Sri Lankan estate workers face government-company-union conspiracy on wages

Pani Wijesiriwardena
10 October 2015

Sri Lankan Labour Minister W.D.J. Seneviratne told the media on October 4 that he was in talks with plantation companies and trade unions to raise the daily wage of workers from the current 620 rupees ($US4.40) to 770 rupees. The proposed increase, which includes various allowances, is well short even of the unions' limited demand of 1,000 rupees.

The minister's statement came after the refusal of the Ceylon Employers Federation (EFC), representing the Planters Association (PA), to agree to the union demand during talks over a new collective agreement. At its annual meeting on September 22, PA chairman Roshan Rajadurai declared once again that record low commodity prices made another wage hike impossible.

Employers are also insisting on an increase of the daily quota for plucking tea leaves from the current level of 16 to 18 kilograms a day to at least 25 kilograms, so as to lower production costs.

Labour Minister Seneviratne's support for a minimal wage rise reflects the government's fears that outright denial in the context of the rising cost of living could trigger workers' struggles in the plantations. He declared that the government was looking to prepare a collective agreement after discussions with the companies and unions.

The unions involved are the Ceylon Workers Congress (CWC), Lanka Jathika Estate Workers Union (LJEWU), Joint Plantation Trade Union Committee (JPTUC) and a collection of other unions including the National Union of Workers (NUW), Upcountry Peoples Front (UPF) and Democratic People's Front (DPF).

The union leaders have publicly stated that they do not agree with the minister's proposal and are pressing for a larger increase. The Socialist Equality Party (SEP) warns that behind the scenes they are engaged in a conspiracy with the companies and the government to impose a wage deal that does not in any way address the basic needs of workers and could include increased workloads.

The 2013 collective agreement on plantation sector wages expired at the end of March. However, negotiations on a new agreement have dragged out for months due to the rejection by the companies of any pay hike at all.

CWC president Muthu Sivalingam told the WSWS this week: "As companies are vehemently opposing our demands, I am embarrassed to answer the questions of journalists regarding the developments in negotiations."

UPF secretary A. Lawrence said that "though the CWC demands a 1,000-rupee daily wage, to be realistic, we demand only a 960-rupee wage including the 700-rupee basic salary." His comment indicates that the unions are more than willing to agree to the companies' "realistic" demands.

In 2013, CWC leader Arumugam Thondaman, who was then a cabinet minister in the government of President Mahinda Rajapakse, played a leading role, along with the LJEWU and JPTUC, in the preparation of an agreement that included a clause allowing companies to raise production quotas. The other unions, including the NUW, UPF and DPF, quickly signed up to the deal.

All of the unions are determined to suppress any resistance by workers amid growing signs of anger and discontent. The CWC called a limited go-slow involving about 200,000 workers in August to let off steam. However Thondaman quickly called off the action after the companies and the government raised concerns. He cited the parliamentary election on August 17 as an excuse, promising to resume the campaign after the poll.

The NUW, UPF and DPF opposed the go-slow outright declaring that it would be detrimental to President Maithripala Sirisena and his United National Party (UNP)-led government. The NUW, UPF and DPF leaders, P. Digambaram, V. Radhakrishnan and Mano Ganeshan respectively, are ministers in the current government.

None of the unions or their leaders in any way represents the interests of poverty-stricken plantation workers. Thondaman is a tea planter while Digambaram, Radhakrishnan and Ganeshan are well-off businessmen, all of whom use the unions to further their own business and political ambitions.

By contrast, the all-inclusive daily wage of workers is currently just 620 rupees—comprising a 450-rupee basic wage, a 140-rupee incentive for an attendance of more than 75 percent and a 30-rupee allowance related to prices. Most workers do not get this wage because they are unable to meet the attendance target. The average monthly wage is about 12,000 rupees or around $US86. Most workers live in inadequate, barrack-type line rooms and lack access to proper educational and health facilities.

Planters Association chairman Rajadurai lamented that companies confronted growing problems including the "politicisation of the industry," low productivity, stiff competition and the spectre of plantation workers "migrating" from the plantations.

By the "politicisation of the industry," Rajadurai means the failure of the unions, confronted with widespread anger among workers, to immediately cave in to the demands of employers. The "migration" of workers refers to the fact that many simply cannot live on their wages and are forced to look for extra work or to move away from the plantations.

Sri Lanka's companies are facing falling prices and exports. In July, tea exports fell by 14 percent year-on-year for the 12th consecutive month. Sharp geo-political tensions and conflicts affecting exports to Russia and the Middle East were a major reason for the decline.

The response of tea corporations in Sri Lanka and other countries is a never-ending drive to impose new burdens on workers by suppressing wage rises and increasing workloads to gain an edge in the cut-throat competition in world markets.

Over 300,000 workers in state and private tea estates in the southern Indian state of Kerala began an indefinite strike on September 28 to demand higher wages. The labour minister in the state government, Shibu Baby John, sided with employers, declaring he would not support the wage demand because it would bring the industry to a standstill.

The only way for workers to fight for decent wages and conditions is through a complete break with the trade unions, which function as the agents of the government and the companies. Estate workers should establish their own action committees independent of the unions and turn to other sections of the working class in Sri Lanka and internationally, in the first instance to their class brothers and sisters in Kerala.

Such a struggle can only take place on the basis of a socialist and internationalist program aimed at abolishing the profit system which is the root cause of the ongoing onslaught on the working class. Only the SEP is fighting for this perspective.