Sri Lanka: Plantation unions suppress struggle for wage rise

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6 February 2016

The Sri Lankan plantation trade unions are making every attempt to block any struggle by workers for a decent wage rise, even as the major plantation companies reiterate that no increase is possible.

The unions are spreading the illusion that the government will intervene to order an increase of 2,500 rupees ($US17) a month as part of a new collective agreement with the companies. The unions include the Ceylon Workers Congress (CWC), National Union of Workers (NUW), Democratic Workers Congress (DWC) and Up Country People's Front (UPF).

Even if this payment were made, a plantation worker would get only an extra 100 rupees a day for the 25 days they work each month. Thus the maximum daily wage would go from 620 rupees to 720 rupees—well short of even the unions' demand of 1,000 rupees.

A monthly pay increase by 2,500 rupees would be a flagrant breach of the government's election promises. In order to win the presidential election in January 2015, Maithripala Sirisena and the United National Party (UNP), then in the opposition, pledged a wage rise of 10,000 rupees for all public and private sector workers.

After a long delay, and facing the threat of strikes, the government finally said public sector salaries would increase by 10,000 rupees, but in three installments. For the private sector, it promised to issue a gazette notification for a 2,500-rupee rise, but has not yet done so. Even if a bill were enacted, there is no guarantee that companies in the plantation or other private sectors would implement the wage increase.

In order to scuttle any struggle for a decent wage, the unions and the government are shamelessly resorting to empty posturing and outright lies. On January 15, DWC leader Mano Ganeshan, who is also a government minister, claimed that the Treasury would pay for the wage increase for plantation workers. In fact, the government is desperately seeking to slash spending to meet the austerity demands of the International Monetary Fund (IMF).

Last month, Plantations Minister Lakshman Kiriella declared that the government would take over estates if companies did not pay the wage increase. No one should believe that this UNP politician is serious. The UNP is a right-wing, pro-business party and was responsible for privatising the plantations in 1992.

Responding to the threat, Planters Association chairman Roshan Rajadurai declared that a wage rise of 100 rupees per day would mean companies paying out an extra 6 billion rupees annually, which was impossible.

Rajadurai reiterated that the plantation industry was facing its "darkest hour," insisting: "In such a scenario, continuing to adamantly stick to impractical demands which cannot be fulfilled is a short-sighted policy akin to 'killing the goose that lays the egg'." If wages were increased the industry would "collapse."

The plantation companies insist workers must bear the burden of the growing crisis in the world tea market. Sri Lanka is facing declining exports and growing competition from other tea- and rubber-producing countries like Kenya, India and China. Rajadurai claimed that the companies lost export earnings worth 4,000 million rupees in 2014.

The Planters Association has proposed a revenue-sharing scheme that would abolish the daily wage system and transform workers into impoverished sharecroppers at the beck and call of the plantation companies. According to this plan, each family would be allocated around 1,000 tea bushes to maintain and harvest in return for a meagre share of the returns after the company deducted its costs.

In Rajadurai's statement, the Association claimed that it had increased wages 13-fold and provided "many facilities" since privatisation. Wages, however, have not kept pace with the rising cost of living and remain at poverty levels. Plantation workers are one of the most oppressed sections of the Sri Lankan working class.

Plantation workers are currently paid a gross daily wage of 620 rupees, only if they have worked 75 percent of working days. If not, they receive just 450 rupees. After deductions, their average monthly income is less than 10,000 rupees. They have no sick leave, annual leave or paid holidays except national independence day, a day for the New Year in April and May Day.

A recent report by Ministry of Plantation Infrastructure Development Secretary V. Sivagnanasothy noted that plantation workers experience "very low income, cramped and unmodernised housing, poor healthcare, education and welfare services."

The report added: "The poverty head count ratio is alarmingly high in the estate sector, which is 10.9 percent as against the national average of 6.7 percent. Underweight children under five-years in the estate sector are 30 percent while infant mortality is as high as 29 per 1,000 live births. Only 52 percent of the population has access to safe drinking water and access to safe sanitation is only 73 percent."

Until the recent drop in export earnings, tea companies enjoyed large profits and even now are still raking in substantial returns. The Watawala, Elpitiya and Hayleys plantations, for instance, earned 888 million rupees, 811 million rupees and 219 million rupees in profit, respectively, in the 2014–2015 financial year.

The plantation companies' refusal to consider any increase in wages underscores the incompatibility of the most basic needs of the working class with the continued existence of the profit system. To fight for decent wages and working conditions, plantation workers have to base their struggles on a socialist perspective in opposition not only to the companies, but also the government and unions, which have time and again functioned as their servants.