Sri Lankan unions call off plantation pay campaign

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The plantation trade unions in Sri Lanka have called off a campaign of two-hour stoppages and go-slows by 450,000 tea and rubber plantation workers who were demanding a wage increase. The unions reached a compromise with the Employers Federation of Ceylon on June 20 in a situation where the campaign was threatening to develop into an all-out struggle of workers.

While the union leaders had called the limited campaign on June 11 in order to check the militancy of the plantation workers, many of their members were demanding stronger action.

The EFC has agreed to a small increase in basic wages, in return for a two-year wage freeze. Tea plantation workers' daily pay will rise from 95 rupees (US$1.22) to 101 rupees (US$1.30). Rubber plantation workers will get an even smaller increase, from 95 rupees (US$1.22) to 98 rupees (US$1.26).

With some additional allowances tied to tea and rubber prices and to workers' attendance, a tea plantation workers' pay could rise to 121 rupees (US$1.55) and a rubber plantation workers' to 112 rupees (US$1.44).

These increases are even less than those requested by the union leaders, who had already cut the original claim several times. Initially the unions had demanded 150 rupees as a daily wage, then 131 rupees and later 123 rupees.

Moreover, the devaluation of the rupee by an average of 2 percent against the US dollar, announced by the Central Bank on June 20, will push up the prices of essential commodities, consuming the meagre wage deal.

Because workers do not get daily work in some seasons, their average monthly income falls to less than 2,500 rupees (US$32). Recent price rises implemented by the Peoples Alliance (PA) government to finance its war against the separatist Liberation Tigers of Tamil Eelam (LTTE) have affected these workers badly. Some, unable to afford decent meals, are prone to malnutrition.

The union leaders were keen to avoid any confrontation with the employers and the PA government, which has been plunged into a political crisis following severe military defeats at the hands of the LTTE in the northern Jaffna Peninsula. Even in the limited pay campaign, workers were defying the government's emergency wartime regulations, which outlaw all industrial action and political protests.

After earlier failing to secure a deal with the employers, the unions had called a “prayer” campaign to seek the wage increase and secure “peace for the country”. They had asked workers to stop work for two hours, pray at temples, then return to work and go slow. They had warned workers not to go too far, referring to the emergency powers.

Ceylon Workers Congress (CWC) leader Arumugam Thondaman, who sits in the PA cabinet, told a group of workers on June 12: “Because of the condition in the country we cannot strike. That is why we started a movement like this.” He warned them: “You should not engage in strikes.”

The other unions involved in the campaign were the Joint Plantation Trade Union Center (JPTUC) and the Lanka Jathika (National) Estate Workers Union (LJEWU). The CWC and some unions in the JPTUC are affiliated to the Stalinist Communist Party of Sri Lanka and the Lanka Sama Samaja Party, both partners in the PA government. The LJEWU is controlled by the opposition United National Party.

The Upcountry Workers Front, led by a former deputy minister in the PA administration, P.

Chadrasekeran, had refused to support the campaign, but many members of the union participated.

Notwithstanding the unions' subservience to the government, the employers were determined to halt the agitation. In a letter to the unions, the Employers Federation declared that “the proposed prayer campaign is illegal” under the emergency laws. “Please take note that the estate management has powers to take legal action.”

Plantation managements started witch-hunts against workers, most of whom are Tamil-speaking. In some plantations, employers locked-out newly registered workers. Other workers were threatened with half-day wage cuts.

Most plantation workers are descendents from labourers forcibly brought to Sri Lanka from Tamil Nadu in southern India by the British colonial administration in the late 19th century. Many still live in tiny line rooms—12-feet long and wide—built in rows during the colonial period.

Facing a profit squeeze, the plantation companies are demanding higher workloads to lower their costs. They claim that wages are higher than in competing counties like Kenya, South Africa and even India. They are also planning to mechanise to increase productivity and reduce the work force.

In 1999 earnings from tea exports declined by 15 percent according to a Central Bank report. Export prices dropped by 12 percent. One factor was the 1998 Russian financial crisis, which was a severe blow to Sri Lankan sales there. The rubber and coconut industries are also making losses on the world market.

In 1996-97 the PA government privatised the plantation industry, which was previously nationalised in 1972. Under private ownership the workload has already increased considerably, provoking many protests and strikes by workers.

Employers have been able to keep wages and living standards unbearably low with the help of the union leaders. In 1998, for example, workers demanded a daily wage of 150 rupees, but the unions reduced the claim to 115 rupees. After nearly 600,000 workers struck, the PA government intervened and the unions agreed to 95 rupees, a meagre 12-rupee increase. Angry workers denounced the union leadership and continued the strike for four more days.

Workers told the *WSWS* they were dissatisfied with the union campaign. A worker at the Penmur plantations near Hatton in the central hills said: “The union leaders' policy is opportunist. They work in collaboration with the management. When we questioned them as to whether we could get a wage increase, they said it was a struggle.”

A worker at Aislaby near Bandarawela said the union leaders wanted prayers in order to avoid a fight against the employers and the government.

A plantation worker in Norwood, near Hatton, said that even a wage of 200 rupees a day would not be adequate because of the rising cost of living. He recalled that a cost of living adjustment had been removed with the consent of the union leaders some years ago. “If that rotten collective agreement had not been signed, workers' wages would have automatically gone up to over 150 rupees.”

Other workers too were convinced that their conditions would not be improved by gaining the 22-rupee increase proposed by the unions. They said the unions had not consulted workers before adopting the lower figure.