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## ITUC online

ITUC - Spotlight on Ramiah Yogarajan, National Organiser of the CWC (Ceylon Workers Congress)

"Salaries have not followed the rise in productivity"

Plantation workers in Sri Lanka are awaiting with bated breath the forthcoming collective bargaining negotiations, to start in January 2009. The CWC (1), affiliated to the ITUC, is on the frontline with one key aim: to obtain a decent wage whilst safeguarding the viability of the plantations. Interview with Ramiah Yogarajan, National Organiser of the CWC.

What is the social climate in the plantations sector in Sri Lanka?

The plantations are receptive to trade unions. The sector is divided into two groups: approximately 55% of the tea and rubber plantations belong to the government but are managed by 23 private sector companies, the remainder belongs to smaller private owners (most of whom hold less than 50 acres). The collective agreement negotiated every two years covers 90% of the workers in the sector. The agreement is concluded between the Employers' Federation of Ceylon, which represents the 23 large companies and a few private owners and three trade union centres, the CWC, the LJEWU (Lanka Jathika Estate Workers' Union) and the JPTUC (Joint Plantation Trade Union Center). The collective agreement is binding on the signatories and the salaries set apply to all plantation workers, including those not employed by the 23 large companies. The same wages therefore have to be paid across the whole sector.

What does the CWC see as the main stakes in the forthcoming negotiations?

The biggest stake is wages. During the last bargaining round, they went from 190 to 290 rupees (\$1.7 to \$2.6) a day, which represents a rise of 50%, even though the cost of living was not increasing as fast as it is now, at around 27% a year. As the last negotiation dates back two years, we should obtain a rise of over 50%, to compensate for the rise in the cost of living, but this would pose a threat to the survival of the sector. In the past, some employers have occasionally worked at a loss, but this is not viable. It could be said that finding the money to pay the wages is the employers' problem but, at the same time, if we destroy the plantations industry, we will be left with no jobs. And in some districts, everyone is a plantation worker: there are no other industries, no other private lands to cultivate; the workforce is totally reliant on this sector. The greatest challenge we face, therefore, is finding a balance between the survival of the sector and a pay rise that ensures the vital minimum for the workers and their families.

Plantation work no longer appeals to young Sri Lankans...

We are very concerned about the fall in total revenue per family: in the seventies and eighties, there was an average of 2.6 plantation workers per family, but this figure has now fallen to 1.6. This fall in revenue per family can be partly explained by the fact that many young people are turning away from work in the plantations. It is hard work and it is carried out in the hill regions where the weather is much cooler. Young people are more attracted by the better wages they can earn by going abroad or working in the industrial zones. There are labour shortages in areas where there are alternative sources of employment. The plantations have also cut their workforce. Prior to privatisation, the 23 main companies alone employed 420,000 workers. They now employ no more than 220,000, even though production has increased over the same period. Productivity has therefore increased but the wages have only been increased in line with inflation, not productivity.

The CWC has also expressed fears over the disintegration of employment relationships...

The companies managing the plantations feel that salaries are increasing at such a rate that production costs will end up higher than the sale price. This is not determined in Sri Lanka; it depends on international prices. So what these companies are trying to do is to place two or three acres in the hands of a family, which would have to work the land and supply the leaves to the plantation. The employer-employee relationship is therefore broken and becomes informal: the workers lose the job security and social security protection they currently enjoy and the companies would only have to pay for the supplies they receive. We are opposed to this trend that the World Bank and a number of plantations would like to see us follow. It would mean that the companies would transfer all the risk to the workers, whereas they are not affected by the variations in production at the moment.

Is the situation any better in the rubber plantations?

Yes, because the price of rubber on the international market is higher. Ten years ago, the price of rubber was very low, the workers earned very low wages and we could not ask for a raise. It's different now, rubber plantation workers even receive overtime and a whole range of incentives. For example, above a certain quota, they receive wages higher than those provided for in the collective agreement. However, rubber workers only amount to 100,000 out of the 500,000 plantation workers in total.

It is often said that the poverty of Sri Lankan plantation workers is partly owed to alcohol abuse. What is the situation in this respect?

Plantation work is physically very challenging and is carried out in regions with unusually cold temperatures for a country like Sri Lanka. Many workers evoke these reasons to justify excessive alcohol consumption. The trade union movement is implementing a number of programmes to show them that they are on the wrong path: they are making themselves weaker by the day by drinking alcohol and excessive consumption goes some way towards explaining the poverty of these communities, because they spend between 30 and 40% of their income on liquor. This abuse has serious repercussions on their children and the family as a whole. It has recently been observed that women are also starting to drink in excess: men coax their wives into drinking too, to break any opposition to their habit. It's difficult for a union to fight against these traditions, but we intend to continue with our programmes to raise awareness.

Interview by Samuel Grumiau

#### (1) Ceylon Workers Congress

##### A trade union cooperative in the plantations

The NWC (1), affiliated to the ITUC, is carrying out a trade union cooperative pilot project at the Saint Clair tea plantation in the Hatton region. It all began in 2004 with the setting up of a small shop within the plantation, administered by a management committee on which the five trade unions and the management of Saint Clair are represented. "There are shops in the villages not far from the plantations, but the goods are expensive there, whereas in the cooperative we buy directly from the wholesalers and then sell for a small profit," explains Gerald Lodwick, Deputy Secretary General of the NWC. "We also allow people to buy on credit, a practice that is disappearing in the rest of the country. The credit is interest free based on the worker's income and is recovered directly from the monthly payroll, so that the worker learns to budget his/her expenditure and not get into a cycle of debt. The fact that people don't have to go to the neighbouring villages also reduces the temptation of buying alcohol on the way."

In 2007, the shop made a profit of 150,000 rupees (\$1,370) and the cooperative's 685 shareholders each received around 105 rupees (one share initially cost them 250 rupees). Higher profits are expected in 2008, as the shop has been expanded. The cooperative also generates other revenues, by making small loans, for example, to the workers, at an interest rate of 10% - a slightly lower rate than the banks and

with fewer guaranties than those demanded in the banking system. It also offers occupational training for adults and remedial classes for children.

The cooperative's management committee is also taking steps to improve the workers' living conditions. Forty toilets have been built, for example, which is quite an improvement for the workers at the Saint Clair plantation, who generally live in lodgings where ten families have to share two toilets. The NWC has received funding from a number of partners to develop these projects, such as the Dutch union CNV (affiliated to the ITUC) and the Abbé Pierre Foundation (France). It would now like to set up the same type of cooperative in other plantations.

#### (1) National Workers' Congress

- Also read the "Union View" entitled "Sri Lanka: trade unions hard at work" at <http://www.ituc-csi.org/spip.php?article2498&lang=en>

- Also see the interview of K. Velayudam (NTUF - Sri Lanka), entitled "Trade unions could play a vital role in the peace process" at <http://www.ituc-csi.org/spip.php?article2503&lang=en>

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