage with my salary.*" Overall, however, the living wage they identify is more than double their earnings in 2016.

6.4 WORKING CONDITIONS

6.4.1 Guarantee of other core labour rights

Besides the 'enabling' labour rights of freedom of association and the right to collective bargaining discussed above, freedom from child labour, forced labour and from discrimination are other core labour rights. They are derived from the ILO Declaration on Fundamental Principles and Rights at Work and form a key point of reference in Fairtrade's Standard for Hired Labour (Fairtrade International 2014a: 19).

Workers who were employed on the Sri Lankan estates certified in the 1990s recall the employment of underage workers in earlier times. Children are no longer employed on the estates though due to strong national laws, awareness-raising and the emphasis on education. A female plucker from a certified estate expresses these changed priorities: "*Before 1994, children were working on the estate. Now, parents are only keen to educate their children.*"

In addition, workers indicate that there is no forced labour. According to the ILO Forced Labour Convention, forced labour is understood as all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered him- or herself voluntarily. Lerche (2011: 11) points out that involuntary overtime work also represents forced labour. Trade union representatives reject the idea of compulsory work happening on the estates. A female union leader on a certified estate states that they go to work when they want to: "*It is not compulsory, but we work overtime because this is the time we can earn. The management does not force, but we decide to do because when there are less leaves we pluck less leaves and they register our name [for daily payment] so we have to be grateful, so we take more. And we ask them if they are paying for overtime and if they say yes, we will pluck more.*"

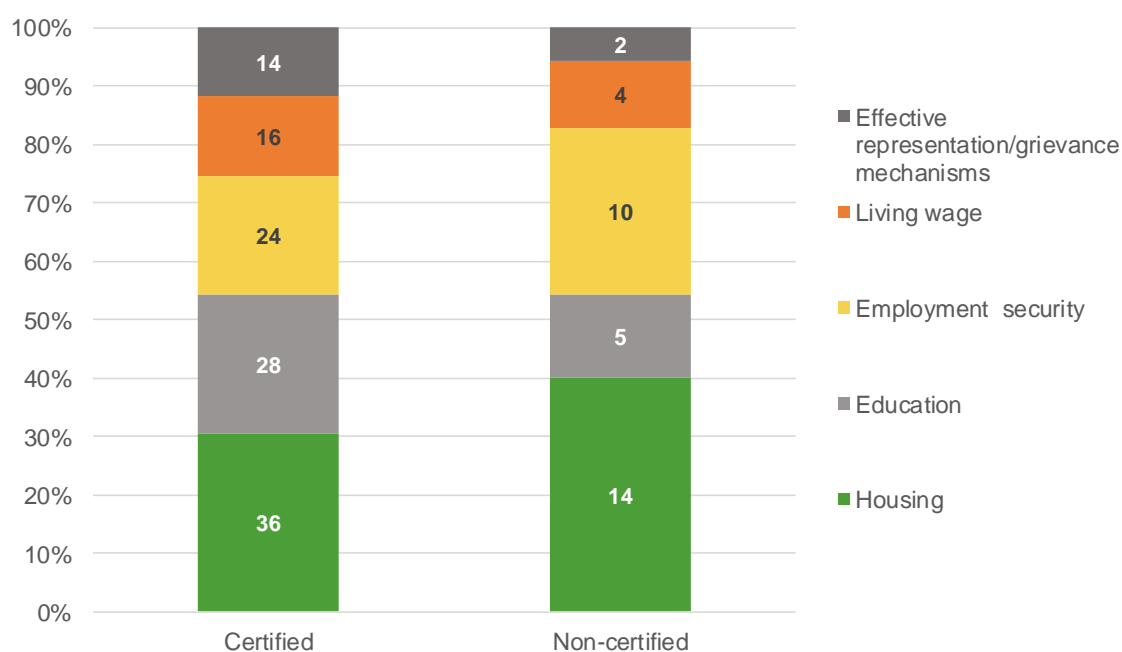
Tea pluckers highlight that their poverty provides a strong incentive to take up overtime work. The push for additional income and the pull of a higher overtime rate leads them to take on work during their holidays. This leads to a lack of leisure time due to the need for more income. A female plucker on a certified estate illustrates this: "*If we work on Sundays and Poya [full moon day, Buddhist holiday in Sri Lanka], we get LKR 1,080. We can work on holidays only if we like. No one will force us. Now only, they give work on Poya and Sundays. Those days, they did not give work on Sundays and Poya days. Even if there are more leaves, they won't give. We don't have any difficulty working on Sundays and Poya days. We are going to work because of poverty, if we get only the wage, no one will force for it, no?"*

Survey respondents consider the right not to be discriminated on the basis of sex, caste or nationality extremely or very important. The vast majority of survey participants also report that freedom from discrimination is guaranteed on the estates (92 percent on Fairtrade certified estates and 97 percent on the non-certified estate). While workers do not report caste-based discrimination with regard to working conditions, in qualitative interviews, workers give examples of discrimination based on ethnicity and gender. Some Tamil tea workers indicated that – in contrast to Sinhalese applicants – even after completing adequate levels of education, their adult children are not considered for office jobs. They

also perceive discrimination hampering their upward mobility when union leaders influence the way people are being selected as *kanganis*. Overall, there are very few opportunities for advancement, yet, as indicated above, these are even more limited for women. In the survey, changes in job category were noted in a few cases only – two pluckers and one sundry worker have moved on to be supervisors while one female moved from plucking to the factory.

In terms of harassment, the Fairtrade Standard for Hired Labour states that sexual harassment should not be tolerated, that remedial action should be taken and that there should be a harassment handling process and policy (Fairtrade International 2014a: 20). Mechanisms to handle sexual harassment – such as the ability to lodge complaints, a female officer to handle the complaints, the policy displayed in the dispensary or Fairtrade office, awareness about harassment, etc. – were reported on all the Fairtrade estates. A similar process to inquire about harassment, treatment and abuse also existed in the HR procedures put in place (in 2014) on the non-certified estate. Some incidences of mistreatment, an affair, abuse (in a home) were mentioned and the workers and managers were aware of the cases. It was reported that on one occasion efforts had been made by Fairtrade staff on the estate and the management to take action to rectify the situation. It was also found that those handling such sensitive issues had not received training on how to do so. This is a vital gap that needs to be addressed to improve the efficacy of having a contact person for such cases.

Figure 6.4: Workers' key priorities by certification



Note: Figures refer to the number of responses (multiple responses possible).

Having explored the guarantee of core labour rights as defined in national and international regulations and as reflected in the Fairtrade certification Standard for Sri Lankan tea plantations, Figure 6.4 reflects what survey respondents spontaneously list as rights to be guaranteed by their estate. Workers put strong emphasis on their entitlement to estate housing, something that sets plantation workers apart from workers in other sectors. This reflects, of course, their lack of land ownership based on the tea plantation labour force's history as migrant workers and their long-time denial of citizenship rights. From this perspective, the right to estate housing also implies livelihood security beyond retirement. Housing and land are also two areas where collective agency or change over time has not yielded long-term solutions. On one Fairtrade certified estate there has been better progress than on others in terms of providing workers with freestanding new houses. Despite countless efforts by trade unions, NGOs and advocacy groups, estate workers remain marginalized when it comes to owning land. The crucial role of children's education – especially for workers employed on certified estates – has similar connotations. In the context of tea plantation workers' insecure and low earnings, it does not come as a surprise that

employment security and the payment of living wages come out as other top priorities listed by workers. The strong concern about employment security expressed by workers who all hold permanent contracts indicates informalization of the formal sector.

Last but not least, all workers consider the right to be treated in a respectful manner extremely or very important. All workers on the non-certified estate and most workers on the certified estates say that this right is guaranteed by their estates. Exceptions include a lack of attention to workers' problems or instances when field supervisors refer to workers in a derogatory manner without brooking opposition. One survey participant explains: "*If we speak back, then they will stop us from working.*"

In contrast to improved relationships with the managers reported above, some FGD participants harshly critique the treatment they experience from office staff. This was expressed quite strongly by a male field supervisor employed on the non-Fairtrade estate: "*Those days we had offices in each division and we went there and solved our issues. [...] They have closed all those offices; we have to come here spending money. There is no respect for us here. The office staff ask us to stand outside and they don't treat us well. They treat us like dogs. We feel very bad about it. Even it is raining or blazing sun, we have to stand outside. Even in the courts and police they have chairs for people to sit. After working so hard on this estate they make us to stand out. It is really painful.*"

However, a large majority of workers on both certified and non-certified estates see improvement in the guarantee of their right to dignified treatment over time. Examples of such improvements include that workers are now being called by their names instead of numbers, they can directly talk to the managers, approach the office staff, and they can raise concerns.

6.4.2 Occupational safety and health

Another right that workers employed on Fairtrade certified estates especially expect to be guaranteed by their employer is OSH. If prompted, almost all survey respondents from certified and non-certified estates alike assess OSH as an extremely or very important right. Most workers – more than 80 percent of respondents on both certified and non-certified estates – perceive a more effective guarantee of this right since the reference year.

In terms of workers' health, 35 percent of respondents from certified estates and 42 percent from the non-certified estate experienced some form of illness and/or injury during the past year. The variation in these shares between different certified estates is wide, ranging from 69 percent to 22 percent. More than half (54 percent) of workers on certified estates and more than one third (39 percent) of those working on the non-certified estate related their health problems to their work. Injuries and pain in different body parts (e.g. head, neck, hands) are specified as the most common problems here. Injuries relate to falls, while pain (e.g. shoulder) is related to workers carrying heavy loads on their heads. Workers also highlight risks related to the irregular trimming of the *mana* grass grown to prevent top soil erosion as it harbours scorpions and snakes and makes their workplace unsafe. This reflects earlier findings by Neubert (2016: 367) in which tea pluckers list: "[...] the lack of an eating place, the lack of toilet facilities, wasp bites, snake bites, leech bites, sexual harassment from supervisors, neck strain from carrying leaf-filled bags, dry and cracking skin on fingers and thumbs, asthma, breast pains caused by constant friction against tea bushes, the lack of facilities to feed infants on the job, the lack of relief for pregnant women, and skin rashes from fertilizers, pesticides, or insecticides" as major OSH problems.

Over time, some changes have taken place regarding the plucking equipment. Lightweight baskets that put less pressure on the head and backs of pluckers have been introduced in all the study locations except for one Fairtrade certified estate. Male workers on a certified estate see improvements when comparing the current situation with earlier years: "*Those days, workers had to bring the plucked leaves down the mountain to weigh it. Many workers were getting health complications because they were carrying such heavy leaves. Now, they have built weighing stations near the mountains. [...] Those days, they plucked tea leaves in the bamboo baskets. Now, they have [banned] the bamboo baskets. Now, we don't use bamboo baskets because workers feel the weight on the head when they carry it. This heaviness affects the spine a lot. More than that, workers topple and fall for the weight when they are getting down the mountain or climbing the mountain or while plucking because the codes in the basket get entangled in the bushes. There were incidents of deaths also as a result of this. Some people have died because of this. We haven't used these baskets after that. Now, they are using bags similar to urea bags but it's not a urea bag. It's a bag like a backpack.*" These new baskets are lighter in weight than the traditional wicker baskets but not as durable. In addition, they tend to damage tea leaves, and

retain moisture and therefore are not ideal. If the baskets are damaged and new ones have to be purchased, the costs have to be borne by the pluckers. Further development is still necessary in terms of a better designed, durable basket.

In line with Neubert's (2016) findings cited above, significant gaps persist in the provision of toilets and rest areas in our study locations. Female pluckers on a certified estate identify this as a persistent problem: "*If we want to go to the toilet while working we go to a house close to the field. Those days also it was same. No toilets in the field.*" This does not meet the Fairtrade Standard for Hired Labour (Fairtrade International 2014a: 36). However, there are discrepancies between divisions on each of the estates. Rest areas – a place to eat, rest and a safe place to leave their food (e.g. safe from dogs) and other belongings – are not available in all fields. These shortcomings tend to impact the pluckers, particularly the women, as they work long hours in the field and also spend considerable time travelling to and from work.

On several estates, PPE has become more common over time. Pluckers report wearing slippers and, in some cases, gloves to protect their feet and fingers. The drawback of working with gloves that several pluckers perceive is that fine-plucking is difficult to do without damaging the tea leaves. Again, this is underpinned by the importance of plucking better quality tea and reducing rejection of tea leaves. Decisions about whether or not to adopt protective practices seems to have more to do with estate practices rather than with certification.

The most notable change in relation to OSH and the one most often mentioned was in the management of chemical spraying. Male workers on a certified estate describe the changed practices: "*The sprayers get glasses, gloves, shoes and uniforms. Those days they did not give all these. Now, we have a spare room for this. As soon as we come to work, we change the clothes and wear the uniforms before we start work. We can't take these clothes home. After spraying we come and take a shower and change our clothes before going home. They have built tanks to take a shower. Because there are children at home and if we go home with the same clothes the germs in the tree bushes will be carried home and the children might get sick. Now, we do everything with high safety.*" In the same conversation, a field watcher and union representative flags that these changes in the handling of agro-chemicals are also related to the productivity of tea bushes and the company's export potential: "*Those days, there was a chemical issue but now they have stopped using many chemicals because the tea [bushes] gets diseases so they can't sell that tea.*" On the Fairtrade certified estates, protective gear has also been provided with funds from the Fairtrade Premium, while the Fairtrade Standard for Hired Labour also sees the gear as part of OSH (Section 3.6) that the estate should provide. However, it is still a debatable question whether the current equipment is adequate to protect the workers from the elements and prevent health impacts.

Considerable changes have taken place in factory conditions. All factories have taken steps to modernize the factories and improve the efficiency, while also providing uniforms, hair covers, shoes, etc., to the workers. All factories have resting areas and toilets as well. All estates have ISO certification. It was mentioned that there are regular inspections and that standards are maintained in the factory premises as a result.

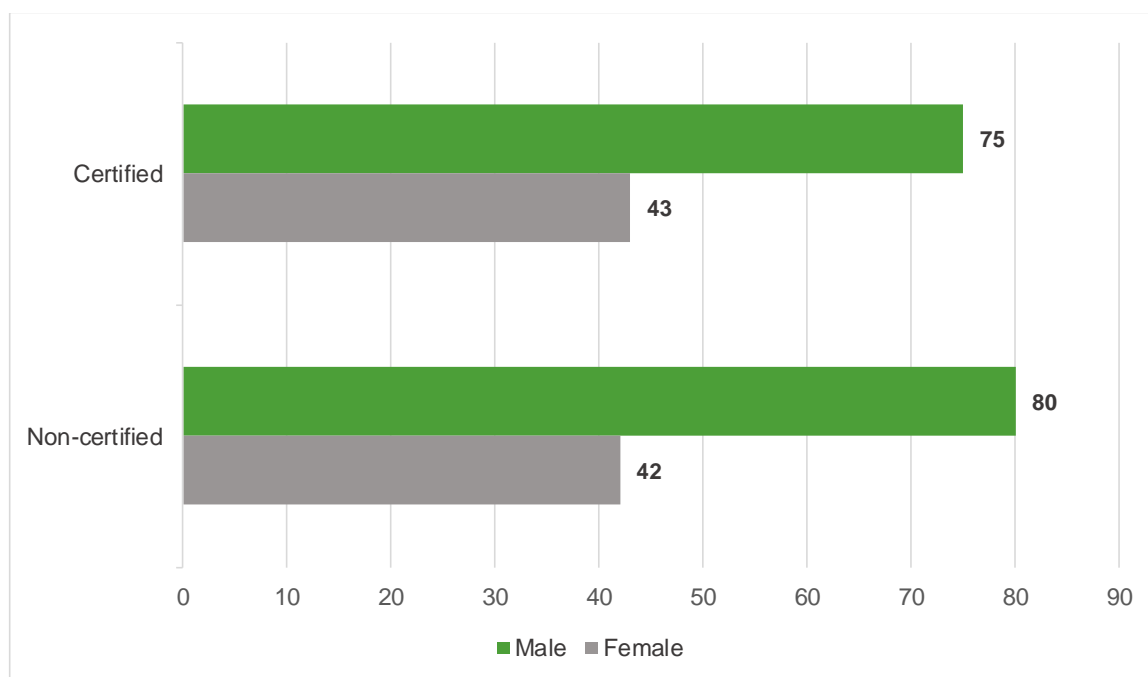
6.4.3 Leave and social security

Statutory benefits as per national regulations apply to the estate sector. They are applied through the CBA. All tea plantation workers who participated in our research are permanent and are entitled to leave, EPF and ETF old age security, maternity benefits, medical support, etc. Through the CBA they also have access to crèches, funeral assistance, housing and support for the temple used for traditional practices (so-called *walamey*).

Sick leave is one of the tea plantation workers' statutory entitlements. The 2003 collective agreement stipulates a maximum of 21 days of sick leave per year, subject to a number of conditions: "Such employee shall be entitled to half pay for a period not exceeding 14 days including the first seven days, provided that no worker shall be entitled to paid medical leave as herein specified, in excess of 14 days in any one year. An employee who has qualified for his/her quota of annual holidays in the previous year, shall be eligible in the subsequent year if he/she has been hospitalised for seven days or more at any one time, to half pay for a period not exceeding 21 days including the first seven days, provided that no employee shall be entitled to paid medical leave in excess of 21 days in any one year."

In the worker survey, about half of the respondents indicate that they can avail of paid sick leave (52 percent on certified estates, 48 percent on the non-certified estate). However, the similarities between different estates conceal wide and significant differences by gender (Pearson Chi-square < 0.01). Overall, female workers on both certified and non-certified estates perceive themselves as far less entitled to sick leave compared to their male colleagues (Figure 6.5). This mirrors Gunewardena's (2017: 108) finding that tea pluckers did not consider themselves entitled to any form of medical insurance. This result is dramatic given that the female-dominated plucking comes out as an occupation particularly prone to illness and injury.

Figure 6.5: Workers' entitlement to paid sick leave by certification and gender (%)



Out of all social security entitlements, sick leave is least understood by workers from both Fairtrade certified and non-certified estates. Some workers know that they get half a day's pay for each day in hospital and that medical certificates are necessary. An ill worker staying at home, in contrast, would not be entitled to pay, as expressed by this exchange between male workers on a certified estate: *"Worker 1: If we stay in the hospital and submit the medical [certificate], they will register our name [mark attendance]. If we take medicine from the estate dispensary, we have to submit the prescription then they will allow to work but won't put the name. Worker 2: They give a wage only if we go to work. If we stay at home because of sickness, they will not hand out the wage."* Reflecting the results of the quantitative analysis, female pluckers on a certified estate go further than that and flag that, compared to earlier times, currently, they are even required to harvest their daily quota before being allowed to go on sick leave: *"If we get sick, we can get permission and go at 12pm. Those days taking leave was easy but now getting leave is not easy. We can get half a day leave those days. Now we have to pluck 18kg before we go on leave."* Besides such company procedures, plantation workers' statutory right to leave is mediated by gendered social norms. For instance, asking permission for leave or leaving early during menstruation when women experience pain, or in areas with no toilet or rest facilities, from the male field supervisor continues to be an awkward topic for female workers.

Similar to this restrictive interpretation of sick leave, workers on both Fairtrade certified and non-certified estates lamented the fact that certain types of leave from the past – such as leave when children reached puberty, when they contracted chicken pox, during menstruation, to attend school meetings – are no longer automatically given and have to be negotiated. Sometimes, a few hours are given to attend to the issue but the worker must return in order to get paid.

The clearest of the leave entitlements is what workers refer to as the "bonus leave." Overall, workers on Sri Lankan tea plantations cannot avail paid leaves, yet, holiday wages are paid at the end of the year on the basis of regular attendance (Biyawila 2010). The 2003 CBA states that 300 days of work is offered inclusive of annual leave. The latter covers statutory holidays and ten days in lieu of the attendance bonus. This leave is also referred to as "annual holiday." The attendance bonus is calculated based on the number of days worked in the previous year. The attendance bonus of LKR 750 is given if they work 75-84 percent per year of the quota. If they work 85 percent or more, workers are paid LKR 850. Everyone understood this clause to mean pro-rated number of days of leave (4, 8, 12, 17) depending on the number of days they have worked. In the worker survey, most respondents on both certified and non-certified estates mentioned an entitlement of 17 days of annual leave, implying that

they worked full-time on the estate. Most workers did not think that this entitlement represented paid leave. Some stated that bonus leave is accompanied with money – LKR 6,500 for 17 days. Some mentioned the LKR 750 or 850 (attendance bonus payment). Workers understand that the leave is taken during the lean seasons and restricted during the flush periods. Taking leave when the workers wanted to was restricted. If it was only a few days it was allowed – with pay. A male field supervisor on the non-certified estate explains: *"The worker who goes to work continuously without taking leave will get 17 days. If they work 285 days they will get 17 days of leave. For the ones who work 260 days will get 12 days of leave. If they work for 250 days, they get eight days of leave. The number of days they get depends on how many days they work. They only tell us when to take leave. They will tell take four days or five days of leave when there is less work. Based on the days we get LKR 850, LKR 750, etc. Some estates give money and give bonus leave."*

Maternity benefits are given as per the national law and as mentioned in the CBA. Workers are entitled to 12 weeks' paid leave for the first two children and eight weeks for the third and subsequent children. Female and male survey respondents employed on both certified and non-certified estates most commonly mention an entitlement to 90 days of maternity leave. While this matches the eight weeks minimum entitlement under the Fairtrade Standard for Hired Labour and exceeds it for the first child, it does not match the Standard's requirement to increase maternity leave by one week each year until 12 weeks is reached. A few respondents, especially on certified estates, also mention that they can avail of a few days of paternity leave. This is in line with this statement by a male worker on a certified estate: *"No leave for the father when a baby is born. They allow men to go and see the baby or to take meals to the hospital."*

Workers describe and interpret maternity benefits in various ways. This indicates that the entitlement is not clearly understood by all. For example, some workers were aware that it is three months' paid leave for the first and second child and a lesser amount and timeframe for the third and subsequent children. Others describe it as money for the birth of their children while some see the leave and payment as separate entities. This female union leader on a certified estate was very clear on how the benefit is applied: *"Three months' leave and three months' salary at childbirth. And the monthly salary is divided for the second baby. Second baby 2½ months' salary and third baby two months' salary."*

Healthcare facilities for Sri Lankan tea plantation workers, such as dispensary, estate doctor, midwife, etc., are provided by the estate. Workers also have access to government healthcare services, yet, hardly any survey participant reports coverage of healthcare expenses in private hospitals. As a result, for the treatment of illnesses, they mostly use the estate dispensary and government hospitals located in the big towns close to them or occasionally in the major cities, i.e., Kandy or Colombo. A female plucker on a certified estate perceives more awareness among workers and improvement in facilities over time: *"Those days the concern over health was less and we used home remedies but now we go to the hospital. Those days when we get injured it's difficult to go the hospital but now if I get a wound they come to the mountain and put a dressing."*

Most healthcare-related costs have to be covered by the respondents or their families. For work-related illnesses or injuries, however, survey respondents on both certified and non-certified estates report that transport to the hospital is provided by the estate. A female union leader on a certified estate states that transport costs are one of the expenses that have increased over time: *"The only problem is we had a hospital but it's closed for the past four years. There was a centre and it was too far. We spoke to the management and now they have put a centre here but the doctor comes here only once a week. We don't get sick when the day doctor comes, no? So he has to come at least three days a week. Sometimes he does not come on that day also, then we have to spend LKR 250 and take medicine privately. If we are to go to the government hospital, which is far, we need LKR 500 for transport and we lose one day's wage (around LKR 1,000)."*

6.5 THE ROLE OF FAIRTRADE ON SRI LANKAN TEA PLANTATIONS

This section focuses on the three study locations in Sri Lanka holding a Fairtrade certification at the time of the study. We explore workers' awareness about Fairtrade, their experiences and views of the Fairtrade Premium and its governance as well as their overall assessment of the role of Fairtrade on their estate.

6.5.1 Workers' perceptions of Fairtrade

The vast majority of workers – almost 90 percent of the survey respondents – on tea plantations with Fairtrade certification are aware of their estate's certification. There are wide differences between estates, with least awareness (56 percent of respondents) on the estate holding the oldest certificate. This runs against the hypothesis that the impact of Fairtrade certification deepens over the time an estate spends in the certification system (ageing hypothesis). In addition, male workers express greater awareness of their estate's Fairtrade certification compared to their female colleagues (93 percent of male compared to 86 percent of female responses).

The workers recognize certification as the reason for the higher prices their tea receives on the market. A female plucker summarizes the link between the Fairtrade Premium and workers' welfare that many research participants observe: "*We take good leaves and they sell it to Fairtrade and with the money Fairtrade gives, they help us.*" Only on one estate, which has invested a lot in awareness-raising about Fairtrade, were workers able to name a number of issues that they see as requirements for their estate's certification. A female FGD participant on this estate lists: "*We should not burn the forest. We should not spray harmful chemicals. Have to use compost. We use chemicals like CT Uri, etc. There should not be discrimination based on religion and race, workers should be healthy and safe. We got [certification] because these things were followed.*"

While Fairtrade's objectives are unrelated to and not conditional on the quality of the tea produced, it is interesting that the most common understanding expressed in the worker survey is that certification requires meeting quality standards in the tea harvest and production and that, in return, certification generates a sum of money for the welfare of the workers. This male worker's statement exemplifies this perception: "*[...] Fairtrade checks the quality of the tea, if it's not up to the standard, the certificate will get cancelled.*"

Most workers do not see certification as conditional on Fairtrade's requirements regarding the guarantee of workers' rights. On one estate, a lot of effort was taken to raise awareness on rights, with regular meetings and awareness events and display boards/notices shown in some of the buildings such as the main office, the Fairtrade office, the pre-school or dispensary in English and Tamil. The main issues displayed on the notices are about how wages are calculated, how leave is given, and maternity benefits. Workers on that estate were also encouraged to take up issues with the management and join unions. However, even on this estate, workers were not aware of the specific clauses in the CBA and had not seen it.

The working conditions-related aspect of certification that workers are most aware of is OSH. As stated earlier, Fairtrade and other types of certifications have a similar concern for occupational safety and health. While workers acknowledge that changes have taken place regarding OSH, they are not clear on what basis these changes have occurred – certification process or management decision. This is exemplified by the following conversation with a trade union leader. Asked about the role of Fairtrade certification on his estate he points out: "*Union leader: They built a space to mix chemicals and to wash the chemical barrels. Those days they used to just mix everywhere. - Moderator: Was it done by Fairtrade or Rainforest Alliance? - Union leader: It was done by Rainforest Alliance but it's in the Fairtrade conditions also.*"

Some managers emphasize that internal commitment is as important as the certification requirements. One manager states "*[...] our company gives highest priority to preserve the environment and the health and safety of the workers. They are really concerned, it is not just that they were going to buy it [referring to buyers who buy Fairtrade tea] that these things are done.*" One can conclude here that different forms of certification, including Fairtrade, have contributed to an increase in awareness about occupational safety and health.

6.5.2 Uses of the Fairtrade Premium

With 85 percent of all survey respondents, the vast majority of workers in certified study locations in Sri Lanka show awareness about the use of the Fairtrade Premium on their estate. Similar to their overall awareness about Fairtrade, respondents from the estate that obtained Fairtrade certification in the mid-1990s report less awareness about the Fairtrade Premium than those from estates that obtained certification later (69 percent compared to 83 and 85 percent, respectively). Only on this estate is the gender difference in awareness about the Premium wide: While all male workers state they know how the Fairtrade Premium is used, only 58 percent of female workers do.

There is overall clarity that Fairtrade Premium funds must be used to improve workers' working and living conditions. Workers are also aware that individual needs are not met with Premium funds and that it should rather be a service for all the workers. This female plucker summarizes three common Premium investments that are important for workers, namely protective clothing, access to loans, and infrastructural improvements that alleviate the harsh working conditions in the tea gardens: "*After Fairtrade came we got jerkins [sweaters] and loans. Now they have built a place to weigh leaves.*"

The types of projects carried out for the workers can be classed into the four broad categories highlighted below. It can be seen by the types and prevalence of projects that the emphasis has been on worker wellbeing (individual and community level) rather than a variety of inputs for working conditions:

- **Wellbeing at the household level:** Loans, educational materials, training for income generation, bulbs, gas cookers/cylinders, water filters, vitamins
- **Wellbeing at community level:**
 - Infrastructure - halls, playgrounds/sports facilities, improvements to child development centres (crèches, pre-schools)
 - Services/income - bus service, lorry/tractor to operate on the estate
 - Occasional community level events – sports meetings, clinics etc., at times in collaboration with other entities such as NGOs, trade unions
- **Individual working conditions:** jerkins/raincoats, flasks, lunch boxes
- **Community working conditions/facilities:** water tank and tower, bridge, road renovation, rest rooms/tea rooms.

While most of the people interviewed were able to name items or services that have been provided using the Premium, there is lack of clarity about what is allowed under Fairtrade's rules. For example, the Fairtrade Standard for Hired Labour stipulates that the Fairtrade Premium cannot provide what the estate management is supposed to provide (Fairtrade International 2014a: 16). However, it is still being used for purchasing jerkins and raincoats, which can be considered necessary protective gear to be issued by the company – similar to the gear worn by sprayers or the uniform in the factory. Gunewardena (2017: 107) describes this very vividly for an estate certified by a different organization: "*[...] at temperatures that would be considered unbearably cold by most Sri Lankans and made worse by the pouring rain in the hill country, the tea pickers were walking along the narrow paths on the hills wearing soaked jackets and pieces of polythene wrapped around their waists and heads. In addition to the attire, which was ineffective against the rain, it was evident that they were traversing those terrains with nothing more than rubber slippers on their feet. A few inquiries about the outfit revealed that the estate did not provide clothing or footwear to tea pickers. According to Punidha, a 31-year-old female tea picker, a jacket was provided for the rainy seasons, 'if' the plantation workers were willing to bear 50 percent of its cost.*" In our study locations, at times, the Premium has been used to bear the whole cost of these items, while in other instances it has subsidized the cost, as in the case described by Gunewardena (2017), and the workers have also borne part of the cost.

Under the Fairtrade Standard, the employer is required to provide toilets close to the workplace (Fairtrade International 2014a: 36). Workers question why Premium funds are not used to address a lack of toilets when that is what is really needed. Similarly, in the case of water supplies or repairing roads and bridges and building restrooms there is some confusion as to whether these are management or government services. This lack of clarity can be seen among the workers as well as the management. Greater flexibility to use the Premium for what is needed or requested by the workers and which would complement what is being done by the management was an opinion expressed by the management in all estates. However, this should not absolve the companies or government from fulfilling their own responsibilities.

The Premium funds that the certified estates have at their disposal is limited. The estates in the sample collect a Premium of LKR 50,000 to LKR 3.7 million per year. The amount is dependent on how much of the total tea production is sold as certified tea – which is one percent at the lower end and 35 percent at the higher end. Among the management, there are concerns about the operational costs (staff, work, audit requirements, etc.) involved for Fairtrade certification for such a small payback. However, despite concerns over the monetary aspect, the fact that Fairtrade certification provides other types of benefits, such as the global recognition that the tea is produced to better social standards which gives the company a better image and the fact that it provides support to worker wellbeing is appreciated.

Having a larger Premium fund can be seen to be linked with the type of projects and how it is used:

- Jerkins – on estates with a smaller Premium fund, the purchase was subsidized, on the ones with more Premium, the fund bore the entire cost of the jerkins.
- Loans – estates with less Fairtrade Premium give more loans so the funds can 'revolve'.
- Repeat projects – the estate with the largest Premium fund continued some activities over time.
- Larger investments - purchase of a bus with more Premium funds available.

From the workers' perspective, some of the key benefits gained through the Fairtrade Premium in terms of individual wellbeing are listed below:

- Support for income generation through loans and training (especially for young people) are considered beneficial. The loans (not given by all estates) provided within the estate, on lower interest and without having to deal with formal sources with more requirements were highlighted. These loans are also used for income-generating activities that improve livelihood opportunities for the workers. In the context of workers' low and irregular earnings, the consumption smoothing role of Fairtrade-funded loans is considered equally important. A male FGD participant explains: "*We were able to manage with the salary we got before 2010 because the cost of living was low, but now the cost of living is high but we somehow manage. Now, when we have financial difficulties they give us 4,000 rupees as loan. Fairtrade only does this. This is a great support for us.*"
- Educational support is also highly appreciated, especially in families with several children in school as they are unable to raise enough money to buy school supplies at the beginning of the school year. The ambition of parents who educate their children is that they will get better jobs, including estate staff jobs. The increased expectation of the role of education, greater access to schools along with more regulations against child labour (in national law), and the support through the Fairtrade Premium has helped to keep children in school as expressed in this statement: "*Those days, parents used to send the children to work. Most of the children could not continue their studies and they were sent as domestic workers. Now this has stopped... Now Fairtrade [provides a] school loan and we are spending it on our children's education.*"

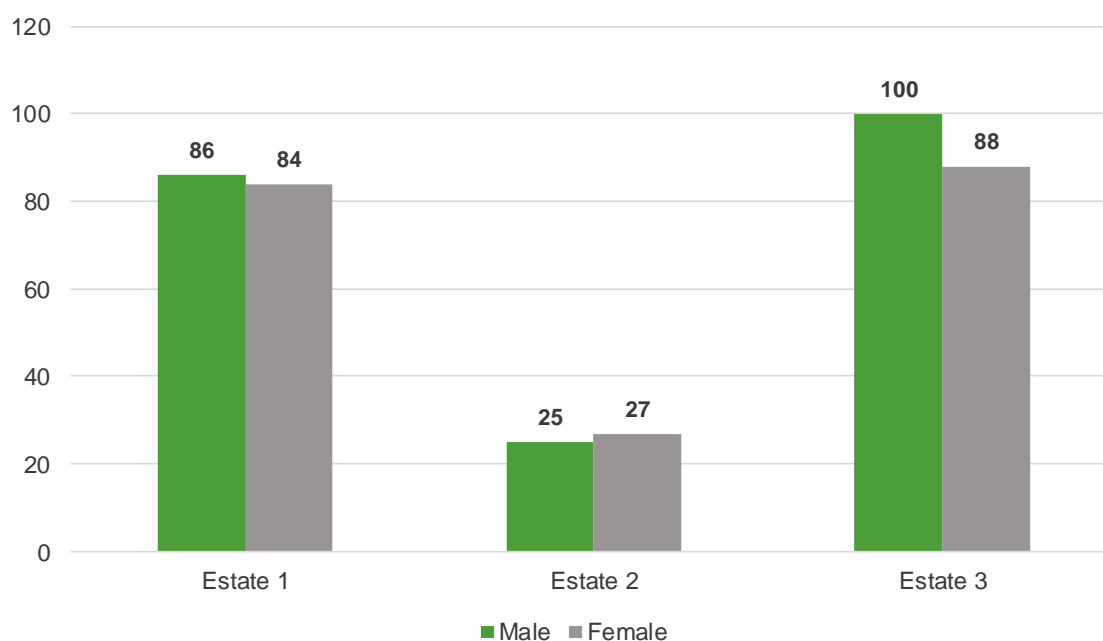
However, workers also say that the support is not enough, that more needs to be done and that now the demands are greater, for example, the need to pay and facilitate access to tuition classes on the estate itself). A female field supervisor and FPC member states: "*Children are going for tuition outside, we have to bring teachers and conduct tuitions here, so that children can learn properly. We can do all these only if the Premium increases.*"

Household goods are given on a concession rate or on an instalment basis that others around the country enjoy. This has increased access to material goods that have improved both living standards and convenience (e.g. gas cooker and cylinder). Even though items such as flasks, lunch boxes, jerkins may seem like small items, they were given to all workers in the divisions and are seen as a contribution from Fairtrade. This also meant that workers did not have to spend their own money on these items.

6.5.3 The Fairtrade Premium Committee

The FPC is made up of workers who are involved in the governance of the Fairtrade Premium. Most survey respondents, the participants in the FGDs, and the estate staff who were interviewed, all knew about the FPC, its membership and its role in addressing the wellbeing of the workers. Figure 6.6 reflects that, again, survey respondents on the plantation holding the oldest certification (Estate 2) are least aware of this Fairtrade-related body.

Figure 6.6: Awareness about the FPC by gender (%)



The committee is looked at as a means of improving working conditions, e.g. through the provision of safety gear – such as shoes, protection for spraying – water bottles or lunch boxes. Workers also view it as a body that can be approached for loans for essential expenses (e.g. education) and for improving facilities (e.g. common structures). Reflecting the waning influence of trade unions in day-to-day dealings on the estate, these tangible Premium benefits are referred to when survey respondents state that the FPC promotes and defends workers' rights more than trade unions do.

The FPCs are formed by electing or nominating representatives every two or three years and seem to maintain transparency in the systems with workers choosing the representatives – either at meetings organized at divisional level or in the general meeting held annually or, in some cases, twice a year. In line with the Fairtrade Standard for Hired Labour's concern for fair representation, the committees also have male and female representatives from all divisions of the estates. On some estates, where there is a variation in the size of the divisions, the number of representatives varied. While there are females on the committees, office bearers are mainly male. In some of the conversations with FPC members, there was less female representation and those women present were less active in the discussions.

The criteria for choosing representatives was based on their ability to put forward their needs, work for the community, ability to communicate decisions, their education – understood as their ability to read and write – and, on some estates, the ability to speak the majority language Sinhala in order to communicate with the management and staff. Following these criteria, on two of the estates, this meant that union leaders were part of the Premium committee. According to a male union leader, their inclusion was, however, not linked to their role in the trade union: *"They can select us also because at that place we are not leaders but we are also general public [workers], no? We don't go and tell them to select us."* On a different estate, this was disputed by a male FGD participant and FPC member. According to him: *"The thalaivar [union leader] can't get involved in the Fairtrade committee. People who are involved in politics cannot get in."*

Qualitative interviews show that the workers are able to make suggestions to the FPC representatives on what activities are needed. Their ideas are solicited through general or divisional level meetings that take place once or twice a year when the plans are being made. Some participants indicate that workers are informed of the decisions only after they are taken. This is reflected in this conversation with a male FPC member: *"Moderator: How are people's concerns obtained? FPC member: Divisional representatives call the people in the field and tell them what we are going to do. They tell we are going to give a flask and the people will say: 'It's a good thing'. The committee will inform the management and they call*

for a quotation." The same general meeting is also used for appointing the FPC every two or three years.

The FPC members state that they use the general meetings as well as conversations during breaks or "in the mountains" (referring to the tea gardens) to solicit ideas and communicate decisions taken. Decisions are taken by consensus. However, while there is consultation and information sharing on what is undertaken, FPC members and other workers sometimes hold different views on how this is done. For instance, a male worker states: "Fairtrade will come and ask us: 'What do you want? What can we do for you? We have money, can we do like this?' They will ask from us. The committee asks from us before doing anything." Another participant in this FGD disputes this: "They don't come and ask from us in advance what we want. The committee will discuss and decide and then inform us, saying: 'We are going to buy this'."

Management approval is needed for projects to go ahead. The FPCs are designed so that management holds either the presidency or another advisory position. They may not suggest projects or activities and do not nominate or vote for committee members, but they can veto projects. As such, they do have a major role in the decisions taken.

The worker survey corroborates this influential role of the plantation management in the FPC (Table 6.5). The opinion of particularly the men, but also the women surveyed, is that along with the workers, the management, in particular, has significant influence on the decisions made in the FPC. Men feel that the managers and administrative staff have almost the same amount of influence as the workers. Interestingly, despite the presence of trade union leaders on the FPC, their influence as trade unionists in decision-making is seen as comparatively low.

Table 6.5: Workers' perception of FPC members as extremely or very influential by key group and gender (%)

	Workers	Management	Administrative staff	Trade union leaders
Female	79	49	48	30
Male	73	79	57	27

Workers debated the central role of the management in the FPC. Some workers highlighted accounting skills as a reason for managers' decision-making role. Even if they were educated they preferred that the finances were handled by a qualified person. The statement below by a female union leader illustrates this stance: "[...] the manager knows about the accounting and he knows how much should be given to a person. We don't have the education to handle such a big amount because it is not for one division but handling five divisions. If they had given this to the workers from the beginning the Fairtrade would no longer be in operation by now." It is difficult, though, to separate this argument from workers' insecurities, which are strongly embedded in centuries-old structures of class- and ethnicity-based dependence between Tamil workers and management who are usually Sinhalese.

Workers also mention strategic reasons for their support for the manager's central role in the FPC. One of them is that in order to be granted leave to hold the meetings so that they do not lose daily wages, it is necessary to have the management on the committee. This was expressed by a male office bearer and FPC member: "[...] They are giving us leave and asking us to go for the meetings because the thurai is the president. If we tell the people to come for the meetings they won't come. So, we think it is good to have the thurai as the president." This contrasts with the Fairtrade Standard's stipulation that the FPC meets regularly during working hours.

An FPC member on the same plantation disagreed. According to him, it is wise to have a worker presiding over the FPC because managers come and go. A new manager needs to be trained and might take costly decisions based on his lack of awareness about local conditions. A female plucker saw the power and status difference between management and workers as problematic and therefore advocated

for a worker taking the lead role and having more autonomy: *“If we have one of our people as the president we can speak without being reluctant. If he is one of our own he would understand our difficulties and know how we work.”*

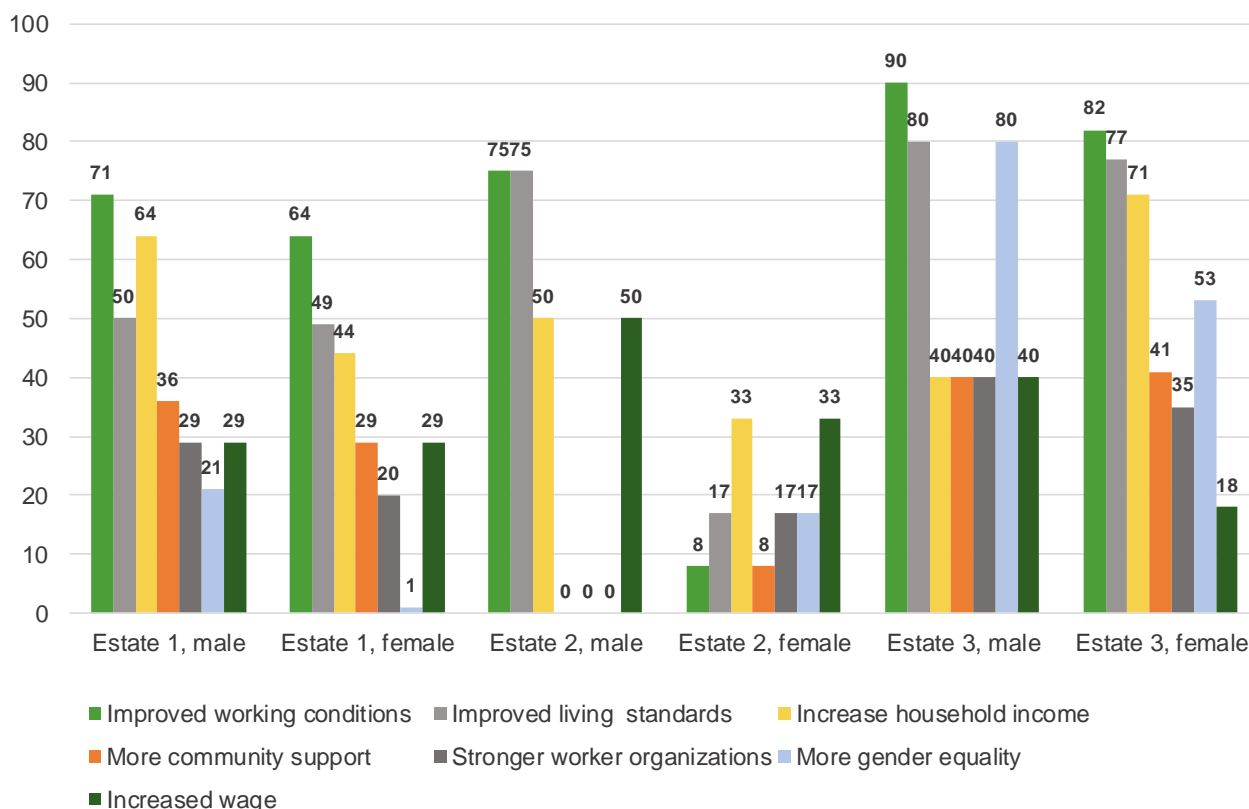
6.5.4 Workers’ overall assessment of Fairtrade

Overall, the worker survey highlights the two areas Fairtrade has contributed most to: improved working conditions and better living standards. As reflected in earlier sections, Fairtrade has been less successful in increasing wages and strengthening worker organizations – two main objectives of Fairtrade certification. For the workers, the guarantee of living wages especially is a pressing concern that they do not see addressed, neither by the estate nor by Fairtrade’s intervention. The inability of Fairtrade to influence the main issue for workers – wages – was also a view widely held by the workers and promoted by the management. According to a male FPC member trade unions underline that wages have to be negotiated at sectoral level: *“Now only the wage is an obstacle. Not enough wage. Through Fairtrade we spoke with the leader and he said: ‘The company has to speak to other companies. All the companies have to agree for this.’ They said Fairtrade cannot give salary, no? All the companies have to agree.”* A manager also stated that the only way that Fairtrade will contribute to a living wage will be if they specifically stipulate the amount as a condition for certification. Unsurprisingly, he also noted that this will not find favour with the companies.

A male FPC member, however, describes Fairtrade’s contribution to improved living conditions as an indirect contribution to poverty alleviation: *“If we improve the living standards we will get the right. To improve the living standard should alleviate the poverty.”* Another indirect contribution to worker households’ living conditions that workers appreciate is the fact that Fairtrade funds are used as loans for consumption smoothing. This is expressed in this discussion among union leaders: *“Tea leaves are fewer during July because it’s a windy season. Workers don’t get a good income during this time. People were able to fulfil their basic needs [during the lean season] from the Premium money [loan that was given] or otherwise people would have suffered a lot.”*

Figure 6.7 highlights wide variations in workers’ assessment of Fairtrade between estates, but also between female and male workers. This variation is clearly related to the level of Premium funds available: It can be seen that female and male workers on Estate 3, which receives the largest Fairtrade Premium fund, broadly show higher satisfaction with Fairtrade’s work compared to the other two estates. Tea plantation workers on Estate 2, which sells the smallest share of its tea production as Fairtrade certified, see the least contributions by Fairtrade to improvements in their working and living conditions. The differences in the responses between female and male survey participants are also striking here.

Figure 6.7: Workers' assessment of Fairtrade's contribution by estate and gender (%)



Differences between estates are also linked to different emphasis in the use of the Fairtrade Premium. For instance, on Estate 3 where workers recognized a greater contribution from Fairtrade to gender equality, it was evident that this estate placed more emphasis on this aspect – through awareness-raising, trainings and livelihood opportunities for women – including plans for upward mobility. This highlights that commitment and strategy are relevant to Fairtrade’s impact at the level of the estate.

As described above, the main changes in working conditions that are attributable to certification are the improvements in health and safety as well as in the provision of some facilities, such as rest areas, drinking water, jerkins, and lunch boxes, etc. While appreciated as reflected in Figure 6.7, these benefits are often spread thinly. A female plucker’s statement highlights that, while benefits from Fairtrade are appreciated, they do not fundamentally change the fact that they need to endure very harsh working conditions: *“We have to go to work, no matter how hard it rains. We will go to work by wearing the jerkins given by Fairtrade. We have to work anytime.”*

There is a need to expand the application of the Standards to reduce the disparities in the facilities on the field and the divisions. Overall, the fact that more Premium was needed in order to address tea plantation workers’ poverty is a very clear conclusion.

7. DISCUSSION: STUDY FINDINGS AND FAIRTRADE'S THEORY OF CHANGE

Our study set out to investigate whether, in the context of Indian and Sri Lankan tea plantation workers' widespread poverty and precarity, Fairtrade certification makes a difference for these workers' labour conditions and collective agency. While the previous three chapters have given a detailed account of the results of our field study in the two countries, this chapter outlines Fairtrade's Theory of Change (Section 7.1), discusses the study findings from its perspective (Section 7.2) and concludes with reflections on how well Fairtrade's priorities match up with workers' own goals (Section 7.3).

7.1 FAIRTRADE'S THEORY OF CHANGE

Fairtrade's Theory of Change for Hired Labour Situations assumes long-term change in plantation workers' sustainable livelihoods and empowerment as well as fairer trade relations to be directly related to two approaches: Firstly, change is presumed to be connected to the certification process of individual estates, and, secondly, to Fairtrade's wider networking and advocacy activities (Fairtrade International 2016c: 22). The methodology of this study described in Chapter 2 enables us to compare the theory's assumptions with the process and results of tea estates' certification, but does not cover Fairtrade's interventions in the wider tea value chain. Having said that, some of our results suggest a different approach to Fairtrade's networking and advocacy. Those suggestions will be discussed in Chapter 8.

Figure 7.1: Detailed Fairtrade Theory of Change for Hired Labour Situations



Source: Fairtrade International (2016c: 22)

The theory assumes that certification has a direct impact on plantation workers’ conditions through the regulations on labour conditions and environmental protection established in the Fairtrade Standard for Hired Labour and indirectly through the democratic management of the Fairtrade Premium by workers for their own benefit and that of their communities. Expected short-term outcomes include estates’ compliance with relevant national legislation and Fairtrade’s own Standards, effective grievance procedures, the guarantee of workers’ freedom of association and trade unions’ independence, as well as individual and collective investments of the Fairtrade Premium. Short-term outcomes are further assumed to involve workers, management and other actors’ greater awareness of labour and other rights, Fairtrade principles as well as a greater commitment to policy participation and democratic principles. In the medium-term, this is assumed to contribute to decent work, mature industrial relations on the estate as well as an inclusive, worker-led management of the Fairtrade Premium with enhanced benefits for workers and their communities (Fairtrade International 2016c: 22).

How do these envisaged changes in the short-, medium – and long-term compare with the role of certification that we found in India and Sri Lanka?

7.2 TEA PLANTATION WORKERS’ LABOUR CONDITIONS AND COLLECTIVE AGENCY IN THE LIGHT OF FAIRTRADE’S THEORY OF CHANGE

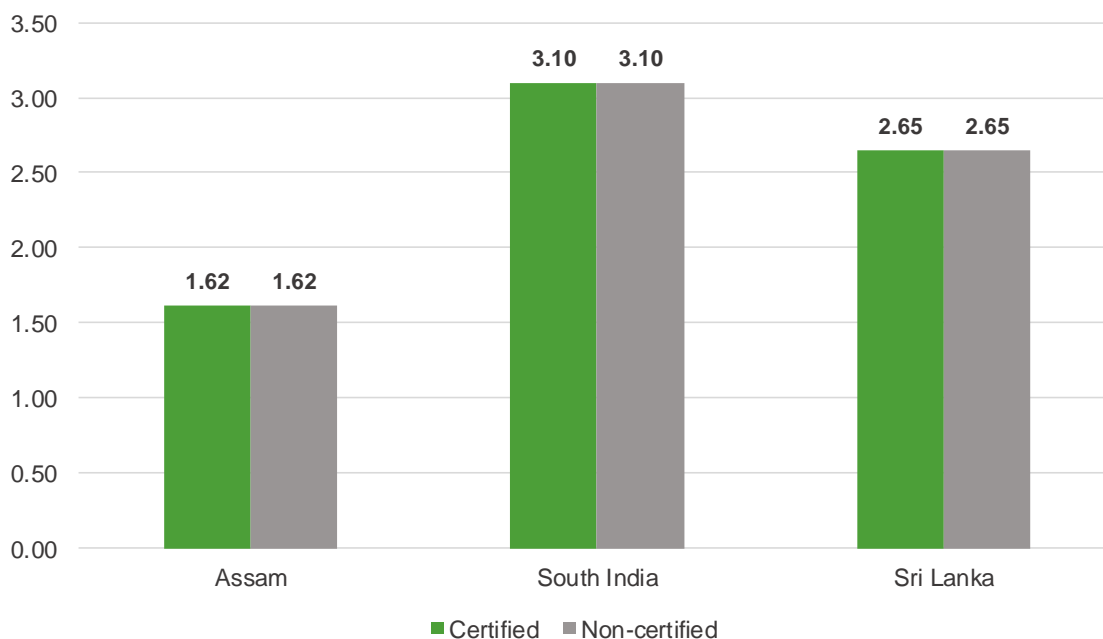
7.2.1 Impact on tea estate wages

Wages are a key concern for tea plantation workers in India and Sri Lanka and for Fairtrade International. Asked about what they consider key labour rights to be guaranteed by the estate, many research participants give a top priority to a wage adequate for guaranteeing a decent standard of living. Over time, Fairtrade’s Theory of Change assumes certified estates will move from compliance with legal or CBA regulations towards living wages covering the basic needs of a worker and her or his family.

The study results do not lend support to this optimistic assumption, though. Both in India and Sri Lanka, so far, certification does not influence the wage level. Rather, the reported daily wages on both certified and non-certified estates are in accordance with the stipulations of the industry-wide CBAs. This reflects findings from earlier studies reviewed in Chapter 3. This compliance masks increasing work pressure over the period of analysis on both certified and non-certified estates. That pressure results, for instance, from higher targets for the tea leaf harvest, pruning and weeding, as well as more restrictive interpretations of workers’ leave entitlements.

Our results confirm the vital role of incentive payments for tea plantation workers’ earnings that earlier studies identified. Given the different working hours of female and male field workers in both countries, this implies that income earning opportunities depend on gendered tasks, rather than on the estate’s certification status. We do not find outright discrimination in the sense that, based on their gender, workers are paid differently for the same work. Yet, the prevailing occupational gender segregation has been recognized as a form of discrimination in the ILO Convention C111 on Discrimination (Employment and Occupation), 1958.

Figure 7.2: Daily base wages by certification and region, 2016 (modes, EUR)



Especially for workers in Assam and Sri Lanka, the income generated from work on the estate does not seem to be sufficient to guarantee a decent standard of living. The difference in daily base wages between Assamese and south Indian estates is glaring (Figure 7.2). It cannot be explained by the provision of in-kind wage components for Assamese tea workers. In absolute terms, Sri Lankan wages also come out as lower than those on south Indian plantations. Given the higher living costs in Sri Lanka, they seem low even relative to Assamese tea workers' earnings. This is reflected in the fact that less than half of the survey respondents in Sri Lanka both on certified and non-certified estates expressed satisfaction with their wages, compared to a higher share on Indian estates. In qualitative interviews, most workers across regions and certification statuses express difficulties to make ends meet. This, as well as the take-up of additional employment to complement earnings, illustrates the fact that tea estate workers are among the poorest paid workers across the two countries.

7.2.2 Impact on tea estates' working conditions

Few systematic differences are visible between Fairtrade certified and non-certified estates in the guarantee of tea plantation workers' rights and their working conditions. Workers report that core labour rights, such as freedom from discrimination, child and forced labour, as well as the right to form associations and bargain collectively are formally guaranteed on the tea estates in India and Sri Lanka. The empirical chapters of this report relate this compliance to effective legislation, rather than to voluntary standards, such as Fairtrade certification.

While no outright discrimination is visible, however, the occupational segregation of the workforce on tea estates disadvantages women workers compared to men on both certified and non-certified estates. This segregation that is also associated with longer working hours for women compared to men does not allow for women's upward mobility and limits their opportunities to engage in either productive, leisure or home-related activities. In this way, it reproduces tea pluckers' marginalization and poverty in particular in comparison to men. Despite the fact that these inequalities also exist on certified estates, the attention given to gender equality and women's empowerment in Fairtrade's Standard for Hired Labour, for example, referring to training, capacity development, guidance, encouragement and assistance (Fairtrade International 2014a: 18) does not seem to translate into concrete actions.

The significant role of target-based payments for tea plantation workers leads to unpredictable earnings. This implies an informalization of the conditions even of permanent workers in the formal tea sector. This is heightened in the context of Assam where some workers on both certified and non-certified estates are struggling for a permanent contract even after decades of employment on the estate, depriving them of both PLA entitlements and Fairtrade benefits. This contradicts the Fairtrade Standard for Hired Labour that stipulates that all regular work has to be undertaken by permanent workers (Fairtrade International 2014a: 31). Having said that, across regions, the majority of workers who participated in our research did hold permanent contracts.

Fairtrade certification had an unsystematic impact on the effective guarantee of tea plantation workers' leave entitlements. Participants in the worker survey on both certified and non-certified estates report that they could avail of paid annual leave as per the CBA during the past year. Only in south India did the survey data suggest that workers on Fairtrade certified estates could avail of a higher number of leave days compared to workers on non-certified estates in the region.

With regard to maternity leave too, certification seems to make a positive difference in south India alone. While the number of days of maternity leave that female workers stated they could avail of on certified tea estates in south India were slightly higher than on non-certified estates, the opposite was true in Sri Lanka and Assam. On northeast Indian estates, the situation was aggravated by the fact that temporary workers ran the risk of not being granted maternity leave at all. Contrary to Fairtrade's commitment to continued employment after pregnancy and maternity leave (Fairtrade International 2014a: 30), some temporary workers feared being removed from the employment rolls in case of pregnancy. Interestingly, the stated monetary value of maternity benefits was significantly higher on certified estates in Sri Lanka compared to those on non-certified estates. It is not clear, however, whether the discrepancies reflected in the survey data were due to workers' lack of awareness about their entitlements or because different leave days and benefits were provided. Entitlements to sick leave seemed poorly understood and not always granted by the management, independent of the estate's certification. If leave was granted, reimbursement was not always provided, sometimes leading to substantial financial burdens on workers.

While the comparison between certified and non-certified estates in India and Sri Lanka often did not bring out significant differences in terms of labour conditions, one area where certification – albeit not Fairtrade certification alone – has made a difference over time is occupational safety and health. Workers on both certified and non-certified estates across regions assessed a safe and healthy working environment as very to extremely important. In this regard, tea plantation workers from Sri Lanka, in particular, saw improvements since the reference period. Many tea pluckers, though, highlighted gaps related to the lack of toilets, shelter and protection from snakes, leeches and other animals. Overall, it seems that the emphasis of improvements induced by different certification systems has been in areas that also affect the quality of tea, such as the management of agro-chemicals and cleanliness in the tea factories, rather than revolving around workers' own health and safety.

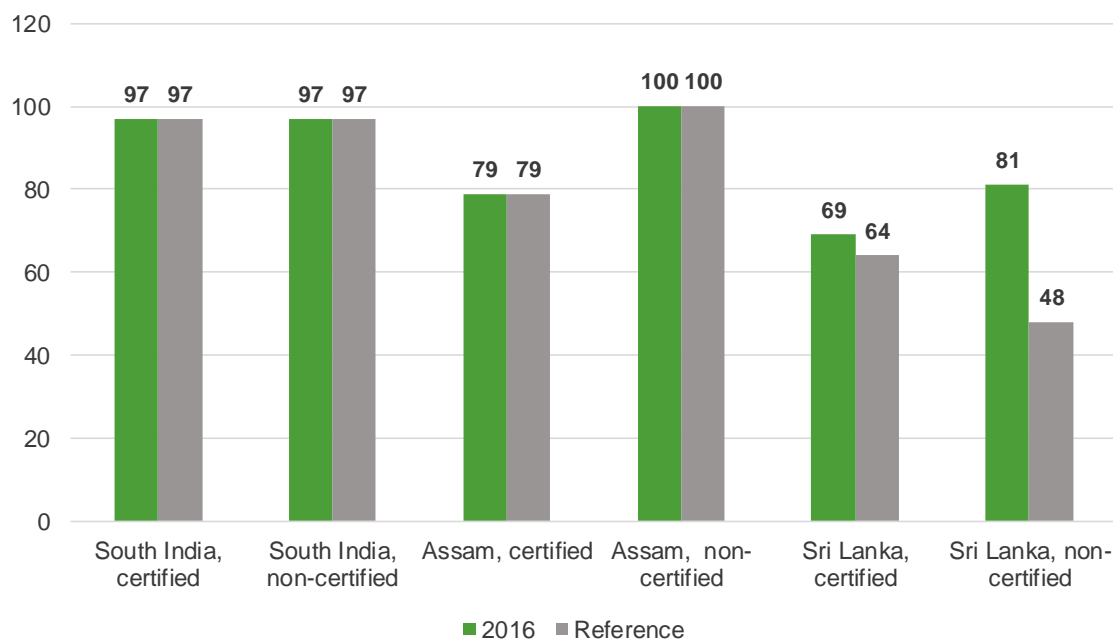
7.2.3 Tea workers' collective labour rights and grievance redressal

Our results reflect little connection between Fairtrade certification and the quality of industrial relations on tea plantations. Reflecting the strong political role of the trade union movement in both countries, Freedom of Association is guaranteed on all estates, whether certified or not. The vast majority of survey participants were union members. Most of them saw trade unions as defenders of workers' rights.

In the enclave economy of the estate, working and living conditions are interwoven. Therefore, trade unions are expected to discuss both work-related grievances, such as leave, bonus and wage-related matters, as well as housing, road infrastructure and children's education with the estate management. While Fairtrade's Theory of Change foresees synergies between its certification approach and trade unions' work, in fact, in Assam and Sri Lanka, a relatively greater sense of dissatisfaction with unions was apparent on certified tea estates. This may be because, there, the FPC offers an alternative channel for workers' grievances as some research participants suggested.

Over time, the worker survey reflects an improvement in trade unions' role only for Sri Lankan plantations. South Indian and Assamese workers on both certified and non-certified estates do not perceive any change in this situation compared to the reference period, but are more positive about trade unions' role as defenders and promoters of workers' rights (Figure 7.3).

Figure 7.3: Trade unions as defenders and promoters of workers' rights by country, certification and period (%)



This contrasts with the qualitative data in which workers express a growing dissatisfaction about the role of trade unions and their ability to negotiate better wages at the sectoral level. This is particularly pronounced in Assam where, due to ACMS' 'union monopoly', many workers do not feel represented.

Workers' collective agency varies significantly across the countries, rather than by certification. The majority of survey respondents in Sri Lanka reported collective initiatives, while only about a third of them did in south India, and hardly any tea plantation workers in Assam did. Reflecting the findings of studies reviewed in Chapter 3, over time, Sri Lankan workers, in particular, perceived more direct access to the management. This better access was seen as the most significant contribution to improved problem-solving at the level of the estate. Workers attributed this change to growing levels of education on the estate. The association with certification differed from region to region too. While in Sri Lanka, workers on the rather progressive non-certified estate were more active about addressing issues, such as harvesting targets and infrastructural improvements, in India the reverse was the case.

Our qualitative data, in particular, highlights that women workers' time poverty – rooted in the fact that they have to work longer hours and also undertake household chores – combined with their marginal role in trade unions constrains women workers' collective agency more than that of their male colleagues. This reflects the findings of studies reviewed in Chapter 3. No systematic role of Fairtrade certification comes to the fore here. In Sri Lanka, tea pluckers on Fairtrade certified estates, in particular, reported significantly fewer possibilities to improve their working and living conditions. In south India, on non-certified estates only, women were considerably more pessimistic than male workers regarding the change in their ability to influence their working and living conditions over time. It is interesting to note here that on the estate where an organization of women workers had – partially successfully – struggled for a wage hike in the year preceding the study, female workers were far more confident in their collective ability to improve working conditions on their estate than their male colleagues and compared to women workers on other south Indian estates.

Overall, certification does not seem to play the role that Fairtrade International's Theory of Change has envisaged for it in the context of industrial relations. In theory, certification supports workers' organizations, including trade unions, and, hence, strengthens the emergence of mature systems of industrial relations in which workers themselves have the tools and ability to negotiate their own wages and terms of work (Fairtrade International 2012: 1). Apart from the involvement of some trade union

leaders in the (selection of members for the) FPC that will be discussed in the following section, in practice, we have not seen this involvement and support.

7.2.4 Impact on social development in tea workers' communities

Overall, tea plantation workers recognize Fairtrade certification as the reason for the higher prices that their tea receives. Workers' broad awareness about Fairtrade certification is slightly negatively associated with the years in Fairtrade's certification system though. This challenges the idea that awareness depends on the time that a producer organization spends in the certification system. The correlation of awareness with the share of Fairtrade certified sales is positive but weak (Table 7.1).

Table 7.1: Correlation of awareness about Fairtrade with years since first certification and 2015 share of Fairtrade sales (%)

		Years since certification	Share Fairtrade sales
Awareness certification	Fairtrade	-0.07** (0.00)	0.04* (0.09)
Awareness Premium	Fairtrade	0.00 (0.99)	-0.00 (0.93)

Note: The Pearson correlations are weighted by the number of observations per certified estate. The number in brackets gives the 2-tailed significance.

* Correlation is significant at the 0.1 level.

** Correlation is significant at the 0.01 level.

These findings represent rough approximations. They have to be read in the context of the briefing respondents received about the background to the survey before participation. A more robust measure would be the association with respondents' specific understanding of what Fairtrade is, involving a re-coding of their answers to open questions.

Interestingly, certification was widely understood as a reward for higher quality tea, rather than as recognition for decent labour conditions. This reinterpretation of certification was echoed in some of the management interviews. A possible reading of this observation is that plantation level communication about certification aligns workers' interest in benefits from Premium payments with management's objective to boost labour productivity.

The size of the Fairtrade Premium fund that defines the possible scope of investments for worker communities' social development differs significantly between tea estates. As noted in Fairtrade International's monitoring reports, globally, tea producers continue to struggle to sell their produce on Fairtrade terms (Fairtrade International 2016a: 10). The share of certified sales varied widely among the Indian and Sri Lankan estates that participated in this study, with 0.45 percent of Fairtrade certified sales in their total tea sales at the low end and more than 50 percent of Fairtrade certified sales at the high end. This directly translates into very different amounts available for investments. Several plantation management representatives therefore demanded greater involvement by Fairtrade in the marketing of certified tea, for instance, by getting the commitment of larger buyers to sell Fairtrade certified tea.

Keeping the varying volume of the Premium fund per estate in mind, the previous sections have shown that, in line with their intended purpose, Premium projects have benefitted workers, their families and their communities through investments in the education and health of workers and their families and improvements in infrastructure. With few exceptions, improvements directly related to the work, such as better PPE, were small in scope.

Female and male workers alike seem to benefit from the investments of the Premium fund, yet, other inequalities surfaced in our research. The Premium projects are meant to be inclusive of workers with different contractual arrangements (Fairtrade International 2014a: 10). In practice, on estates in Assam,

where the share of temporary workers among research participants is highest of all regions, workers on temporary contracts seem to be excluded from many of the Premium benefits.

Another inequality that runs contrary to Fairtrade's intended purpose is the distribution of Premium benefits based on workers' productivity. The use of the Premium, for instance, to fund in-cash bonuses for attendance and in-kind incentives for harvesting tea leaves are examples of this. This is in line with the above-mentioned local reinterpretation of Fairtrade as an instrument to boost workers' productivity.

The Fairtrade Premium contributes to reducing essential household expenditure in workers' communities and to increasing the disposable household income. Essential expenditure is reduced through use for PPE, water and other infrastructure, education and transport. Loans for income generation projects funded through the Premium increase workers' disposable income, while consumption loans reduce income insecurity in the lean period.

However, there are complications in these contributions towards a better standard of living for workers and their families. Some of the investments, such as those in repairs to housing, medical support, drinking water and PPE, are actually the estate management's responsibility. This contradicts the purpose of the Fairtrade Premium to meet expenditure in addition to those for which the company is responsible (Fairtrade International 2014a: 16). In addition, one may question a strategy that increases disposable income through investment in sources of livelihood outside of plantation employment, rather than through contributing towards a living wage on the estate.

The estates have different, mostly transparent, systems in place through which the members of the FPC are elected. Elections, in many cases per estate division, and nominations, for example, by trade unions, are some of the processes we found. While most FPCs had a balanced representation of female and male workers, office bearers especially in Sri Lanka and Assam were commonly male.

Despite these democratic processes, an ambiguous impression about the role of the FPC emerged from the empirical chapters. Especially on Indian tea plantations, the strong influence of the management in the FPC perceived by research participants mirrors earlier studies, but contradicts Fairtrade's Standard for Hired Labour. At the same time, many workers appreciated the FPC as an alternative channel for their grievances.

7.3 WORKERS' OWN GOALS AND FAIRTRADE'S HIRED LABOUR STRATEGY

While our study was conducted too early to systematically identify and assess impacts of Fairtrade International's revised Hired Labour Strategy, it is possible to compare its approach with South Asian tea plantation workers' own priorities.

The survey data on what tea plantation workers considered key rights to be guaranteed by the estate management reflect important overlaps between workers' priorities and key concerns of the new Hired Labour Strategy (Figure 7.4). First and foremost, the overlap is in the central role of a living wage. A wage enabling workers to provide for their families' needs is also one of the pillars of Fairtrade's 2012 workers' rights strategy. The Fairtrade Standard for Hired Labour translates this concern into certification guidelines. In addition, the Standard addresses survey participants' demand for safe and healthy conditions at work (Fairtrade International 2014a: 34-41). The results presented in the previous chapters and discussed above show that the reality of working conditions on tea estates in India and Sri Lanka does not match many of these norms yet.

Figure 7.4: Workers' priorities regarding key rights to be guaranteed by region (%)



Note: The number of observations is much lower for Assam, compared to the other two regions (Assam N=16, South India N=106, Sri Lanka N=120)

Several of tea plantation workers' key priorities fall outside the labour conditions covered in Fairtrade's Standard for Hired Labour. Across countries and regions, the quality of workers' housing and the security of their housing rights are key concerns alongside children's education. As access to housing is commonly tied to employment on the estate, not only workers' livelihoods, but also shelter for them and their families depends on their employment on the estate. In view of such insecure prospects, in the workers' priorities, the investment in children's education probably came up as a key alternative form of guaranteeing future livelihood security.

With regional variation, these concerns reflect the nature of plantations as relatively remote enclave economies and the specific demographic structure of the tea plantation labour force, the majority of whose ancestors migrated to the plantations as indentured labourers during the colonial period. To date, this implies that many workers do not have a native village to return to after retirement from the plantation. In the cases of Sri Lanka and Assam, in particular, the historical denial of tea plantation workers' political rights associated with their continued perception as 'migrant' others has contributed to the social and economic deprivation of tea estate workers and their families. They have responded to this political marginalization with demands for greater recognition, rights and resources (e.g. Das 2016, ISD 2016).

While Fairtrade's Standard for Hired Labour also addresses the quality of workers' housing and their children's education, the certification norms do not capture this future dimension and the fundamental insecurity associated with it. These priorities indicate that a narrow approach to certification risks losing sight of the structural marginalization in which plantation labour is embedded.

Based on these findings, in the next section, we address the second, more future-oriented concern of our study for ways in which Fairtrade can deepen and broaden its impact on tea plantations in South Asia.

8. OUTLOOK: TOWARDS BROADER AND DEEPER IMPACT OF FAIRTRADE CERTIFICATION ON TEA WORKERS

8.1 ADDRESSING WORKERS' UNDERREPRESENTATION IN THE FAIRTRADE SYSTEM

In the previous chapters, we have taken stock of Fairtrade's impact on the situation of tea plantation workers in India and Sri Lanka. Our findings are sobering. They corroborate Fairtrade's own assessment that it continues to be a challenge to make a real impact for workers within certified producer organizations (Fairtrade International 2016a: 104). While South Asian tea workers appreciate the contribution of the Fairtrade Premium to workers' communities, the scope of Premium investments and their impact on social development has remained small. Certification does not seem to make a difference to their low wage levels and the chasm between workers and trade unions.

In this chapter, we provide some suggestions for forward-looking strategies that build on our conversations with the research participants. How can Fairtrade certification contribute more to decent working conditions on tea estates in India and Sri Lanka? Our starting point is that a more worker-driven Fairtrade system has the potential to address what Reynolds (2017: 8) terms the 'historical underrepresentation of workers and their interests' in Fairtrade's policies and institutional arrangements. This involves putting workers' knowledge, interests and agency centre-stage, rather than confining the Fairtrade approach to treating them as passive objects of auditing or evaluation in a relationship mediated by the estate management (Lyall and Havice 2018, Siegmann 2016: 29-30).

A worker-driven approach is true to Fairtrade's identity, research-based and legitimate. It is in line with Fairtrade's origins in solidarity movements with marginalized producers and the organization's objective to contribute to their empowerment. The approach is informed by research highlighting that non-governmental labour governance in global value chains can support moves towards decent work if workers' agency is at the core (Siegmann and Iocco 2017, Siegmann et al. 2016b, 2016a, Siegmann 2015). More specific to Fairtrade, for instance, Latin American plantation labour unions and their allies have been forceful in advocating for the interests of plantation workers, reminding Fairtrade International to support meaningful gains for them (Reynolds 2017: 9). But, most importantly, a worker-driven approach convincingly addresses the pressing question: What mandate does an international non-governmental actor like Fairtrade have to govern labour conditions in the tea value chain or, as Bacon (2010) formulates it: "Who decides what is fair in fair trade?"

The following sub-sections elaborate some ideas for how a worker-driven approach can contribute towards a broader and deeper impact of Fairtrade certification on tea plantation workers. Section 8.2 offers suggestions for how Fairtrade can help to build and strengthen tea plantation workers' associational power to address workers' marginalization and poor working conditions. Section 8.3 argues that forging coalitions between tea workers' organizations, Fairtrade and other actors can support moves towards a living wage.

8.2 STRENGTHENING TEA PLANTATION WORKERS' ASSOCIATIONAL POWER

A worker-driven approach matches Fairtrade's ambition to move beyond the traditional CSR paradigm of social compliance towards a situation in which Fairtrade helps to build the conditions in which workers themselves have the power to negotiate their wages, working conditions and wider livelihoods (Fairtrade International 2012: 1). Strong and effective worker organizations - or what Wright (2000: 962) terms workers' 'associational' power - are therefore key to Fairtrade's Theory of Change (Fairtrade International 2016c: 45). Our findings highlight that workers' associational power is self-reinforcing, with workers' collective action instilling more confidence in their ability to improve working conditions.

Our empirical results also reflect the high degree of unionization on tea plantations in South Asia and that a more democratic governance of the FPC as laid down in Fairtrade's new Standard for Hired Labour has the potential to strengthen the representation of workers' interests vis-à-vis the estate management. The previous chapters have brought out two important challenges to the effective use of tea plantation workers' associational power though. Firstly, workers – especially women workers – often do not feel represented by the trade unions. Secondly, in the current set-up, there is little connection between Fairtrade certification and trade unions and, hence, no visible impact on the quality of industrial relations.

Certification can contribute to addressing these challenges if Fairtrade develops a more direct relationship with workers, rather than relying on mediation by the plantation management. An effective implementation of Fairtrade's Gender Strategy would help to amplify women workers' voices, to strengthen their representation by and their role in trade unions. The strategy aims to increase gender equality and empowerment of women and girls, among others, by addressing systemic issues that hamper the realization of greater gender equality in Fairtrade supply chains (Fairtrade International 2016b: 2). Our results corroborate earlier findings that women workers' marginal role in trade unions gives them significantly fewer possibilities to improve their working and living conditions on tea estates compared to their male colleagues. On certified estates, we did not come across systematic efforts to change this situation, for example, by providing capacity development and assistance as stipulated in Fairtrade's Standard for Hired Labour (Fairtrade International 2014a: 18). Lalitha et al. (2013: 130) suggest that such an effort could involve targeted investments of Premium funds in ways which support women's skills training and promotion. Awareness-raising is also required among the estate management, trade unions and other actors to encourage them to commit to action on gender equality and women's empowerment (Siegmann 2016: 30). Relevant actions demanded by women workers themselves ranged from improvements in tea pluckers' safety and health, for example, through the building of toilets in the tea gardens, to their promotion to higher ranks on the estate and in the trade unions.

Over and beyond more active support for women workers' empowerment on tea plantations, awareness-raising among all workers is necessary about workers' rights and Fairtrade's commitment to supporting these. This enables workers to become watchdogs of the effective guarantee of their rights (Siegmann and Iocco 2017: 27-29). The previous chapters have shown that South Asian tea plantation workers' understanding of certification is usually limited to its association with the Fairtrade Premium. Moreover, certification is often falsely seen as a reward for higher quality tea rather than as recognition for decent labour conditions. In order to ensure that Fairtrade's commitment to labour rights is not reduced to productivity-enhancing measures, such training would need to be provided by actors other than the estate management. Worker training as a joint activity of the FPC and trade unions would underscore Fairtrade's commitment to support workers' organization alongside ensuring a democratic structure of the FPC. In addition, Haagsma et al. (2016: 16-22) highlight the benefits of involving external civil society actors in awareness-raising activities, such as in the trainings provided by the Institute of Social Development in Sri Lanka in the context of UTZ certification. Given the shared commitment of various certification schemes to, for example, core labour rights, such capacity development could be implemented as a collaboration between Fairtrade and other certification bodies. Overall, collectively enhancing the awareness of tea plantation workers' rights strengthens their associational power. This has the double benefit of bottom-up support for the enforcement of the Fairtrade Standard and a contribution to union renewal on tea plantations.

A worker-driven approach to certification takes workers' knowledge seriously and gives them an active role in certification. This could take the form of a participatory social audit that puts greater emphasis on the involvement of workers and their organizations in the process of code development, implementation and assessment (Auret and Barrientos 2006). Earlier, this was considered by Fairtrade International. In their workers' rights strategy, they express the intention to explore the idea of a "joint-certificate", whereby workers could be co-signatories to their company's certification contract (Fairtrade International 2012: 3).

A better representation of workers' interests on the estate should be mirrored by a firmer inclusion into the governance of the Fairtrade system. This is in line with Fraser's (2005: 75) demand that the boundaries of any community in which struggles over distribution and recognition are played out should include and accord equal voice to those entitled to representation. While plantation workers have over the years been incorporated into Fairtrade's Asian producer network (NAPP), they only form a small

minority. In 2019, only one out of fifteen members of the NAPP board represents workers while holding an office staff position herself. Reynolds' (2017: 8) assumption that their interests have been represented by board members from these regions might therefore be unrealistic.

Certification that takes the situation and interests of tea plantation workers as a starting point is sensitive to the wider context that has shaped the conditions of their work and their wider livelihoods. Historically, the fair trade movement emerged from solidarity of Northern movements and consumers with the political and economic agenda of partners in the global South. Currently, however, the political objectives of tea workers, such as the demand of "tea tribes" in Assam for scheduled tribe status or the Sri Lankan Hill Country Tamil community's struggles against discrimination, do not figure in the certification system. This way, tea plantation workers' poverty and precarity rooted in social and political marginalization imbued with colonial histories are reproduced. This silence undermines, among others, Fairtrade's long-term vision of secure and sustainable livelihoods for plantation workers and their short-term commitment to support moves towards a living wage. Section 8.3 reflects on how Fairtrade can support workers and their allies in their struggles for living wages.

8.3 FORGING COALITIONS FOR A LIVING WAGE IN THE TEA CHAIN

Beyond workers' better representation and greater strength, coalitional power is required for making progress towards a living wage in the tea plantation sector. Fairtrade International acknowledges that addressing tea plantation workers' low wages requires a collaborative effort (Fairtrade International 2018: 85). Brookes (2013: 192) defines 'coalitional power' as the "[...] capacity of workers to expand the scope of conflict by involving other, non-labor actors willing and able to influence an employer's behavior." Forging coalitions beyond the tea estate itself is necessary because, firstly, wage negotiations in the South Asian tea chain take place on a sectoral level, and, secondly, allies are necessary to address the dominant role of multinational companies in the tea value chain.

The commitment to strengthen workers' coalitional power is part and parcel of Fairtrade's Theory of Change. It sees the development of networks and alliances, for example, with the global trade union movement and other civil society actors, as a route to enhanced impact (Fairtrade International 2016b: 22). Fairtrade is strategically positioned as tea plantation workers' coalition partner: Sen and Majumder (2011: 31) highlight that its certification practices cultivate expectations in producer communities, even among the excluded groups, which can serve as a launching pad for critical counter-politics that challenge national and transnational political economic relationships. This supports Fairtrade's approach.

Limited dialogue between key stakeholders has been identified as one of the main barriers to raising tea workers' wages (ETP and Oxfam 2013: 25). For Fairtrade, catalyzing and joining a living wage coalition at the sectoral level therefore appears to be a promising route towards secure livelihoods for tea plantation workers. Currently, Fairtrade certification focuses on the estate whereas tea plantation workers' wages are determined at the sectoral level. While possible, in principle, to consider the wage components and levels as laid down in the sectoral CBA as a floor, plantation companies resist estate level wage bargaining. This is probably because such 'efficiency wages' could trigger demands for pay rises on other estates. As a result, among members of planter associations, there is a strong discipline not to break rank, also out of concern that there would be repercussions from the sector for those companies that would do so. The process in which Indian women workers' protests on one tea estate triggered a Kerala-wide agreement and inspired demands for wage increases in Tamil Nadu exemplifies this.

Fairtrade can build on its successful participation in a living wage coalition in Malawi. In an effort to narrow the gap between tea workers' current wages and a living wage, Fairtrade was part of an empowering coalition with tea plantation workers and other actors in the tea chain. It led to the conclusion of the first ever CBA agreed between the tea industry and the plantation union in Malawi. As a result, tea estate wages rose to a level more than fifty percent higher than the rural minimum wage (Malawi Tea 2020 Programme 2016).

Coalitions for a living wage in the tea chain need to address tea plantation workers' political marginalization, too. The preceding chapters have highlighted that their poor and precarious working conditions are embedded in the historical denial of political rights. Even if workers generate sufficient earnings to cover their own and their families' basic needs at the moment of an audit, the enclave

economy of the plantation, including the landlessness and marginalized social status of many tea plantation workers, implies that their families will be at risk of poverty after they retire. This often creates a situation in which younger family members experience a quasi-bonding to the estate. Therefore, the concept of a living wage needs to be broadened to offer intertemporal livelihood security. Fairtrade and other allies can support tea plantation workers in the related political struggles to address the root causes of these marginalizations.

Given the global character of the tea value chain a merely national intervention for tea plantation workers' living wage and – ultimately – secure livelihoods would be a misframing of the issue. Fraser (2005: 78) argues that in the context of globalization, a focus limited to national actors intervening in national economies can reproduce injustice as “[...] this frame insulates offshore powers from critique and control.” While neither direct employers nor involved in sectoral wage bargaining, large multinational tea brands significantly influence the wages and working conditions of the plantation labour force by syphoning off value even in periods of declining tea prices. In the context of Fairtrade certified tea plantations, this involves the paradox that the “[...] large corporations that dominate traditional global markets are now gaining increasing power over [Fairtrade] markets thereby threatening to control the very industry that formed in opposition to their economic hegemony” (Moore 2010: 30).

In order to address the concentration of power in the hands of a few multinational tea brands and to redistribute value to tea plantation workers, transnational coalitional power needs to be used. A solid body of research has shown that multi-stakeholder initiatives for labour governance in global value chains are likely to be ineffective unless they are driven by workers themselves. Yet, in contrast to the initial years of the fair trade movement, it seems that, now, there is too little direct involvement with workers who see Fairtrade as an ally that can ‘jump scale’ (Merk 2009) and exert pressure on multinational companies in their main consumer markets. The Accord on Fire and Building Safety in the Bangladesh garment industry and the Fair Food Program in US agriculture are successful examples of non-governmental governance in global value chains where large buyers are required to contribute to the costs of social accountability (Anner et al. 2013, Siegmann et al. 2016a). These models were brought about by alliances between workers, national and international labour unions, and other actors. They can inspire a pathway for redistribution in the global tea value chain with an important role for Fairtrade.

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APPENDICES

APPENDIX A1: GUIDELINES FOR FGDS

- i. How would you describe your working conditions on this estate (change since/due to Fairtrade certification)?
 - a. Probe: What were the most important factors influencing the changes you have perceived?
- ii. In your view, which key workers' rights should be guaranteed by the estate? (change since/due to Fairtrade certification)
 - a. Probe: How central is the role of a decent wage in these rights?
 - b. Probe: Are rights like the freedom of association and collective bargaining, freedom from discrimination, child and forced labour part of these key rights?
 - c. Probe: What about the respect with which you are treated by your employer or supervisor? Do you consider that an important aspect of your working conditions?
- iii. How would you assess your wage? Would you consider it a poverty or a living wage (change since/due to Fairtrade certification)?
 - a. Be aware of living wage estimates as benchmark (e.g. see <http://www.wageindicator.org/main/salary/living-wage/living-wage-map>, IPS study for Sri Lanka)
 - b. Probe: Would your wage be sufficient without food subsidies (Public Distribution System (PDS) for India)?
- iv. Are there possibilities to improve your working conditions on this estate, either individually or jointly with other workers (change since/due to Fairtrade certification)?
 - a. Probe: Are there grievance mechanisms for workers, like a 'labour day', or an 'open door policy'? Can you share an example of negotiations with the management and its results?
 - b. Probe: Can you work collectively to improve your working conditions, e.g. through trade unions, Estate Workers' Housing Cooperative Society (EWHCS) (Sri Lanka), or CBOs? Can you share examples of negotiations with the management and their results?
- v. [*for Fairtrade certified estates, showing Fairtrade logo*] What is the role of this estate's Fairtrade certification for your working conditions and workers' welfare?
 - a. Probe: What is the role of the Fairtrade Premium for workers? Who decides about the use of the Premium? [*include visualisation of power that different actors have to influence the use of the Fairtrade Premium*]
 - b. Probe: Does Fairtrade certification help to guarantee workers' rights?

[for Fairtrade certified estates] How can Fairtrade certification contribute more to decent working conditions on tea estates?

APPENDIX A2: REVIEWED STUDIES ON THE IMPACT OF FAIR TRADE ON TEA WORKERS IN INDIA AND SRI LANKA

Author(s) (year of publication / study)	Region	Scope	Methodology	Type of fair trade certification
Besky (2008/2006)	Darjeeling, India	Several estates	Ethnography, based on qualitative interviews, participant observation	Fairtrade
Haagsma et al. (2016/2016)	Sri Lanka	9 certified estates, 2 non-certified	Key informant interviews, FGDs, household survey	UTZ
Lalitha et al. (2013/2010-2012)	Nilgiris, India	7 certified estates, 1 non-certified estate	Worker survey, checklists, FGDs, case study interviews	Ethical Tea Partnership, Fairtrade, UTZ
LeBaron (2018/2017)	Assam, Kerala, India	22 estates	Worker survey, ethnographic interviews	Fairtrade, Ethical Trade Partnership
Makita (2012/2009)	Darjeeling, India	1 certified estate	Semi-structured interviews with all worker households	Fairtrade
Moore (2010/2008)	Darjeeling, Nilgiris, India	5 certified, 4 non-certified estates	Participant observation, semi-structured interviews, worker survey	Fairtrade
Neilson & Pritchard (2010/2004-8)	South India		Ethnography, based on qualitative interviews	Ethical Tea Partnership, Fairtrade
Ray (2016)	Assam		Desk research (working conditions), qualitative interviews (other supply chain actors)	Fairtrade, Ethical Tea Partnership, UTZ
Sen (2009/2004-8)	Darjeeling, India	(focus on) 1 certified estate	Participant observation, survey, semi-structured interviews, life histories	Fairtrade
Vermeulen & Dengerink (2016/2013)	Tamil Nadu, India	19 certified (various types of certification), 41 non-certified estates	Management survey, observation	Fairtrade, Ethical Trading Initiative, UTZ
van der Wal (2007/2008)			Desk research, qualitative individual interviews, FGDs	Ethical Tea Partnership, Fairtrade