

PLANTATIONS STRIKE - APRIL 1996

P. P. Manikam

There were two features which marked the seven-day token strike of plantation workers from the 22nd to the 28th of April. First, the entire work force, including Sinhalese workers in the plantations, participated in the strike. It was reported that even some of the workers in the vegetable plots in the plantation area downed tools in sympathy with the strikers. This total participation was due to the support of almost all trade unions in the sector and the solidarity expressed by some of the leaders of trade unions affiliated to the constituent parties of the People's Alliance.

Second, the strike was conducted in an entirely peaceful manner. No incidents of violence or damage to property was reported from any of the strike bound estates. This was unprecedented in the context of the very widespread extent of the strike and previous histories of violence. It also implies that there was general sympathy if not active support for the strike among a wide section of the population in the plantation area.

Several issues need to be analyzed to arrive at an understanding of the implications of this strike: were the objectives of the strike - the principle demands of the unions - purely economic? Were there other discontents behind this show of solidarity and determination? What were the responses of the private management companies who are now responsible for the destiny of this major national asset and a tenth of the country's work force?

The other important issue is the role of the government, especially the Ministry of Plantation Industries in mediating between the trade unions and the private companies, minimizing damage and paving the way for better relations between management and the workers.

These issues need to be addressed seriously and the necessary conclusions drawn if we are to prevent this token strike escalating once again at a future date and causing further disruption to an industry already beset with numerous problems.

Immediate Objectives

There were two principle demands around which the unions mobilized the workers for the strike: an increase of Rs 8 in the daily wage and provision of 300 day's work for an year. These are not new demands.

Rs . 8 Increment

In 1992, the unions agreed to freeze the variable cost of living allowance (CLA) paid to plantation workers upto that time on the understanding that in future it would be brought on

par with the CLA applicable to the lower paid employees in the public, local government and corporation sectors. On this understanding the plantation workers were also paid the hundred rupees CLA granted in the 1992 budget for public sector employees. The payment was effective from January 1992 at the rate of Rs.4/- per day on the basis of 25 days work in a month.

In the 1993 budget, government announced a 30% wage increase for all public service, local government and corporation sector employees subject to a minimum of Rs 500. However, due to budgetary constraints, it was decided to implement this decision on a staggered basis commencing January 1993. Employees in the lower paid grades were granted 60% (Rs 300) of this increment from January 1993 while the balance 40% (Rs 200) was given in July 1993. The plantation workers, being in the corporation sector at that time and therefore entitled to this wage increase, were granted the interim increase of Rs 300. This, on the basis of 25 days work a month, gave them a daily wage increase of Rs 12 from January 1993.

In June 1993, the first phase of privatization was completed and the estates were handed over to private management companies who disclaimed all responsibility for paying the balance Rs 8 per day promised to workers by the government and already paid in July 1993 to all other public service, local government and corporation sector employees. Since then, the unions have continued their agitation to get this promised Rs. 8/- increment.

The management companies argued that due to mismanagement after nationalization, Sri Lanka's tea industry in terms of intake per plucker, labour per hectare, labour cost as a percentage of the cost of production and revenue per hectare, had become the highest cost and least productive in the world. This has led to Sri Lanka's teas becoming uncompetitive in the world market.

At present the private companies are faced with the major task of rehabilitating this run down industry to increase its output and productivity. This requires large-scale investment. With tea prices being low and labour costs already high, they are not in a position to accommodate another increase in costs. Once this industry is rehabilitated and hopefully there is an upturn in world market prices, the management would be in a position to pass on some of the benefits to the workers.

The private companies were, however, prepared to consider a Price/Wage Supplement linking productivity and tea prices in lieu of the Rs.8/- wage increase. The managements claim that this would provide a better incentive to the workers as they will stand to benefit both from improved productivity and increase in tea prices. This offer has been rejected by the unions.

300 Days Work

As noted earlier, plantation labour was provided work for 300 days in an year. This was an accepted practice. Although this works out to 25 days a month, there was a certain amount of flexibility in the number of days work provided during each month. Depending on weather conditions and other factors, during certain months work was not available for 25 days. This was compensated by extra days during other periods, when for instance more crop was available for plucking; working days thus aggregated to 300 per year.

The private management companies have taken up the position that no agricultural activity anywhere in the world guarantees a specific number of days work as such activities are always subject to the vagaries of climate. They also claim that the number of days of productive work that can be offered depends on the number of workers to whom work has to be offered. In the Sri Lankan plantations, especially in most of the tea estates, there is an excess of workers in accordance with accepted norms. Moreover, as 60 to 65% of the cost of tea production is labour related, they argue that there is no way in which they can give an undertaking to provide 300 days work an year.

The union's position is that there is a deliberate cutback of employment by not engaging in the proper maintenance of the plantations by replanting, weeding and other necessary agricultural maintenance activities all of which require considerable labour. They also accuse the private sector management of resorting to unfair labour practices such as arbitrary increase of work norms. If there is indeed excess labour, the union argues that the management should come forward with a retirement plan for redundant labour with some form of compensation in accordance with the practice normally followed in such cases.

Some Underlying Causes

While the demand for an eight rupee wage increase and 300 days work was in itself an important issue for the workers, there were also other underlying reasons which triggered the token strike. The plantation companies, besides cutting down on the number of days of work and therefore the take-home pay of the workers, also resorted to arbitrary increases in work norms. More importantly, they did away with the earlier practice of registering for work the children of plantation workers entering the labour market.

Since about the mid eighties, unemployed youth from the plantations have been migrating to Colombo and other urban areas and found employment as shop assistants, domestic servants and in other low paid jobs. As a result they were no longer dependent on their parents for their livelihood. In fact part of their income helped to supplement the family budget of their parents. The intensification of the North-East conflict and the arrest, detention and harassment of Tamil youth have affected these employment opportunities as well their conditions of life outside the plantations. Many of them have now begun to return to their estates, thus becoming an added burden

to their already hard pressed families. In this context, the widening gap between earnings and the cost of living was causing grave hardship to a wide section of plantation workers.

Under state management, labour management relations, though by no means ideal, represented a major advance on the colonial heritage of the earlier plantation raj. With privatization, there was a noticeable relapse to some of the unsavoury practices of the past such as arbitrary increase in work norms, chasing away workers from the field for minor lapses, half pay for inability to fulfil work norms and a host of other irritants which over a period of time led to widespread discontent and caused localized work stoppages, gheraos and other forms of violent demonstrations.

In this situation, all the minor trade unions in the plantations blamed the CWC for this development citing its failure to enter into a collective agreement at the time of privatization. The CWC, before agreeing to privatization, had got an assurance from the government that there will be no change for the worse in wages and working conditions. Long drawn out negotiations with the private companies and the government from 1993 to get the companies to honour their commitment had proved unsuccessful.

In this context, if the CWC had remained inactive for fear of embarrassing the government, its support base would have been eroded. At the same time, perhaps even worse, the widespread simmering discontent in the plantations might have erupted in unorganized yet violent incidents. It is possible to argue that the strike succeeded in mobilizing this discontent and confining it within the contours of an industrial dispute between the private companies and the trade unions.

The strike was able to bring home to private companies and the government the seriousness of the situation in the plantations and the need to give some relief to the workers. In this process the CWC has also succeeded in consolidating its position as the unchallenged leader of the plantation workers and marginalising the other trade unions posing a challenge to it.

Role of the Minister

In an interview published in the Sunday Leader of October 15th, 1995, Mr. R. Wickramanayake, Minister in charge of the plantation industry, replied as follows to a question concerning a strike on at that time and the anti-privatization campaign conducted by the unions:

For the first time in the history of the plantation industry a new turn has taken place. All these years the government was involved in managing the estates, but now the government has given the management over to certain selected private companies..... We are no longer the managers of the estates. The managers are the private companies. This question must be answered by the private companies. We are only owners of the estates.

This reveals a laissez faire approach on the part of the government to this important sector of the economy, leaving the management of the estates to the private sector without any long-term plan or overall direction. As a result, it has been alleged that most of the private companies were concerned only with the maximization of their profits at the expense of neglecting the maintenance of the plantations and the welfare of the workers.

When the dispute between the unions and the private companies was referred to the Minister of Plantation Industries by the President for mediation, the Minister had apparently become the spokesman for the private companies reiterating all the arguments advanced by them. The unions were not convinced. The minister then submitted a "broad-based programme" which promised (a) 300 days of wages per annum but it was subjected to vagaries of nature and in estates where the labour force was at an optimum and (b) an immediate wage increase of Rs.2/75 per day. This was rejected by the unions as, according to managements, all tea estates have excess labour and therefore the 300 days is unlikely to materialize. With regard to the wage increase, the unions demanded that they be paid what was legitimately due to them from July 1993 and held up to-date.

The Minister's offer also included appointment of Grama Niladaris in the estate areas, obtaining National Identity Cards for all the estate workers and their family members, appointment of Registrars of Births, Marriages and Deaths to serve the plantation community, investing Rs.5 billion for improving the plantations, vesting the

rehabilitated houses in worker's housing co-operatives, and establishing vocational training centers for plantation youth. These the unions pointed out were political demands conceded by both the previous and present governments and not implemented. To take one example, how could the workers repose any confidence in the government's proposal to establish vocational training centers for plantation youth when even the one approved as far back as 1988 is still not implemented?

Apparently, the Minister expected some of the unions to break away and abandon the strike. This did not materialize except in the case of the Upcountry People's Front which asked its membership to return to work. It was reported that the workers defied their leaders and continued the strike.

The Role of the Press

The public perception of the strike, as formed by the media, was decidedly bizarre. The fact that the demands were solely economic was suppressed. Instead, the strike was seen as a power-play by Thondaman and placed within the confines of the ethnic conflict. The timing of the strike, when a military operation was hitting the LTTE hard, was construed as an attempt to distract the attention of the government and gain the Tigers a breathing space. As a result, general public opinion was hostile to the strike. The over-determination exercised by the ethnic conflict over every other facet of existence is something that needs greater analysis than can be done here.

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