

Sri Lankan unions impose wage deal on plantation workers

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The major plantation trade unions in Sri Lanka signed a collective agreement with the Employers Federation of Ceylon (EFC) late last month granting a pittance of a wage increase to hundreds of thousands of workers in the country's tea and rubber estates. The deal was struck behind the backs of workers in order to defuse a looming confrontation with employers that would threaten the United People's Freedom Alliance (UPFA) government.

The Ceylon Workers Congress (CWC), the Lanka Jathika Estate Workers Union (LJEWU) and the Joint Plantation Trade Union Committee (JPTUC) signed the agreement on October 27. The CWC, which is a political party as well as a union, recently switched sides and joined the coalition government. The JPTUC consists of unions affiliated with the UPFA while the LJEWU is controlled by the opposition United National Party (UNP).

The CWC and other union leaders did not consult their own members or even inform them that a pay agreement was about to be signed. But workers are nevertheless bound by the terms of the deal for the next two years.

Under the agreement, the daily wage of tea plantation workers has been increased by just 14 rupees from 121 to 135 rupees (\$US1.35). The rise for rubber workers was almost same—only 16 rupees from 109 to 125 rupees. As plantation workers angrily told our reporters, this increase is not even enough to buy half a kilo of low quality rice—the country's main staple food.

The trade unions and plantation companies point to other clauses in the agreement that allow for further wage increases, but all of these are conditional. The attendance allowance has been increased by 13 rupees a day, but requires a 75 percent attendance rate—as determined by the companies. Another additional payment—the variable price share scheme—is tied to increases in the world prices for tea and rubber. A small increase was also made in the payout from shares nominally held by workers in the

companies.

CWC leader Arumugam Thondaman boasted that when all the payments are added together tea workers will receive daily pay of 198 rupees and rubber workers 183 rupees. But these wages, which are completely inadequate, are largely illusory as they are tied to productivity and prices. It is virtually impossible for most workers, particularly female workers, to obtain the required number of days to get the attendance allowance. To register a day's work, a tea plucker has to meet a quota of 18 kilograms of leaves.

Moreover, the overall wage also depends on the number of days worked. Depending on the harvest requirements of the companies, a worker may only get three or four days work a week and thus a monthly income of around 3,000 rupees—a low wage even by Sri Lankan standards. In some cases, companies recruit retired workers or youth as casuals to pressurise permanent workers to increase their output.

The cost of living has risen steeply since the last collective agreement was signed in June 2002. The official price index rose from 3,292 in June 2002 to 3,572 to 3,699 in October 2004. The price of staples, however, has risen far more rapidly. Since the UPFA government came to power in April, the price of wheat flour has shot up by 45 percent from 22 to 32 rupees a kilogram and of rice by over 14 percent from 28 to 32 rupees a kilogram.

Plantation workers are among the most oppressed social layers in the country. Since the days of British colonial rule, they have lived in barrack-style accommodation known as line rooms—a long hut divided into single rooms; one per family. Basic amenities such as electricity and running water are frequently lacking. The quality of health and education services provided on the estates is low, even compared to the rest of the country.

At the same time, however, the big plantation companies are making increased profits. Maskeliya

Plantations, for instance, earned a net profit of 84 million rupees for the year ended March 2003. While lamenting that plantation companies have to allocate an extra 100 million rupees to meet the new wage bill, the chairman of the Planters Association, Rohan Fernando, admitted that companies were “making tidy profits now with the increase of tea prices.”

The CWC was desperate to stifle any campaign for higher wages by its members. Its leaders were conscious that any struggle by the country’s 450,000 plantation workers would exacerbate the political difficulties confronting the UPFA government—of which it is now a part. In recent months, education, electricity, water and railway workers have all been engaged in strikes and protests for better wages and conditions and against privatisation.

Another political party/trade union based on estate workers—the Up-country Peoples Front (UPF)—has criticised the pay deal and called for a bigger wage increase. In an attempt to exploit the discontent among plantation workers, the UPF has held limited protests, including a public rally of several thousand in Hatton in early November, along with other unions and NGOs.

The UPF is, however, just as willing to impose such collective agreements on plantation workers, and has done so in the past. UPF leader P. Chandrasekaran was a minister in President Chandrika Kumaratunga’s previous Peoples Alliance government and in the United National Front government that held power up to April.

The attitude of all the plantation unions was exposed by their response to a pay campaign in September by a group known as the Alliance for Wage Increase of Plantation Workers. Nearly 2,000 workers from several estates at Kotagala and Laxapana in the Nuwara Eliya district downed tools and held a rally to demand a daily wage of at least 250 rupees.

The protest called for the repudiation of the existing collective agreement and for workers to stop paying their union subscriptions. A leaflet issued by Laxapana estate workers declared: “Our support will be continued only for the trade union which genuinely gives voice to our problems in increasing wages. The trade unions that have betrayed the society will be rejected.”

The protest was denounced by all the major plantation trade unions. CWC parliamentarian Muthu Sivalingam warned that “we can’t allow some organisations that are trying to weaken the up-country trade unions. The union members should be careful about this.” The Sinhala chauvinist Janatha Vimukthi Peramuna (JVP), a partner in

the UPFA government, defended the CWC in the September issue of their trade union paper *Rathu Lanka*, accusing the protest organisers of being aligned to the Liberation Tigers of Tamil Eelam (LTTE).

Workers who spoke to the *World Socialist Web Site* were angry about the latest pay deal and the failure of the unions to even consult them. At the Annfield Estate, workers explained that they could not work out what their new pay would be because of the complicated agreement. “We don’t know how much they offered because they have not asked us how much we need. They themselves decide how much they should give us,” one said.

Another worker declared: “How can we disagree after they signed the agreement? As there is no statutory price for essential goods, this increase is not sufficient. They make us starve. We see no difference between the CWC and the UPF.

“We work hard. I have three children and I have to educate them. Even 180 rupees as a basic wage is not enough to make ends meet. While the prices of essential items are going up daily, we can’t say how much income is sufficient to meet our daily expenses,” a third explained.

“If not I can’t feed my family. Even today we don’t have rice. I don’t support any of these unions or the government. At present workers pay 45 rupees for their union subscription. Now they may increase the subscription also. The CWC will join any government where they can benefit but we receive nothing.”

At the Drayton estate in Kotagala near Hatton, workers said the unions ignored the conditions faced by workers and were only concerned about their monthly dues.

One Drayton worker said: “Plantation workers have not benefited from any government. We are oppressed. Thondaman also was the estate housing minister. But if we have built a house, that is only at our expense. Where do the funds allocated to ministers go? UPF is no different.”



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