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Title

Working conditions and collective agency in the tea supply chain: the role of fair trade certification

Sub-theme

Global supply chains and implications for labour

Abstract

While the tea industry represents one of the earliest global supply chains, contemporary globalisation has increased vulnerabilities for tea plantation workers. At the same time, those functioning higher along the chain engaged in the buying, processing, distribution and retailing of tea, such as the auction houses, blending, packaging and branding companies usually being multinationals, have benefited significantly from the increased transactions of tea world-wide. Indian and Sri Lankan tea plantations are among the top global producers of tea. They employ the single largest organised formal workforce in these countries with very limited role in the governance of these supply chains. Rather, labour in this sector has historically been and continues to be beset with serious human development deficits with regard to income, education, health and overall livelihood status.

Fair trade certifications have aimed at improving the situation of plantation workers. The fair trade movement started as an effort to challenge the unequal terms of exchange for commodities from the global South. Fair trade certification along a set of social and environmental standards now seeks to promote the well-being and empowerment of farmers and workers in the global South. In South Asia, a few tea plantations have obtained different types of fair trade certifications since the 1990s. It is unclear, though, whether and how such certification influences the working conditions over and above the standards and entitlements laid down in legislation and collective agreements. Can a voluntarist development strategy challenge the structural poverty that South Asian tea workers experience? Or does it remain a largely rhetorical concern associated with a few symbolic and marginal changes, while retaining the same power relations in the global supply chains?

We address these questions in a mixed methods comparative study of tea plantations in North and South India, as well as Sri Lanka. Specifically, the paper focuses on the influence of Fairtrade International's certification on the wages, working conditions and collective agency of tea estate workers. Primary data were generated through focus groups discussions, semi-structured key informant interviews as well as a worker survey.

Preliminary findings show that Fairtrade certification seems to make little difference for tea estate workers' wages. Overall, it does not make a dent in plantation workers' poor working conditions, either. Alongside other types of certification, however, it has improved occupational safety and health on tea estates. In addition, investments of the Fairtrade premium have a positive impact on workers' household income, and committees for the governance of this premium offer a new platform to address workers' grievances collectively.

We tentatively conclude that in order to address the structural causes of plantation labour's poverty, workers need to drive the Fairtrade agenda more to address power hierarchies on the estate and in the wider tea supply chain. Fairtrade, trade unions, workers' representatives and concerned NGOs have to work together with the government to counter the trends of globalisation that lead to unequal distribution of gains from trade while increasing work intensity on plantations to lower labour costs, undermine workers' standards of living and trade union rights.

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