

Sri Lankan export zone workers hit by job and pay cuts

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Under the impact of the global economic crisis, Sri Lankan workers are facing a wave of job losses, along with harsh cuts in pay and working hours. In the first quarter of this year, 192,000 were retrenched, according to the International Labour Organisation (ILO).

Among them were 96,000 industrial workers, 60,000 apparel workers and 36,000 construction workers, forcing many into lower-paid service industry jobs or back to their rural home areas.

The Rajapakse government's military victory over the separatist Liberation Tigers of Tamil Eelam (LTTE) has fuelled the attacks on jobs and conditions, encouraging employers to be equally ruthless in imposing the burden of the world recession.

About 200 factories, mainly producing for export, have closed down over the past year. In the country's free trade zones, the ILO reported that 11 firms had shut, laying off 3,198 workers between last September and this January.

Garment workers have been the hardest hit by the loss of jobs and deteriorating working conditions. Orders are drying up from the main export markets, the US and EU. Sri Lankan-based companies are locked in a price war with even lower-wage countries such as Bangladesh, Vietnam, India and China, where workers are also confronting lay offs, wage cuts and tightening working conditions.

The Central Bank of Sri Lanka's annual report for 2008 noted that the apparel sector, the country's largest export earner and employer, faced "high competition from low-cost producing countries amid domestic cost pressures. With the intensification of global crisis there have been requests for price reductions and major buyers have been cautious in confirming forward orders."

A WSWs and Socialist Equality Party (SEP) team visited the Biyagama Export Processing Zone (BEPZ), Sri Lanka's second biggest zone, around 24 kilometres from Colombo, to speak to workers about their experiences.

Established in 1985, the zone has about 50 factories and 20,000 workers, mainly making ready-made garments, knitted fabrics and

garment accessories. Other industries include surgical gloves, solid tyres, water sports products, printed items and electronic sub-assembly. With major investments from the US, UK, Japan, Australia, Netherlands, Germany and China (Hong Kong), these plants are part of global manufacturing processes.

The zone is surrounded by barbed-wire fences and patrolled by security guards to prevent the entry of outsiders—one can only gain access with a pass. The factory owners fear a revival of the militant workers' struggles that erupted during the 1990s against the police repression of workers' demonstrations inside the zone.

Most of the workers are from rural villages. The government claims to have successfully implemented its agricultural program, *Api Wawamu—Rata nagamu* (We will grow and develop the country), so that young people can earn a better living. According to workers in the zone, however, earning a living from paddy farming—the largest domestic agriculture sector—is very difficult.

Three workers from Global Clothing, which exports to the US and EU, told the WSWs they are about to change their jobs because the conditions were becoming intolerable. The factory's sewing lines had been reduced from 12 to 7 and the number of workers cut from 500 to 200. Most of the workers had left because of delays in salary payments and reductions in overtime.

Shriya, 17, said she was recruited to Global Clothing from her village in Aralaganwila near Polonnaruwa, 216 km from Colombo, after completing her grade 11 (Ordinary Level) examination. Her situation illustrates how the education of young people has been disrupted by poverty and the crisis of small farmers. Rural schools lack facilities and trained teachers. Victims of this sub-standard education system ultimately become the prey of factory owners looking for cheap labour.

"A busload of 60 workers came with me to this factory last December," Shriya said. "I came along with my sister as we knew our parents could not support the family. Now we two send 10,000 rupees every month to them.

"Despite the company's promises, the conditions are going down day by day. We get only a half hour lunch interval and quarter hour breaks for breakfast and evening tea. There are no

proper rest rooms or health care for the workers.

“The company’s export orders are declining, according to the management. They reduced the workforce and put an extra burden on the remaining workers to protect their profits. We decided to quit the company and join Ranmalu Fashions. We thought it was a better factory as we can earn overtime, but the situation there is also declining.”

Overtime has become essential for garment workers because their wages are low, around 8,000 rupees (\$US69) a month. “Better” factories are becoming a rare phenomenon, however.

Malini, who works for Ranmalu Fashions, explained: “Our job is getting harder as management insists on strenuous targets. We are required to produce at least 50 pieces an hour. When [we] return to the boarding house we are so tired that we can hardly prepare our meals for dinner.” She said workers were given an attendance incentive but it was cut off totally after two days’ absence. “Even with a 12-hour shift and six days a week we cannot earn more than 15,000 rupees (\$US130) a month, including overtime.”

Employers have threatened to sack workers if there were any sign of workers trying to organise, whether as a union or otherwise. When government inspectors visit factories, workers have to lie to them about the conditions, and there were incidents where workers had been threatened with dismissal if they did not.

Daya, who works at a printing factory supplying labels and accessories to garment companies, explained: “If the agricultural jobs were better we wouldn’t come to these zones. Even though our overtime is curtailed and salaries not paid on time, we try to stick to the jobs, at least not to be burden to our parents.”

Daya insisted that it was disastrous to return to a village after losing a job. “It is very difficult to earn a living from paddy cultivation. My father is a farmer and he gets next to nothing from his produce. He takes loans from village merchants for cultivation. Overhead costs are very high. The government gives a subsidy only for one kind of fertiliser, Urea. Each harvest goes to pay back loans.”

Most of the young female workers were planning to return to their villages after working for several years to accumulate money for marriage dowries and gold jewelry. Many had to send money to their aging parents, because depending on farming was hopeless. But this was also becoming difficult because pay packets were being reduced while workloads were increased.

Jayantha, a young man from the Chinese-owned Ocean Lanka Factory, which manufactures knitted fabrics, said the factory’s workforce had been reduced from 1,800 to 1,500 during the previous several months.

“Our factory produces fabrics for other factories. Orders declined during the past few months as export orders plummeted. I

am working in the stores. In this section, the number of workers fell from 50 to 40. Our workload has gone up but our salary remains at the same level.”

Somasiri, from the same factory, joined the discussion. “Meagre salary increases will not serve any purpose,” he said. “The salary is not enough to cope up with the increasing cost of living.” Referring to the government’s rhetoric that the end of war would bring relief, he said the situation was deteriorating instead.

The WSWS team explained the detention of nearly 300,000 Tamil civilians in government camps in the north Vavuniya and described their terrible conditions. Somasiri commented: “The government must stop suppressing the Tamil civilians. As well as food, they must be given democratic rights.”

Somasiri criticised President Mahinda Rajapakse’s nationalistic rhetoric that the “country is more important than your belly”—a slogan appealing to working people to tighten their belts because of the economic crisis. “The government is there to provide better living conditions to the masses, not to harass them and make them paupers,” he insisted.

Many workers listened attentively to the internationalist socialist program explained by the SEP members and asked a number of questions, such as how to build an international party and why it was necessary to fight for socialism worldwide.



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