Sri Lankan unions in closed-door discussions with plantation bosses

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Amid growing working-class anger over poverty-level wages and increased productivity demands, Sri Lanka's plantation unions and the Employers' Federation of Ceylon (EFC) are holding backroom discussions over a new collective agreement. As in the past, plantation workers have been kept completely in the dark about these negotiations.

On August 18, *Veerakesari*, a Tamil-language daily, reported that EFC negotiators, representing 19 Regional Plantation Companies (RPCs), had categorically rejected any wage rise for plantation workers during the discussions. EFC officials called on the unions to help "protect the plantation industry from its crisis."

Those involved in discussions include the leadership of the Ceylon Workers Congress (CWC), the Lanka Jathika Estate Workers Union (LJEWU) and the Joint Plantation Trade Union Centre (JPTUC). The CWC and JPTUC were allies of the government of former President Mahinda Rajapakse. The LJEWU is controlled by the ruling United National Party (UNP), led by Prime Minister Ranil Wickremesinghe.

Planters Association spokesman Roshan Rajadurai said the industry was incurring heavy losses and unable to give any pay increase. In 2016, the unions imposed the old agreement, set to expire in October, which included a paltry wage rise and a new regressive share-cropper system .

WSWS reporters contacted several union leaders last week to ask about their talks with the plantation bosses. LJEWU secretary Vadivel Suresh claimed that the unions were demanding a "reasonable" wage increase, in line with the cost of living. He then admitted, however, that the unions "have not decided the amount of the wage demand. We are waiting for the Employers' Federation decision on a wage increase, and after that we will decide."

JPTUC general secretary S. Ramanathan said his union was discussing with the others to fix a wage demand. "There are several proposals," he said. "I think a 750-rupee daily wage [less than $US5] is possible but 1,000 rupees is impossible. We can demand 1,000 rupees, including allowances."

Those statements make clear that unions are only concerned about protecting the plantation companies' profits. They have given employers a free hand to decide on any wage increase, if at all, and are prepared to impose whatever is necessary to drive up productivity.

P. Digambaram, a National Union of Workers (NUW) leader and a minister in the current government, recently boasted that if the companies refused to give a "reasonable" wage rise, his union would mobilise plantation workers.

Digambaram's proclamations are a lie. All the plantation unions—the CWC, LJEWU, JPTUC, NUW, UPF (Upcountry People's Front) and the DWC (Democratic Workers' Congress)—are systematically suppressing workers' opposition and subordinating them to the companies.

During negotiations for the 2016 collective agreement, workers called for an increase in the basic daily wage from 450 rupees to 1,000 rupees. Thousands of workers in Nuwara-Eliya and Badulla districts held protests and walked out on strike for the 1,000-rupee demand. The unions shut down these protests and then endorsed a miserable 50-rupee pay rise and agreed to help plantation companies impose a so-called revenue sharing system.

Under this retrogressive "share-cropper" system, workers are allocated about 1,000 tea bushes, which they and their families must tend. The plantation only provides tools, manure and chemicals. Revenue-sharing workers must supply the harvest to the company factory and are then given their "share" after the company has deducted the cost of its supplies and profits.

Deep-seated working-class resistance to this system, however, has meant the company and the unions have been able to implement it only in a handful of plantations. These include Kelani Valley Plantations' Battalgalla and Tillyrie estates.

On August 14, some 2,000 workers from Waverley and Glasgow estates in Agrapatana struck work to demand a 1,000-rupee daily wage. In early August, hundreds of Tillyrie estate workers in Hatton demonstrated against the revenue-sharing system. These struggles were spontaneous—an indication of workers' seething anger over their worsening living conditions and their increasing opposition to the unions.

While plantation workers are among the poorest and most exploited sections of the working class, the unions do everything they can to protect and defend the plantation companies. Workers' social conditions have drastically deteriorated since the unions signed the 2016 agreement.

The prices of essentials, including rice, coconuts and kerosene oil, have increased many times over. The national price index has risen from 114.4 in October 2016 to 126.6 this July. Workers' spending power has fallen drastically. According to Census Department figures, the real wage index of agricultural workers has dropped from 128 in 2015 to 111.8 in 2017. Under these conditions, a 750-rupee daily wage, as proposed by unions, constitutes a real wage cut.

Via privatisation and cost-cutting, the plantation workforce of the major companies has been slashed—from 475,000 in 1992 to 123,000 today. While many workers lost jobs as companies abandoned infertile areas and diversified crops, others left the industry because they could not survive the low wages and hard working conditions.

Behind the attacks on wages and working conditions is the deepening crisis of the tea industry under the impact of global competition. Apart from a slight increase in 2017, Sri Lanka's tea export income has dropped continuously since 2014. A July media release by Asia Siyaka, a commodity broker, warned that the 2017 increase was temporary because 2018 tea prices are once again lower than its previous year's.

According to a former assistant governor of the Central Bank of Sri Lanka, the country's share in the global supply has dropped from 21 percent to 6 percent in past 50 years. In the 1990s, it was the world's largest tea exporter. Today, it is in third place, behind Kenya and China. Tea brokers and economists have warned that US sanctions on Turkey and Iran, and depreciation of the Turkish lira, will make matters worse.

Plantation bosses are determined to drive up productivity, lower wage costs and eliminate hard-won but meagre social subsidies provided to plantation workers. The companies are also moving toward the cultivation of other commercial crops, such as palm oil, which require less labour.

The trade unions do not represent plantation workers but are the direct agents of the RPCs and the government. Their closed-door negotiations and sellout deals are a clear attempt to impose the burden of the tea industry crisis on the working class.