

# Sri Lankan government, companies and unions conspire to impose harsh wage deal on estate workers

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On the pretence of increasing the daily wage of plantation workers to 1,000 rupees (about \$US5.50) President Gotabhaya Rajapakse's government is conspiring with the plantation companies and the Ceylon Workers Congress (CWC) to impose exploitative working conditions. A deal is being prepared behind the backs of workers.

During last year's presidential election campaign, Rajapakse promised to increase estate workers' wages in a desperate bid to garner their votes, with the help of the CWC. This was part of his bogus election pledge to improve peoples' living conditions, so as to exploit the mass discontent with the previous government.

Knowing Rajapakse's ruthlessness as defence secretary during the 2005-2014 government of President Mahinda Rajapakse, estate workers largely voted against him. He presided over the final military offensives on the separatist Liberation Tigers of Tamil Eelam that killed thousands of innocent Tamil civilians and unleashed repressive measures against workers and the poor.

Now, preparing to dissolve the parliament for a general election, Rajapakse is once again touting his so-called estate wage increase plan. Last month he asked the companies to increase wages by March 1. This increase has nothing to do with the demands raised by workers in a series of protests during 2018, including the 11-day strike by hundreds of thousands in December that year.

Workers demanded the doubling of the then basic wage of 500 rupees, but the CWC, assisted by other trade unions, betrayed the struggle. The unions agreed to a 200-rupee increase and a 50-rupee allowance, as proposed by the companies. By adding a 105-rupee pension fund allocation to these amounts, the companies falsely claim they currently pay 855 rupees. Now Rajapakse is seeking to add 145 rupees to that total.

CWC leader Arumugam Thondaman, a minister in Rajapakse's government, boasted that his union did what it said, that is, delivered what it promised to workers. This is a complete lie. Supported by the other unions, Thondaman and his CWC have taken the lead, time and again, to keep workers' wages at poverty levels.

The Regional Plantation Companies (RPCs) are opposing any wage increase. Hayley's plantation managing director Roshan Rajadurai told the *Sunday Observer* on February 16 that the RPCs had put forward an alternative proposal, with a "new wage model." It is based on increasing productivity and slashing even the small social benefits workers currently have.

Rajadurai said: "The new wage model will guarantee workers 10 days' work per month and for the rest of the days, wages will be paid on a productivity-based scheme, where for every kilogram plucked a specific rate will be paid, as it is done in the smallholder sector."

According to this plan, workers would not be guaranteed work for the remaining 15 days per month. At present, according to previous agreements, companies are supposed to provide 25 days' work per month. This mandatory 25-day system would be abolished under the new plan.

Also workers would not receive pension fund payments—for the employees' provident fund and employers' trust fund—for these 15 days.

This is the practice imposed by smallholders in the tea industry. Plantation companies also have hired retired workers on this basis, paying 40 rupees a kilogram for plucked tea leaves. To earn 1,000 rupees a day, a worker would have to pluck 25 kilograms a day, which is impossible.

Rajadurai insisted: "The cost of production tea of Sri Lanka is higher than its competitors, such as India and

Kenya. If we want to compete we need to be competitive in cost.” That means labour costs must be reduced by cutting jobs and increasing workloads.

Facing the stiff resistance from the companies to any wage increase, Plantation and Industry Minister Ramesh Pathirana said that, for a short period, the government would provide treasury support to the RPCs to pay the 1,000-rupee minimum wage to plantation workers.

Pathirana said the companies had proposed three models, based on “out-grower, productivity-based incentives and also revenue-sharing models.”

This means the government will provide the bogus salary increase, temporarily, using treasury money. At the same time, the government is talking with the companies and unions to implement their “models” to increase workloads and slash the pension funds and meagre welfare measures.

Workers face the danger that an agreement is being prepared secretly to impose these models to increase workers’ exploitation.

In the last two collective agreements, signed in 2016 and 2019, the unions, led by the CWC, agreed to collaborate with the plantation companies to implement a “revenue-sharing model.”

Under this system, workers are allocated about 1,000 tea bushes. They have to tend them and provide plucked leaves to factories owned by the plantations. After companies deduct amounts for inputs, equipment, office expenses and profits, workers get the remaining “income.”

This “revenue-sharing” takes place only for the benefit of the companies. In some estates where the system was implemented, workers’ entire families toiled in vain to try to earn a living income. Workers opposed the system and in some estates they returned the allocated plots of land and opted for the old system.

Other methods are being tested in plantations to increase output. On November 29, less than two weeks after Rajapakse came to power in the presidential election, over 5,000 workers walked out. They opposed the introduction of digital weighing machines and digital identity cards, by which management can monitor workers’ every movement during working hours.

For decades, plantation companies, brokering firms and international retail giants have manipulated prices and costs in order to squeeze out greater profits. Earlier, workers were brutally exploited by British colonial rule. Now, because of the international economic downturn, the drive for profits has intensified. Plantation workers in

Kenya, South Africa, China, India, Vietnam and Sri Lanka face similar exploitation by internationally-connected companies.

Workers’ conditions are being slashed, while poverty wages have been maintained. According to a Central Bank of Sri Lanka report, the present cost of living means a four-member family must have 50,000 rupees per month. However, a plantation workers’ family could earn only around a quarter of this amount.

Workers must reject the manipulated wage deal. They need decent wages, paid medical leave, a better pension scheme, and proper housing, education and health care.

They should not place the decision-making on their wages and other conditions in the hands of the unions, which have become direct agents of the companies and the government.

Workers must form action committees, in workplaces and neighbourhoods, independent of the unions and excluding the union bureaucracy. This will provide opportunities for workers to unite with other sections of the working class in Sri Lanka and internationally to fight the attacks on their jobs, wages and conditions.

In 2018, Abbotsleigh estate workers took such an initiative, forming an action committee during the wages struggle.

This struggle must be linked to the fight for the nationalisation of all large plantations under workers’ control, as part of the broader struggle for socialist policies and a workers’ and peasants’ government. This is the international socialist perspective fought for by the Socialist Equality Party.



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