Sri Lankan plantation unions undermine workers' pay

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Amid the global economic downturn, Sri Lankan plantation trade unions are collaborating with employers in pay negotiations to keep the income of hundreds of thousands of tea, rubber and coconut workers at poverty levels.

The previous two-year agreement between unions and the Ceylon Employers Federation (CEF) expired in March and talks over a new agreement have dragged on since February. When asked about the delay, union leaders told the WSWS that they were too busy with the August 8 provincial council elections in Uva to finalise an agreement.

Anger is growing among mostly Tamil-speaking plantation workers, who are among the most oppressed layers of the Sri Lankan working class. According to the 2006-07 Household Income and Expenditure Survey, 32 percent of people in the plantation sector live in poverty.

In December 2006, the unions joined hands with the employers and the government of President Mahinda Rajapakse to call off a two-week strike and impose a wage rise that fell far short of workers' demands.

Since then plantation workers have been hard hit by rising prices, in part the result of the government's huge expenditures on its communal war against the separatist Liberation Tigers of Tamil Eelam (LTTE). In July last year, hundreds of thousands of tea plantation workers went on strike, in defiance of their unions, to demand higher wages.

During the 2006 pay negotiations, the government opposed a substantial pay rise for plantation workers and condemned strikers for betraying the war effort. After the military defeated the LTTE in May, Rajapakse proclaimed a new "economic war" insisting that workers have to sacrifice like soldiers to "build the nation". As in 2006, the unions will inevitably fall into line.

The biggest union involved in the wage talks is the Ceylon Workers Congress (CWC), which also functions as a political party and is part of Rajapakse's ruling coalition. Other unions include the Lanka Jathika Estate Workers Union (LJEWU), affiliated to the opposition United National Party (UNP), and the Joint Plantation Trade Union Centre (JPTUC), an alliance of unions linked to so-called left parties, including the Lanka Sama Samaja Party (LSSP) and Stalinist Communist Party (CP). The LSSP and CP are also government partners.

At present, the daily wage of plantation workers is just 290 rupees ($US2.47), which includes a 200-rupee basic wage, a non-variable wage of 20 rupees and an attendance allowance of 70 rupees. The allowance is only paid if workers turn up for 75 percent of the working days offered by the companies.

CWC leader Muthu Sivalingam told the WSWS the unions had initially suggested a consolidated daily wage of 750 rupees. When employers objected, however, the unions cut the demand to 500 rupees. That was also rejected, with employers saying they would consider only a 12 percent increase of 24 rupees per day for the next two-year period.

Worried about the reaction of workers, union leaders have held off further negotiations until after the Uva elections on Saturday. As the course of negotiations has already made clear, the primary consideration of the unions is the profitability of employers, not the pressing social needs of their members.

Between January and May this year, tea and rubber export earnings declined by 21 percent and 30 percent respectively compared to the same period last year. Tea production fell by 40.9 percent in first quarter of this

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year compared to last year. The main reasons were decreased global demand, dry weather and a 16 percent fall in fertiliser usage because of higher costs.

A fierce cost-cutting war is underway in the world tea market, with employers and governments seeking to impose harsh conditions on workers in countries such as Kenya, India, China and Bangladesh. Sri Lankan companies claim that Kenya's labour cost is 43.5 percent of tea production while Sri Lanka's cost is about 60 percent.

In Sri Lanka, workers have faced lay offs, increasing workloads, and declining incomes. Early this year, seven factories closed in Namunukula Plantations in the Badulla district of Uva and Maskeliya Plantation in the Nuwara-Eliya district, destroying hundreds of jobs. Working days were reduced to 3 or 4 per week in most estates, while tea pickers' daily workloads were increased from 12 kg to 17 kg.

Companies are threatening to oppose any pay rise. G. Sathasivam, chairman of Watawala Plantations, a subsidiary of India's Tata Tea company, told shareholders in the company's annual report: "The conventional approach of giving wage incentives has not met with the desired results in the past ... This year's negotiations are expected to be tougher as the plantation companies are in the middle of a cash crunch."

Union leaders involved in the wage negotiations are seeking ways to accommodate the employers. O.A. Ramaiah, a leader of the CP-affiliated Ceylon Plantation Workers Union (CPWU), said: "We are waiting for a suitable time to go for a collective agreement with performance-based salaries." That would mean tying wages to output.

JPTUC president Suppiah Ramanathan, who is also general secretary of the LSSP-affiliated Lanka Estate Workers Union (LEWU), said unions had to take into account falling tea prices and "go for a better deal to get something for workers when tea prices go up".

The Janatha Vimukthi Peramuna (JVP)-led All Ceylon Estate Workers Union (ACEWU) and the Upcountry People Front (UPF), a breakaway from the CWC, are not involved in the wage talks. While posturing as more militant than other unions, in December 2006 they also supported the last pay sellout.

UPF leader P. Chandrasekaran is still a minister in Rajapakse's ruling coalition and has supported all of its policies. However, in order to distance itself from the government, the UPF is contesting the Uva provincial election separately from the United People Freedom Alliance (UPFA). While not participating in pay talks, the UPF has no intention of launching a campaign that will threaten the government.

ACEWU union leader Ramalingam Chandrasegar, who is a JVP parliamentarian, has called for "tough trade union action". He told the JVP's trade union paper *Rathu Lanka* (Red Lanka): "What we say to employers is stop cheating workers and increase the workers' wages according to collective agreement." The JVP, however, will not rock the boat. The opposition party has put forward its own "nation building" strategy and indicated that, if accepted, it could support the government.

All of these unions are opposed to a socialist strategy that puts the defence of the basic needs of workers ahead of the profit requirements of the companies and corporate elite. A genuine struggle by plantation workers would require a turn to other sections of the working class in Sri Lanka and internationally, including tea and rubber workers in Kenya, China, India and elsewhere, who have been hard hit by the global economic downturn. To conduct a political struggle against the Rajapakse regime, workers need to mobilise independently of the union bureaucrats and fight for a workers and farmers government to implement a socialist program.

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