Sri Lankan plantation unions call off wage campaign

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The Ceylon Workers Congress (CWC) has rapidly shut down its campaign for increased wages among plantation workers in Sri Lanka. The union action, which was limited to a go-slow, began on July 31 and ended on August 7 with none of the wage demands being met. Discussions are still continuing between trade union leaders and the Employers Federation of Ceylon (EFC) but no pay rise has been agreed to.

The CWC, which is the largest plantation workers union, also functions as a political party that draws its votes from the large, Tamil-speaking workforce in the country's tea and rubber estates. Currently the CWC is a coalition partner in the United National Front (UNF) government. In calling off the action, its general secretary, Arumugam Thondaman, who is Housing and Plantation Infrastructure Minister, was clearly responding to the demands of big business.

Shortly after the go-slow began, business leaders issued a statement urging the plantation unions to show "utmost restraint in ensuring that there would be no economic loss to the country". Thondaman immediately moved to end the "non-cooperation" campaign, telling the *Sunday Leader*: "When I took the decision I also gave the priority to the industry and I have maintained that even now."

The CWC initiated the campaign with a demand for a rise in the minimum wage to just 151 rupees ($US1.64) per day. A collective agreement signed by union leaders with the employers in 2000 to bar all wage demands for two years expired in July and the plantation owners were looking to head off a confrontation over wages. The union's limited campaign was designed to defuse the mounting frustration of workers while a new deal was worked out with employer groups.

The 2000 agreement left the daily pay of a tea plantation worker at just 121 rupees. Over the past two years, inflation has steadily eaten into this inadequate wage. According to official figures, the real wage for agricultural workers, which includes plantation workers, fell by 9.8 percent in 2000, while inflation continued to climb. Since last August, the cost of living index has increased by more than 10 percent to 3,261.1.

Plantation workers were expecting a minimum daily wage of at least 200 rupees. After the agreement's expiry, the EFC, which represents plantation owners, proposed another two-year deal, with wages rising in two stages—up to 142 rupees in the first year and 146 in the second.

The CWC's call for 150 rupees was based on the wage of 121 rupees together with 15 rupees as a supplement and another 15 rupees as an attendance allowance. The demand, which fell far short of workers' expectations, had been made as long ago as the strike struggles of 1998.

While some reports indicate that up to 100,000 plantation workers took part in the go-slow campaign, many—even CWC members—did not take part. The participation rate in up-country plantations such as Nuwara Eliya, Maskeliya and Kotagala was about 40 percent and in the Badulla district, it was 65 percent. CWC workers partially participated in Bandarawela, Haputhale, Kandy and Rathnapura. Some plucked three or four kilos of tea leaves instead of the daily target of 18 kilos. Others, however, having lost confidence in the unions and fearing victimisation, plucked about 10 kilos.

The union bureaucrats deliberately divided workers. The Lanka Jathika Estate Workers Union and the Joint Plantation Trade Union Centre, the umbrella organisation for 13 plantation unions, supported the campaign. But other unions did not. Up Country

Peoples Front leader P. Chadrasekaran, also a government minister, advised workers not to participate, claiming that he could win a 181-rupee wage through negotiations with the Labour Minister.

The CWC leadership used Chadrasekaran's empty boast as the excuse to shut down its campaign. What was the point of continuing the action, the CWC argued, if Chadrasekaran was able to get 181 rupees a day by talking to the minister? Needless to say, the higher wage has not been agreed to. Chadrasekaran recently wrote to the minister and the EFC indicating that he would accept a lesser offer. If the companies cannot increase wages, he stated, they should reintroduce the cost of living allowance axed in 1992 to bring wages to 161 rupees.

Since 1998, the union leaders have twice pushed workers into collective agreements, freezing their wage demands. In that year, about 600,000 plantation workers took action for a wage rise and in 2000 about 450,000 workers participated in a pay struggle. In both occasions, the leaders shut down the campaigns, accepting agreements that offered only meagre increases.

The plantation unions have also supported the privatisation of the estates, producing severe hardships for workers. Many do not have regular work, reducing their wages further. Young people are not being employed; instead pensioners are re-employed on a contract basis. No new houses are being built, in some cases forcing four families to share a single small house. The minimal medical facilities available on the estates are being cut back.

At the same time, employers have lifted the daily quota of tea leaves from 12 kilos to 18 kilos. Productivity has gone up from 1,250 to 1,500 kilos per hectare.

Even the *Sunday Times* acknowledged that the employers' wage offer would "still mean that a high proportion of estate households would remain below the international poverty line". Yet, it concluded that, "any increase in wages would make the industry non-viable". The article echoed Plantation Association of Sri Lanka chairman Mahendra Amarasuriya, who declared that a wage rise would "put the plantation industry in dire straits".

During the CWC campaign, workers told a WSWS reporter they had no confidence in the union leaders. S. Sivagnanam of Anne Field estate in Dickoya said: "This go-slow is of no use. The union has decided to demand 151 rupees per day, but compared with the cost of living, even 200 rupees is not enough. Last year also our struggle was betrayed. The unions organised a sathyagraha [sit-down protest] at Hatton but nothing could be achieved through that."

M. Chandrasegam of the same estate said: "Even 500 rupees a day is not enough, considering what we have to spend for our clothing and health care and to educate our children." S. Sundaram added: "The trade unions are not fighting for us—they are always compromising with the administration."

Gnanaraj of the Deeside estate at Maskeliya said: "The trade unions are confusing workers. One union told us to observe a go-slow and the others said not to do so. The workers in our estate are not participating in the go-slow." Gabriel of the same estate said: "Both PA [the previous Peoples Alliance government] and the UNP are same. There is no improvement in workers' conditions. All the trade unions are betraying us."