

# Sri Lankan plantation unions help companies impose “share-cropping” system

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Kelani Valley Plantations in Sri Lanka has begun imposing a new revenue-sharing system at its Battalgalla Estate at Dickoya in the central hills district. The new system, which was imposed with the active support of the plantation unions, transforms workers into share-croppers, slashing their living conditions and social rights. Kelani Valley Plantations promotes itself as an “ethical producer.”

Plantation companies in Sri Lanka have long demanded the implementation of this exploitative system in a bid to maintain profits under conditions of declining tea exports and escalating global competition. Under the retrogressive scheme, workers will no longer be wage workers and their limited but hard-won gains, including provident funds and pensions, housing and medical facilities, will be systematically abolished.

According to a Collective Agreement signed last year, the unions agreed to help impose the revenue-sharing system in all plantations over the next two years. The scheme was endorsed by the government of President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe.

The Battalgalla Estate, which has three parts—the Upper Division, Lower Division and Hadley—employs about 240 workers, a third of them on a casual basis. In April, blocks of land containing 1,000 tea bushes in the Upper Division were allocated to 120 workers.

Under legally binding agreements, workers are called “contractors” and only able to work on the allocated land on Sundays. For the rest of the week they are employed in other parts of the estate.

While sections of the plantation were selected to “trial” the new system, the company plans to quickly expand it throughout the estate, systematically increasing the number of days its employees can work on the allocated areas and eventually abolish the daily paid wage system.

All allocated land remains the property of the plantation

company with the “contractors” forced to clean, uproot and prune tea bushes on their allocated blocks. Fertiliser and agro-chemicals are provided by the company but with the cost deducted from the contractors’ income. While “contractors” can hire labourers to work on the block they must have the company’s consent. Payment of the estate’s office staff, including their remuneration, provident and pensions, is also deducted from the contractor’s monthly income.

Tea leaves harvested from the allocated blocks can only be sold to the company-owned factory with the price determined by the company according to the quality of the leaves.

Battalgalla Estate workers told the *World Socialist Web Site* that they were paid 58 rupees per kilo of tea leaves in April but the following month it was reduced to 51 rupees (33 US cents). There is speculation among workers that management will cut the price to 25 rupees by claiming that the leaves are not the required quality.

The agreement also states that if a contractor fails to provide tea leaves at the quality demanded by the company it will resume control of the land with one month’s notice.

Workers initially refused to sign the agreement but the estate union leadership intimidated workers, declaring that if the agreement was rejected they would be sacked.

Sri Lanka’s three plantation unions—the Ceylon Workers Congress (CWC), the National Union of Workers (NUW) and the Up-Country Peoples Front (UPF)—support the Sirisena-Wickremesinghe government. NUW leader P. Digambaram and UPF chief V. Radhakrishnan currently hold ministerial positions. CWC leader Arumugam Thondaman, a minister in former President Mahinda Rajapakse’s administration, is key backer of the current regime in Colombo.

These unions do not defend estate workers but the profits of the plantation companies. Last year, the unions

sabotaged protests by estate workers demanding 1,000 rupees a day and disrupted struggles against increased productivity demands. Behind the backs of their members, the unions signed a deal with the plantation bosses agreeing to implement the revenue sharing system and to accept a miserable daily pay increase of 50 rupees (see: “Sri Lankan plantation workers defy government to continue protests”).

Plantation companies, under conditions of increasing competition with other tea producing nations and falling consumer demand, are now stepping up their exploitation. The Central Bank’s recent external performance review revealed that demand for Sri Lankan tea by Russia, Turkey and some Middle Eastern countries dropped by 12.4 percent to \$US99.4 million in January 2017 compared to the previous year.

Opposition is growing among estate workers against the revenue-sharing system, low wages and the role of the unions. A Battalgalla Estate employee who has worked for the company for 20 years explained to the WWS: “Some female workers, including myself, vehemently opposed this system but the union leaders threatened us saying that we would lose our jobs. Most of the male workers endorse the agreement but some female workers still have not signed.”

Another worker said she had been a casual employee for five years as management refused to make her permanent. “We have been given 1,000 tea bushes, but my husband is working in Colombo, not at this estate. I can’t look after this land alone because we have to do everything, which includes clearing the estate and other work. On Sundays, some workers’ families have to toil from morning to night on their land block so they don’t have any leisure time”

On other days, she explained that workers can be paid 730 rupees (\$4.77) per day but only if they harvest 18 kilos of tea leaves per day. “If we don’t pluck this amount then we are not paid the 140-rupee per day productivity allowance. In the dry season it’s difficult to reach this target.”

Referring to the unions, she added: “All the unions betrayed us on our wage demands and now they are directly supporting the implementation of this new system.”

In the Hadley division of the estate, all 60 workers have been assigned tea bushes. One small businessman, who is living in the estate received five hectares of the estate, while two people who do not work at the estate were given two and one hectares respectively.

The transformation of plantation workers into “contractors” and the distribution of estate land to small business operators make clear that companies plan to parcel large parts of their estates into small holdings to drive up productivity and slash costs by shedding the “burden” of maintaining workers.

Plantation workers are among the poorest and most exploited of sections of the Sri Lankan working class. Battalgalla Estate workers do not have decent homes with many living in temporary huts. Half of the workers on the estate do not have proper toilets or water supplies, forcing some of them to take out provident fund loans to secure these basic facilities.

These desperate conditions, which prevail to a greater or lesser degree in every estate, will be worsened under the new system. The transformation of estate workers into virtual share croppers or “contractors” is in order to divide them and undermine their ability to fight for better conditions.

Workers can only fight this fundamental attack by breaking from the trade unions, which are industrial police of the companies, and establishing independent action committees in every estate to organise and coordinate their struggles.

Plantation workers will find their political allies among other sections of the Sri Lankan and international working class—including in Indian, Kenyan, Vietnamese and South African plantations—who face similar attacks.

The escalating assault on plantation workers demonstrates that leaving the giant tea estates in the hands of profit-seeking companies is incompatible with the most basic needs and rights of plantation workers. That is why the fight to defend plantation workers is bound up with the broader struggle for the democratic control of production by the working class and a workers’ and peasants’ government based on a socialist and internationalist perspective. This is the program advanced by the Socialist Equality Party.



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