

Sri Lankan plantation unions sign poverty-level pay deal

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The main plantation unions in Sri Lanka—the Ceylon Workers Congress (CWC), Lanka Jathika Estate Workers Union (LJEWU) and Joint Plantation Trade Union Centre (JPTUC)—signed a collective agreement on Monday with the Ceylon Employers Federation, maintaining poverty-level wages for another two years.

Unions and employers brought negotiations to a rapid conclusion after protests over the past three weeks by tens of thousands of free trade zone (FTZ) workers against a government pension scheme. Clearly shocked that the demonstrations had developed outside the control of the FTZ trade unions, the government was worried that plantation workers would also take wildcat action.

CWC president Muthu Sivalingam told the media: “Before reaching agreement, our leader discussed with the President [Mahinda Rajapakse]. He advised us to finish this matter immediately.” Underlining the purpose of a quick deal, he declared: “The unions are confident that workers’ protests will not go out of hand this time around, unlike on the previous occasions.”

In 2006, a plantation strike called by the unions quickly escalated and threatened to slip out of their grip before they shut it down and imposed a sell-out. In 2009, the unions called a go-slow campaign across the estates, which tens of thousands of workers then continued—in opposition to another rotten deal signed by the CWC.

The CWC was taking no chances this year. Industrial action was limited to a token go-slow protest on just a few estates on Monday as union leaders went into closed-door talks with employers. Later that same day, the unions announced that an agreement had been reached and quickly shut down their bogus campaign.

An editorial yesterday on the business website *Daily ft.com* declared that the wage rise was “more than what the

industry expected to give, [and] will surely be a challenge.” But companies have been making huge profits amid soaring international commodity prices. A Colombo stock market report found that 23 tea and rubber companies had increased their profits in 2010 by 935 percent compared to 2009.

The pay deal covers half a million mostly Tamils-speaking workers who labour in the island’s tea, rubber, and coconut estates. They are among the most oppressed layers of the Sri Lankan working class, living on the plantations in cramped accommodation without essential facilities such as electricity and running water.

Under Monday’s agreement, the basic daily wage will rise from 285 to 380 rupees (\$US3.50), with additional bonuses tied to attendance, prices and production. Overall income depends on management, which decides the number of days of work offered to workers—generally around 24 or 25 a month.

The attendance allowance—paid for working at least 75 percent of work days offered by the company—will increase from 90 to 105 rupees. Many workers, particularly women, are unable to meet the quota, however, and so do not receive the allowance. Another bonus of 30 rupees is linked to commodity prices. Finally, workers can receive an additional 17 rupees if they meet production targets set by the companies.

Apart from the production bonus, the new pay scale represents an increase of 110 rupees from the 405 rupees set in early 2009. The end result is wages that were inadequate in 2009 and remain so. Between January 2009 and January 2011, the official cost-of-living index rose by 12.3 percent. Basic food items, on which workers spend a large portion of their pay, rose in price even more steeply.

A local union leader at the Norwood estate told the WSWs: “With the high cost of living, this salary is not

enough even for meals each day, let alone other expenses. Prices are increasing daily and most workers are on the edge of starving. Our union is not ready to take action against this betrayal. I went to the union office and asked what action they were taking, but they had nothing to say.”

A worker from Welioya explained that all 150 CWC members on his estate were opposed to the agreement. “This agreement was signed without our consent. Nobody came and discussed it with us. The trade unions are not working for the needs of workers but in the interests of the companies. The other unions also will not challenge this agreement. We have no proper leadership. Some people must come forward and explain these dangers to workers and guide them,” he said.

Workers have little or no say within the plantation unions, which operate closely with management to control virtually every aspect of life on the estates, from accommodation to weddings and religious ceremonies. Union leaders use their organisations to launch businesses and careers in parliament.

The largest union, the CWC, is a partner in the ruling coalition and its leader Arumugam Thondaman is a cabinet minister. The JPTUC unions are also controlled by coalition partners—the Lanka Sama Samaja Party and the Stalinist Communist Party. The LJEWU is affiliated to the right-wing opposition United National Party (UNP).

The unions have nothing but contempt for their members. CWC leader Thondaman cynically told the media that workers had received a “reasonable increase” through the union’s efforts. Knowing full well that the other unions would take no action, he declared: “If they can get more, we are not opposed.”

National Union of Workers (NUW) leader R. Thigambaram criticised the agreement, saying: “The CWC betrayed the plantation workers. God will punish them.” If the CWC had not betrayed, he declared, the wage could have been increased to 550 rupees. For all his posturing, however, he made clear that his union would launch no campaign.

Thigambaram won a parliamentary seat in Nuwara-Eliya district in last year’s elections by posturing as an opponent of the government. Within a few months, he had switched sides and is now part of Rajapakse’s ruling coalition.

Democratic Workers Congress (DWC) leader Mano Ganeshan lamented the inadequacy of the pay rise amid rising prices. He appealed to the government to “intervene

and give a reasonable salary for plantation workers.” While saying that workers would “face starvation” as a result of the agreement, he is not proposing to challenge it.

Up-country Peoples Front (UPF) leader P. Radhakrishnan complained that his union had been sidelined in the negotiations. “If all unions participated in the talks, we would have got more wages. Next time they have to unite with other unions to participate in talks,” he said. This time, however, the UPF will take no further action.

All Ceylon Estate Workers Union (ACEWU) leader Ramalingam Chandrasekhar made more militant noises, declaring that workers faced “a catastrophic situation” and that the union was fighting for 700 rupees per day. On Wednesday, however, ACEWU secretary A.D. Premaratna told the WSWs: “Now the agreement has been signed. According to the industrial disputes act, we can’t do anything.”

The posturing by these CWC “opponents” is aimed at dissipating the anger of workers who face the “catastrophic situation”. In 2009, the same unions pledged to fight the CWC’s sell-out deal. Tens of thousands of workers continued a go-slow campaign and were prepared to take strike action to fight for higher pay. However, the UPF, ACEWU and other unions swiftly shut down the protests—supposedly to allow workers to celebrate a religious festival—and never restarted them.

The Socialist Equality Party warned two months ago that plantation workers could place no faith in the unions to fight for decent wages and conditions, and therefore had to take matters into their own hands. We urge workers to seriously study the SEP’s statement “Sri Lankan plantation workers must launch an independent wage struggle.” They need to establish their own independent action committees, turn to other sections of workers, including FTZ employees, and wage a political and industrial offensive against the Rajapakse government, based on a socialist program.



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