

Sri Lanka: Bata footwear occupation enters fourth week

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More than 500 workers have been occupying the Bata Shoe factory in Sri Lanka for nearly four weeks, demanding the reinstatement of their union branch leader and cancellation of the company's retrenchment plans. The workers occupied the plant in the Ratmalana industrial estate, 15 km from Colombo, on June 22, just after the company suspended the union leader, allegedly for "misconduct".

His suspension was a deliberate provocation, organised by the management to execute its plans for mass sackings, which the Bata workers had been taking protest action against for three months. Management issued dismissal letters to 595 occupying workers on July 8, after they refused to report to work on July 7, a deadline set by the company.

Earlier, on June 30, the company obtained an Enjoining Order from the Colombo District Court to prevent the workers' union from continuing the strike on the company premises. However, the occupying workers refused to evacuate the factory. The company has since shifted its accounting and marketing operations from the occupied factory in order to import footwear from Bata factories in Thailand and Malaysia.

The Bata Shoe Company of Ceylon is one of the major multinational companies that invested in Sri Lanka during the early 1950s. The Canadian-based company operates in 68 countries with around 50,000 employees. In Sri Lanka it has one factory, 116 retail outlets, five wholesale markets and several storage facilities.

With the intensification of the globalisation of production during the 1990s, the local footwear market was flooded with imports from cheaper source countries such as China. In response to lobbying by local manufacturers, the government increased the footwear import duty to 27.5 percent or 100 rupees

(\$US1) per pair.

Shielded by this tariff protection, Bata began to downsize the factory. It developed a sub-contract production system, combined with direct importation of cheaper footwear. From the 1970s and 1980s, when the company had more than 800 workers, the number was rapidly reduced. According to workers, the management was planning to cut the total to 200.

Bata's sub-contract production system is based on the cheap family (women and children) labour available in the impoverished households surrounding Ratmalana. Bata distributes footwear parts through contractors and collects the finished or semi-finished products, mostly made by manual labour.

In a letter dated March 31, 2004, addressed to the Labour Commissioner, the company applied to terminate the services of 146 employees, stating: "[I]n efforts to keep the company's business operations economically viable by ensuring competitive prices in the market, the Company has, in the recent years, expanded volumes of their own footwear imports and also outsourced a share of production. If not for these arrangements, the Company by now could not have continued with its manufacturing operations."

The company sought to reduce its factory workforce from 659 to 513, retrenching workers from seven out of ten sections of the factory, and to double its sub-contract production, taking it to twice the level of the factory output. Bata's clear goal is to exploit more and more cheap "household" labour in order to lower production costs.

Significantly, the company is utilising "hire and fire" labour laws introduced by the previous United National Front (UNF) government. Under this legislation, employment can be terminated with little compensation. Dismissed workers receive only half a

month salary per year of service, up to a maximum of two and a half years' salary.

Previously, the Labour Commissioner determined the quantum of compensation with the employees' consent, taking into account factors such as the availability of alternative employment, the health hazards faced by the worker, and the employer's profits and investment.

During the campaign for the April 2 general election, the United Peoples Freedom Alliance (UPFA) promised to abolish the UNF's legislation immediately. Trade unions affiliated to the Janatha Vimukthi Peramuna (JVP), the main ally of the Sri Lankan Freedom Party (SLFP) in the UPFA, organised a fast demanding the law's withdrawal. After forming a minority government, the UPFA shelved this pledge, along with other promises.

Amid the campaign by Bata workers, Labour Minister Athauda Seneviratna stated that the legislation was "suspended". According to the Department of Labour, however, the law remains in force. Meanwhile, the government has remained silent about the retrenchment of Bata workers.

A Bata employee who worked in the factory for 22 years told the WSWS: "Workers voted for this government with the expectation that it would abolish the vicious anti-worker acts, such as the termination act, after they came into power. The UPFA leaders promised to tear down the termination act within 24 hours of taking power. Now they are speaking in another tone. Workers have lost their hopes in this government and are not interested in voting for the UPFA anymore."

Bata workers have a record of struggle dating back to 1957, when they launched their first wages campaign. They have had different "left" unions over the years and are presently organised in a union led by the Nava Sama Samaja Party (NSSP). Bata workers were among the few in Sri Lanka who secured higher salaries, bonuses and a cost of living allowance. The management is now seeking to wipe out these hard-won conditions.

The sacking of the Bata workforce indicates the developing class tensions in Sri Lanka. With the globalisation of production, transnational companies such as Bata seek to exploit all the advances in communications, transport and production techniques

in order to secure markets and maximise profits. Hundreds of thousands of Sri Lankan garment workers also face the elimination of their jobs with the abolition of the quota system toward the end of the year.

However, the NSSP leaders have limited the Bata workers' struggle to a series of protest activities. The NSSP-led Commerce and Industrial Workers Union (CIWU), which controls the Bata union, has done next to nothing to even mobilise its branches in support of the Bata occupation. Instead of launching an intensive struggle across the country and internationally to defend the Bata workers, the CIWU has urged the strikers to expect some "positive results" from negotiations with the management and the Labour Commissioner.

Bata workers told the WSWS that the Labour Commissioner had asked them not to make "much noise" because the management had written to foreign embassies and governments warning that the workers' occupation would have serious repercussions in curbing the inflow of foreign investment, which the UPFA government is desperately seeking to attract.

The CIWU is also echoing Bata management's demand that the government intervene to further protect local industries from imports by various protectionist methods, such as a tariff increase. As its record over the past decade demonstrates, the company simply uses such measures to secure its profits, not protect workers' rights.

The union's nationalist demand illustrates the bankruptcy of the union movement's perspective. Its program pitches workers in Bata's Sri Lankan operations against their class and sisters internationally, including Bata workers in other countries. It only assists the global attacks on workers' jobs and living conditions.



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