

# Sri Lankan plantation companies to tear up workers' rights

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The Planters Association (PA) of Sri Lanka, representing plantation companies, has proposed a scheme to overturn the present system of labour relations. The plan is aimed at scrapping the wage system and taking away the basic rights of workers, won through decades of struggles.

The PA rejected any wage increase after the previous two-year collective agreement expired in March. Negotiations on a new agreement have dragged on for seven months as the PA vehemently opposed the unions' call for a daily wage of 1,000 rupees (\$US7). At present, workers get only 680 rupees a day, provided that they work for at least 25 days monthly and pluck the targeted number of kilos of tea leaves each day.

In mid-October, the PA unveiled its new "revenue-sharing" plan and began a strident media campaign for its approval by the government of President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe.

PA chairman Roshan Rajadurai declared that the wages system had "resulted in labour costs spiraling to unviable levels" and insisted that "all stakeholders must break away from the redundant thinking of the past and accept the present-day reality."

This "present-day reality" is meant to be the imposition of the full burden of the crisis that the plantation industry faces under the conditions of global slump onto the backs of the nearly 200,000 plantation workers and their one million dependents.

The long-standing daily wage system would be scrapped under the PA scheme, along with the provident funds and employees' trust funds that are paid to workers on retirement. This is under conditions where workers were raising the urgent need for a system of monthly wages in order to abolish the harsh monthly attendance requirement.

The PA wants to replace the collective bargaining

system with individual work contracts. According to media reports, a worker would be assigned a number of tea bushes, from 1,200 to 1,500. At the end of every month, all the expenses that a company claimed to have incurred, including the cost of fertiliser and other inputs, would be deducted from the workers' income.

At the same time, the workers would have no right to the land. The scheme would be similar to share-cropping, with workers forced to pay a large portion of their earnings to the land-owning company. The workers would have no bargaining power as an organised labour force.

The PA's report claimed: "The revenue-sharing model is widely used in the plantation industry across the world and even in Sri Lanka it has yielded positive results. The country's 400,000 tea smallholders, who produce nearly 75 percent of the nation's total amount of green leaf, function on a similar basis."

The report stated that the extent of cultivation doubled between 1992 and 2012, reflecting the model's "viability," and claimed that the system had "bettered their [smallholders'] quality of life as well."

This picture is totally false. The tea smallholders' sector has been sustained only through government subsidies for many years. This dependence on subsidies grew in the past decade as the demand for tea crumbled in the world market due to recessionary conditions and the military conflicts unleashed by imperialism, particularly the US, in the Middle East and elsewhere.

The United National Party (UNP) government formed after January's presidential election increased the tea smallholders' subsidy and started to pay 80 rupees for a kilo of tea leaves. As soon as August's general election was over, consolidating the UNP's grip on power, this payment stopped and the prices received by smallholders came crashing down to less than 50

rupees a kilo.

The companies are using the threat of closures to insist that the trade unions must support their plans. PA chairman Rajadurai told the media: “Plantations are facing the worst ever crisis in the past 50 years. There have been cyclical ups and downs in the past but in the present case we have been going downhill for 20 months and there is no silver lining.” He declared: “The crisis is so bad that if tea and rubber prices don’t improve in coming months, some plantation companies are even considering exiting the business.”

PA general secretary H.M. Gunatilake warned the unions that “if they fail to see the light at the end of the tunnel the entire industry will collapse... under the present model we cannot give any increase, in fact we can’t even afford to pay the salaries that we are already paying.”

The plantation trade unions are already moving to embrace the PA’s plan, on the pretext of avoiding the shutting down of tea estates.

Contacted by the *World Socialist Web Site*, Muthu Sivalingham the president of the Ceylon Workers Congress (CWC), still the largest plantation workers’ union, said: “We have not yet studied the proposal. We don’t agree with it policy-wise. We will decide after the discussions with the government and the companies. If there are acceptable conditions we will agree.” He asserted: “I think it is better than estates being closed down and workers losing their jobs in the present situation.”

Similarly, Up-Country People’s Front (UPF) general secretary A. Lawrence said: “In some estates, this system has been experimented. So we have to study the new model. If they [the companies] are ready to introduce a pension system and if the proposal is favourable to the workers we will consider it.”

The UPF and several other plantation unions, which also function as political parties, are coalition partners in the present government. All of them, including the CWC, have long records of conspiring with whatever government is in power to sell out the demands of workers.

A plantation worker, S. Yogaraja from an estate in Bogawantalawa, expressed the indignation among workers. He told the WSWS: “It is from you that I heard about this for the first time. This new plan of the companies that they are going to divide estates and

hand over one hectare to each worker on a leasing basis cannot be good for us. We have not been informed about this by the trade unions. I feel this is a very dangerous plan for workers. It gives no guarantee for our income.”

The trade unions will wage no struggle to defend the jobs, wages and social conditions of workers. Their willingness to “consider” the new plan is a sure sign of their readiness to enforce it, with disastrous consequences for workers.

Plantation workers must take the initiative by forming Action Committees in every plantation, independent of the unions, to launch a struggle in defence of the fundamental rights of the workers. For this fight, the working class needs an alternative program of socialism to replace the capitalist profit system that is embroiled in an ever-deepening crisis. That requires the fight to unite workers and mobilise the rural poor to establish a workers’ and peasants’ government to implement socialist policies to meet the needs of working people not the profits of the wealthy few.



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