

RED COLOUR OF TEA

Central Issues that Impact the Tea Plantation Community in Sri Lanka

To this day plantations play an important role in the economy of many countries in the world. However international finance crisis, basic changes in the economic and politics during the last few decades have relatively reshaped the trade relationship between the consumers and producers. This has influenced many implications of the plantation industry.

This study aims to facilitate an initial understanding of the situation and issues confronting tea plantation workers in Sri Lanka. On the basis of the information, the study explores the status of the health & education, freedom from poverty, living wage, conditions of employment, struggle of plantation women workers and the role of the stakeholders in the development of the plantation community.

There is no doubt that the plantation sector will retain its importance in the economy in the future as well, which will largely depend on the sustenance of the workers. We believe that the challenges of the plantation people can be effectively overcome, and a mechanism developed.

Authors



Dr.A.S. Chandrabose is a senior lecturer in the Department of Social Studies of the Open University of Sri Lanka. He is a B.A. (Hons) in Geography & MA from University of Peradeniya and PhD from Jawahar Lal Nehru University, New Delhi. Apart from teaching, he is involved in research on plantation workers and issues relating to minorities and migrant workers. He had taken up the responsibility as a Head, Department of Social Studies of the

OUSL. Chandrabose has coordinated many research programs with other universities around the world.



P.P. Sivapragasam is the President of Human Development Organization. He is a B.Com (Hons) Graduate in Management studies from the University of Peradeniya, and Master of Human Rights studies from the University of Colombo. Sivapragasam started his journey as an activist for social change of the plantation community in the last decade, and with the passage of time he has proved himself committed to the cause. He is the Secretary of IMADR Asia Committee. He has authored several books on development, education, human rights and caste issue with specific reference to the plantation community.

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A.S. Chandrabose
P.P. Sivapragasam



HUMAN DEVELOPMENT ORGANIZATION



HUMAN DEVELOPMENT ORGANIZATION
HDO
P.O.BOX :171,
KANDY,
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by A.S. Chandrabose & P.P. Sivapragasam

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Preface

Although much has been written with regard to production of tea and the living and working conditions of the plantation workers in Sri Lanka, not so much attempt appears to have been hitherto made to explore the socio-economic issues from a human rights perspective of the plantation community. We have, therefore, tried to analyze the central issues that impact the tea plantation community, particularly workers living and working in the tea plantations in Sri Lanka from the human rights perspective.

To this day plantations play an important role in the economy of many countries in the world. However international financial crisis and the, basic changes in economics and politics during the last few decades have relatively reshaped the trade relationship between the consumers and producers. In terms of labour, capital and the management also, the relationship has been redefined between these forces, with many implications to the industry.

Plantations remain an important unit of the agricultural production in the economy of Sri Lanka as well, and the tea sector continues to contribute considerably to the economy of Sri Lanka. The companies involved in the tea marketing chain made almost 34 percent profits on the average by selling every kg of tea from auctions during 2000 to 2008. In 2010 the export of tea reached a record level of 314.6 million kg and it received US \$. 1.37 billion as foreign remittance, which accounted for 16.7 percent of the total exchange earnings of the country.

The plantation system has undergone changes in ownership with, first as a result of the nationalization and, then the re privatization. But, in spite of the multiplicity of trade unions, the people in the plantation sector have been subjected

to various forms of discrimination concerning their civil, political, economic, social, cultural and right to development continuously.

This study aims to create an understanding of the situation and issues confronting the tea plantation workers in Sri Lanka in terms of the status of health and education, freedom from poverty, fair and just wage, conditions of employment, struggle of plantation women workers and the role of the stakeholders in the development of the plantation community.

There is no doubt that the plantation sector will retain its importance in the country's economy in the future as well, which however will largely depend on the sustenance of the plantation workers. We believe that the challenges of the plantation people can be effectively overcome, and a mechanism developed to include the plantation workers in the decision making process.

We are glad to share this information with the hope that it will serve as an impetus for developing lobby and advocacy strategies towards building global solidarity among plantation workers and to take collective action together.

P.P. Sivapragasam

Director

Human Development Organization (HDO)

Foreword

The *French Catholic Committee against Hunger and for Development* (CCFD) has been in alliance with Catholic development agencies, working for global justice (CIDSE). It is a key supporter of HDO – Sri Lanka which is actively working for the socio-economic and cultural development of the tea plantation worker in Sri Lanka. About five years back HDO carried out a national and international campaign for the Sri Lankan citizenship of the plantation Tamil community successfully. In the meantime CCFD had had the privilege of being in strategic partnership with HDO with a deep understanding of the state of affairs of the tea plantation workers with a view to uplifting their socio-economic status within the framework of a complex globalized capitalist economy.

The publication namely “Red Colour of Tea” is the result of the collaboration between HDO, SOMO and CCFD. It is the first eye opener of divergent forces in relation to the poverty, exclusion and discrimination faced by the tea plantation community in Sri Lanka. We hope that this monographic research will open the path for constructive dialogue and fair collaboration of all stakeholders involved in the tea sector, particularly the estate management, trade unions and the government authority.

This is a detailed study which also covers the socio – economic issues related to plantation workers, realized through the coordinated efforts of Mr. P.P. Sivapragasam and Ms. S. Vijayadharsini and with Dr. A.S. Chandrabose and the research team of acted closely in collecting, analyzing of HDO

and compiling primary and secondary data. Dr. Sanne van der Wal of SOMO shaped and guided the research process in close collaboration with CCFD, which would extend financial support as part of its strategic partnership with HDO. We hope that this publication will reach a wider audience including policy makers, researchers, social activists, civil society organizations and tea consumers, and will be the foundation for building a large social movement in the leading tea countries towards realize the objective envisaged in publication.

Sylvain Ropital

Project Officer in charge of South Asia

French Catholic Committee against Hunger and for

Development-CCFD

Paris

Acknowledgement

The production of the book *Red Colour of Tea Central Issues that impact the Tea Plantation Community in Sri Lanka* would not have been possible without the support and valuable contributions of a large number of individuals and institutions.

The Human Development Organization (HDO) expresses its special gratitude to Dr. A.S. Chandrabose and Mr. P.P. Sivapragasam, who as the authors of the chapters provided the theoretical as well as practical framework for the research report.

The HDO would like to give special thanks to following individuals and institutions.

- Dr. Sanne van der Wal of SOMO, Netherlands and Mr. Sylvain Ropital of CCFD, France, for their valuable inputs and for coordinating the development of the study, Ms. S. Vijayadharsini for coordinating the research and editing of the book and Mr. M.P. Sivapragasam for English proof reading and corrections.
- Field Research Assistants and the staff of the HDO, particularly Ms. P. Logeswary Program Coordinator, Ms. H.J. Farhana Financial Officer and Mr. K. Kamaladasan Project Officer whose collaborative research efforts made it possible to complete the research project.
- Executives and staff of the plantations who extended their cooperation for a fruitful field level study.

- CCFD, France for their technical and financial support, without which we would not have been able to publish this book.
- Most importantly, the Up Country Plantation Community who enriched the experience of HDO and inspired the development of the study.

- Human Development Organization -

Executive Summary

The contemporary socio-economic and political researches pertaining to the plantation sector are gaining importance, with specific reference to human development. In this context a greater need has arisen to extend the research to human rights centered issues.

On this basis, the “Red Colour of Tea”: Central Issues that Impact the Tea Plantation Community in Sri Lanka, attempts to analyze the current critical economic and social issues facing the tea plantation workers; the relative factors, and identify ways and means of solving them through a socio-human rights approach.

It is apparent that the social and economic issues of these workers, as well as their living and working conditions are directly linked to their wage - income, job opportunities, education, health, housing, the labour dignity and rights, and indirectly to the tea sales, export and marketing aspects.

Global Perspective

To this day plantations play an important role in the agricultural production in many parts of the world. However, basic changes in the international finance, economics and politics during the last few decades have relatively restructured the trade relationship between the western and eastern countries. In terms of labour, capital and the management also, the relationship between these countries has been redefined. This has many implications for the future development and sustainability of plantations through the plantations are no longer necessarily the choice for the governments of developing countries and Multi National Companies (MNCs) seeking to improve the national economy.

Tea Sector in Sri Lanka

The tea sector continues to contribute considerably to the economy of Sri Lanka. In 2010 the production of tea reached a record level of 329 million kg, and out of this, 95 percent had been exported, receiving US \$1.37 billion as foreign exchange. The quantity of tea export increased from 184.7 million kg in 1980 to 314.6 million kg in 2010. Sri Lankan tea industry hit its highest record generating Rs.1.37 billion in income, which accounted for 16.7 percent of the total exchange earnings of the country in that year. The companies involved in the tea marketing chain made almost 34 percent profits on the average by selling every kilogram of tea in auctions during 2000 to 2008.

Sri Lanka exported tea to the UK which had been a major consumer for more than a century, but competitions from the East African countries and failure of the marketing strategies of Sri Lankan exporters led to a decline in exports to the UK; the tea export to the EU markets- mainly the UK, Germany and Netherlands, declined from around 22 million kg during the 1990s has dropped to 17 million kg in 2008.

Plantation Workers

The Up Country Plantation Tamil people form a minority community (about 6 percent of the population) in Sri Lanka. The plantation workers were originally brought from Southern India to Sri Lanka as semi slave labour to work on the plantations in the 1820s, under the British colonial rule. The plantation system has undergone changes owing to the nationalization and subsequent privatization, and the system of management has also been reshaped by the growth of trade unions. The people living in the Sri Lankan plantations have been subjected to various forms of discrimination, having been denied political, socio-economic and cultural rights along with

the right to development. According to the Ministry of Plantation Industry (MPI), there were around 800,000 people living in the plantations, and the registered workforce in the plantation sector numbered 242,266 persons as of 2009.

Housing & Health

Right to housing is another serious problem faced by the plantation community. As per Household Income and Expenditure Survey (HIES) 2009/10, 56.1 percent of the plantation workers continue to live in line rooms. The design of these "line-rooms" (usually, single room, barrack-type residential units) does not improve or for that matter help sustain the health of the inhabitants. These line rooms are found scattered inside the plantations. They were constructed during the British rule. The health care system in the plantation sector is comparatively lower than in the other sectors. 30 percent of the children have low birth weight, and 40 percent of them are stunted and under-weighting. This unsatisfactory state of affairs is caused either by poor and basic healthcare facilities or by the complete absence of healthcare facility in the plantation sector.

Plantation Human Development Trust (Trust) was established in order to look into the social welfare conditions of the workers in the privatized plantations. Although various activities are carried-out by this Trust, the family planning methods that it adopts are quite a threat to the reproductive rights of the female plantation workers. It is reported that on many plantations the women are subjected to compulsory family planning. The women are taken in lorries for vasectomy, and after the surgery they are brought back in lorries. The officers concerned take advantage of the prevailing low literacy rate among the plantation women, to keep the latter from choosing between a safe, temporary method and permanent method. It has to be noted in this respect that the women's right to reproduction is violated.

Poverty Among the Plantation Workers

There is growing poverty among the plantation workers. The year 2006/07 recorded it to be 32 percent, while at the national level it was 15.3 percent. Their development has been frozen and their welfare neglected for a longer period of time (World Bank - 2007). While 32 percent of those who are in the plantation sector are poverty stricken, only 13 percent are receiving state welfare assistance. Sri Lanka is a partner of the Millennium Development Goals (MDGs) which seek to alleviate poverty. In the meantime, in the last report on poverty in Sri Lanka, the highest poverty level of 33.8 percent is recorded from the Nuwara Eliya district where there are many plantations. The aforementioned claim is confirmed by this fact. It is also apparent therefore, that excepting the former war zones, the most poverty stricken area is Nuwara Eliya district. The poverty level in the plantation sector is four fold higher than that of the urban sector, which means that in the plantation sector 32 out of 100 are living below official poverty line.

Wage Struggle

Plantation industry is one of the major Foreign Exchange Earning sectors. Around 4.5 percent of the Sri Lankan workforce is directly employed in it. Since the re-privatization of the plantations in 1992, the daily wage of the tea and the rubber plantation workers is determined on the basis of a Collective Agreement (CA), signed between the plantation Trade Unions and the Employers' Federation of Ceylon (EFC). It is renewable once in two years. Men and women plantation workers receive equal wages since a wage struggle launched in 1984. However, being a part of the working class that depends on wages for their livelihood, their battle for wage increments has been an unending one.

According to the CA signed in 2009, the Basic Wage was Rs. 285, (US \$ 2.59) Attendance Incentive (AI) Rs. 90 and Price

Share Supplement Rs. 30 (making the gross daily wage Rs. 405) (US \$ 3.68). This wage is the lowest both in terms of the cost of living, and in comparison with the wages paid to workers of other sectors. They cannot be sure if their monthly salary would be the same in the following month. The trade unions have lost their clout and their bargaining power as some of them openly support liberal economic policy for their own political survival.

According to the pilot survey conducted by HDO, a day's expense of a four member family in tea plantations was Rs. 600 (2010). But the basic wage was Rs. 285. If the worker completes the 75 percent work target the total wage would be Rs. 405. Most of the tea and rubber plantation workers find it difficult to live a normal life on their wages. It does not cover the cost of living. Therefore, the plantation workers are living below the poverty line and are in debt, to date.

Employment Issues

The plantation industry is one of the ventures which give employment opportunities to millions of employees directly and indirectly. The tea plantation workers for generations have been employed in the plantation itself. The study has found that the workers who remain in the plantations are either illiterate or poorly educated. Manual labour is still used to pluck tea leaves and largely the women are involved in tea plucking. There is a trend of unwillingness among the youth to work on the plantations. It is common because of youth migration to cities, educational achievements, demeaning treatment and hard nature of the work in the plantations. Especially the female workers have to work on the plantations for longer hours.

In selecting candidates to fill white color job vacancies, preference is given to outsiders over the plantation youth, though the latter may have the necessary qualifications. In the meantime the management promotes casual cadre in the plantation sector

in order to evade statutory obligations. Simultaneously there is a tendency among the plantation workers to be employed on casual basis since it gives them an opportunity to seek part time work outside the plantations, and this enables them to cover their day to day family expenses.

Education

There had been a system of education in the plantation sector from the colonial era, completely different from other sectors. Though there had been some improvement in the field of education, it did not bring about any major, significant social change as regards the community, compared to other sectors at national level. Moreover, the students in this sector have been subjected to discrimination. For example, in the Nuwara Eliya District the Tamils are 58 percent of the total population, but there are only nine (9) IAB grade schools for them, while for the Sinhala students there are nineteen (19) IAB schools.

Out of about 700 plantation schools, 450 have been developed with the support of SIDA, GTZ, IRDP and World Bank. There are still around 250 schools continuing in poor conditions. On the whole, while Sri Lanka's literacy rate is 92 percent, in the plantation sector it is 76 percent yet. This educational drawback, which is a stumbling block to the community's progress, on the other hand, is a challenge to its sustainability.

Women Workers

Over 50 percent of the plantation workforce is constituted by women. Their contribution to the economy of the sector and the country is important. They are also the main subscribers to TUs. But still they have been excluded and oppressed at decision making level in the social, economic and political spheres.

They are compelled to work more both in terms of time and volume. In the meantime with inadequate health facilities

they are denied the right to reproduction. In the TUs they are not given leadership even at grass-roots level. The plantation social structure is completely patriarchal. It is in this context that standing by the plantation community becomes important.

Plantation in the Future

There is no doubt that the plantation sector will retain its importance in the country's economy in the future as well, but it will largely depend on the well-being of the plantation workers. We believe that the challenges of the plantation workers can be effectively overcome, and that a mechanism developed to incorporate the plantation workers into a participatory decision making process with

- *their ethnic identity preserved and labour dignity respected,*
- *a mechanism put in place to ensure that their labour and human rights are guaranteed and protected,*
- *a fair wage capable of poverty reduction and raising their living and working conditions,*
- *an affirmative action to bring about a change in the spheres of education and health to attain the MDGs,*
- *the present "line housing" replaced with housing schemes with infrastructural facilities which will ensure their right to a land and house,*
- *the labour relations pertaining to the plantation employment modernized and rendered worker friendly which will help harmonize and maintain industrial peace and*
- *changes brought about in the fair tract and direct worker – consumer relations strengthened.*

Hence an inclusive and transparent program to promote the rights of the Up-Country plantation workers as well as the development in the general institutional structure under MDG is essential.

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Abbreviations

AI	Attendance Incentive
ACELF	All Ceylon Estate Labour Federation
ACL	Assistant Commissioner of Labour
CA	Collective Agreement
CBA	Colombo Brokers Association
CFS	Consumer Finance and Socio-Economic Survey
COLA	Cost of Living Allowances
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
CTTA	Colombo Tea Traders Association
CWC	Ceylon Workers Congress
DSD	Divisional Secretariat Division
EFC	Employers' Federation of Ceylon
EMA	Estate Medical Assistant
EPF	Employees' Provident Fund
EWB	Estate Wages Board
FGD	Focus Group Discussion
FOB	Fright of Board
FTSS	Federation of the Tea Smallholder Societies
GDP	Gross Domestic Production
GTZ	German Technical Corporation
HIES	Household Income and Expenditure Survey
IOT	Indian Origin Tamil
JEDB	Janatha Estate Development Board
JPTUC	Joint plantation Trade Union Centre
LJEWU	Lanka Jathika Estate Workers Union
MDGs	Millennium Development Goals
MPI	Ministry of Plantation Industries
MWO	Minimum Wages Ordinance
NGO	Non Governmental Organizations
NIC	National Identity Card

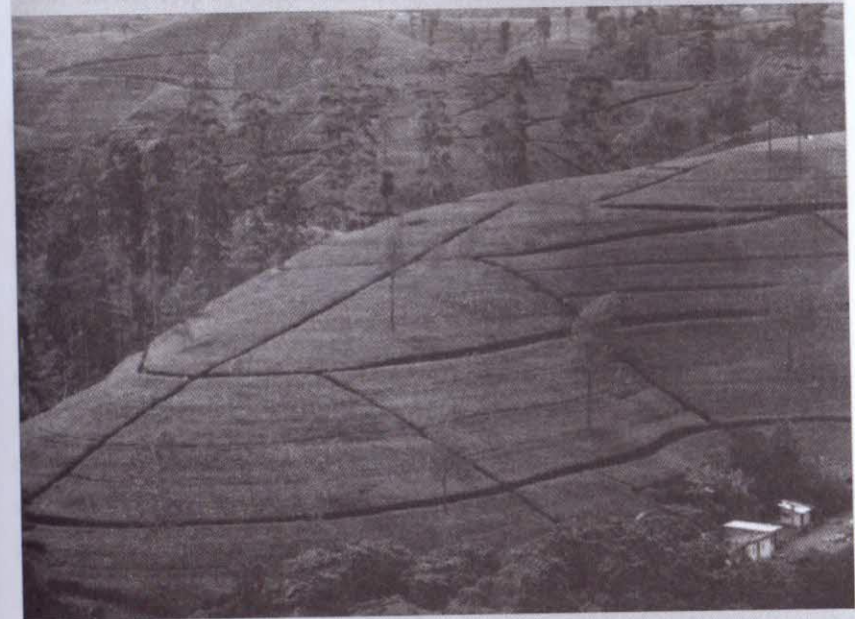
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NIPM	National Institute of Plantation Management
NSA	Net Sale Average
PAC	Planters' Association of Ceylon
PHSWT	Plantation Housing and Social Welfare Trust
PTFOA	Private Tea Factory Owners' Association
PWASA	Plantation Workers' Additional Special Allowances
PWDT	Plantation Workers' Development Trust
SIDA	Sweden International Development Agency
SLSPC	Sri Lanka State Plantations Corporation
SLTB	Sri Lanka Tea Board
TASL	Tea Association of Sri Lanka
TCD	Tea Commissioners' Division
TMP	Tea Master Plan
TPB	Tea Promotion Bureau
TRB	Tea Research Board
TRI	Tea Research Institute
TSHDA	Tea Small Holding Development Authority
TU	Trade Union
UNDP	United Nations Development Program
VP	Vegetative Propagation

HUMAN DEVELOPMENT ORGANIZATION
HDO
P.O. BOX : 171,
KANDY,
SRI LANKA

Chapter 1

INTRODUCTION



Introduction

1.1 Rationale of the Study

Tea, as an export agricultural venture, during the last three decades, had reached a record level of 329 million kg, in 2010¹. The export of tea received US \$.1.37 billion² as foreign exchange adding up to 16.7³ percent of the total value of the exports in 2010. And during the last two decades it contributed to around 2 percent of the Gross Domestic Production (GDP). Around 35 percent of the total production of tea is produced by large-scale, private company managed tea plantations since 1992, and the remaining 65 percent by small tea holdings. Almost 95 percent of the total production is exported to international markets. This is 18 percent of the total supply to the world market. Plucking of tea leaves and processing it in the factories in order to export are the major activities that involve both male and female labour force.

Sri Lanka has one of the finest social welfare records in the developing world. Its welfare policies are funded through

1 Elmo Learned (2011), 'Ceylon Tea Booms Great Guns,' *Lakbima News*, 10 July 2011

2 <http://www.srilanka.co.za/trade.htm> - High Commission of Sri Lanka in South Africa, Trade and Investment; <http://www.lankabusinessonline.com>, Sri Lanka tea export earnings exceed Kenya's - 03 Feb, 2011 & Annual Report 2010/11, John Keels PLC, Colombo.

3 <http://www.ft.lk/category/sectors/agriculture/Sri Lanka 2010 tea output at record 329.4 m kg>.

revenue generated by an agricultural economy, which is still dominated by plantations, the principal crops being tea, rubber and coconut. In 1983 these three crops accounted for over half of Sri Lanka's export earnings. Tea alone accounted for one-third of all export earnings⁴. It accounted for 16.7 percent of the total value of exports in 2010.

The marvel of 140 years of large scale tea sector and the achievements made by the 30 year old small tea holdings in the Southern part of the country are the most undisputed economic activities of the country. However, the success of the tea sector could not accrue benefits for the tea plantation workers⁵ in the large scale tea plantations adequately. The tea plantation workers by and large are mostly Indian Origin Tamils (IOTs) and have been identified in various studies as a backward community. The socio economic conditions of this community are remarkably poor in the country to date.

According to the HIES Report - 2006/07, Sri Lanka⁶, while the rural poverty declined from 29.5 percent in 1990/91 to 15.7 percent in 2006/07, the poverty in the plantation sector increased from 20.5 to 32. The World Bank Report⁷ states that nearly 30 percent of the population in the plantation sector is poor but only 13 percent of the households interviewed reported receiving cash transfers from the government welfare programmes. At national level such assistance is extended to much more than 75 to 85 percent of the poor income groups. In order to mitigate

4 *Annual Reports* (various Issues), Central Bank of Sri Lanka, Colombo

5 The Terms of 'Plantation Workers', 'Estate Workers', 'Estate Tamils', 'Indian Tamil Estate Workers', 'Up-Country People', 'Hill Country People', and 'Indian Tamils' are used interchangeably in this study.

6 Sri Lanka, Household Income and Expenditure Survey- 2006/2007, Department of Census and Statistics, Colombo 2009.

7 *Sri Lanka Poverty Assessment Engendering Growth with Equity*. World Bank Publication 2007, Colombo.

the situation, the plantation managements, have attempted to employ an alternative mechanism by improving some of the social welfare conditions of the tea plantation workers in order to attract them to the jobs in the plantation sector.⁸ However, the outcome has not been sufficient and has not had the desired effect. As such the problem remains unchanged. The plantation workers are also entitled to the government support schemes such as *Samurdhi* benefit (a cash transfer for low income groups) and charity payment to old aged persons etc. But none of these adequately reaches the tea plantation workers.

Continuity of the inequalities, constraints and restrictions seriously qualify the rhetoric of the free labour market and perpetuate the use of un-free or semi-free labour. Poor housing conditions and low wages, poor health and sanitary conditions are generally the major grievances of the plantation workers. The workers take advantage of the pre-mature retirement benefit provisions and leave their employment and seek outside employments in order to earn more. A large number of young people are keen to look forward for employment in the urban sector but the final outcome for them is a variety of social problems. Migration for employment to the Middle Eastern countries has become a common feature among the plantation women. However this has created a new problem for the plantation community similar to that for other migrant worker communities. According to the available information 10 to 15 percent of the Tamil plantation women have already migrated to the Middle East.⁹

8 *Ibid.*

9 Chandrabose, A.S., (2009), *Middle East Migration and its Impact on Rural Families: A case study of Selected Rural and Estate Communities in Sri Lanka*, (Mimeograph), Department of Social Studies of the OUSL, Sri Lanka.

The plantation management seems generally indifferent as far as the job opportunities are concerned for the educated children of the plantation workers. The administrative jobs in the plantations are always given to the children of non plantation workers. The few office positions are usually given to Sinhalese applicants.¹⁰ Moreover, several organizations like the Tea Research Institute, National Institute of Plantation Management, Tea Commissioner, and Tea Board and Plantation Company etc. are the institutes which try to create alternative job opportunities for the plantation workers but even those institutions shut them out even if they are eligible. A few have been employed in these institutions, but they are comparatively insignificant both in number and ratio.

Many studies have been conducted in order to bring out the problems of the tea plantation community, and, especially of the plantation workers, but few aim at protecting their rights. Many researches have been conducted on the living conditions of the tea plantation workers but, the approaches seem to be problematic. This study, on the contrary, pays special attention to their rights, and targets the national as well as the international stakeholders. Moreover, the study can be considered the first of its kind undertaken by a Sri Lankan civil organization, taking into consideration the problems of the tea plantation workers' economic right such as access to ownership of house, ownership of production, access to market their production and investment of the tea plantation workers. The important question raised in this respect is why the IOT Sri Lankan citizens have been excluded from the overall social development of the country.

10 Asian Development Bank (2002), Sri Lanka Plantation Development Project.. p. 40,

Therefore, this study advocates remedies for the critical issues that impact on the tea plantation community in Sri Lanka with identified stakeholders. The overall objective of this study is to prepare a separate strategy for advocacy which could be applied by the Civil Society Organizations (CSOs) locally and internationally.

1.2 Objectives of the Study

1. To identify critical issues from the perspective of the Sri Lankan tea plantation community.
2. To assert the mechanisms, factors and actors influencing these issues.
3. To explore remedial strategies for these issues.

The specific research questions for the above identified objectives are:

1. What are the most pressing political, social and economic issues of the tea plantation workers and their families?
2. What are the roles and responsibilities of the different stakeholders that influence the conditions of the tea plantation workers?
3. How do these mechanisms (eg. legislation, plantation policies/standards, and social standards, employers, prices, purchasing practices) affect the living and working conditions of the target group?
4. What are the strengths and weaknesses of these strategies.

1.3 Methodology Applied

The study is based on both primary and secondary data. The primary data was decided to collect through household survey, in view of the difficulties encountered in collecting comprehensive household information about tea plantation workers in the country.

The household data were collected in stages. A structured questionnaire was designed to extract relevant data from the selected households in the tea plantations. Randomly ten plantations were selected based on the plantation list published in one of the publications of the Plantation Workers Development Trust (see table below). Each plantation management was contacted through the respective plantation companies. Of them, only five consented to be interviewed, and the rest only permitted household survey. It was decided that 30 households were to be selected from each plantation. Systematic sample techniques were used to select 30 households from each plantation. The total number of household surveys incorporated into this study was 300.

The questionnaire was modified after completion of the pilot survey before initiating the survey. Apart from the household survey, Focus Group Discussions (FGD) were also held in five plantations, mainly to rectify any shortcoming in the household survey data. A total of 10 to 12 plantation workers were invited to participate in the FGD where the gender balance was maintained. Separate meetings were also arranged with plantation managers of three plantations in the plantation areas.

The secondary data were particularly collected from the published documents and the information in relation to the export of tea has been taken from various issues of publications

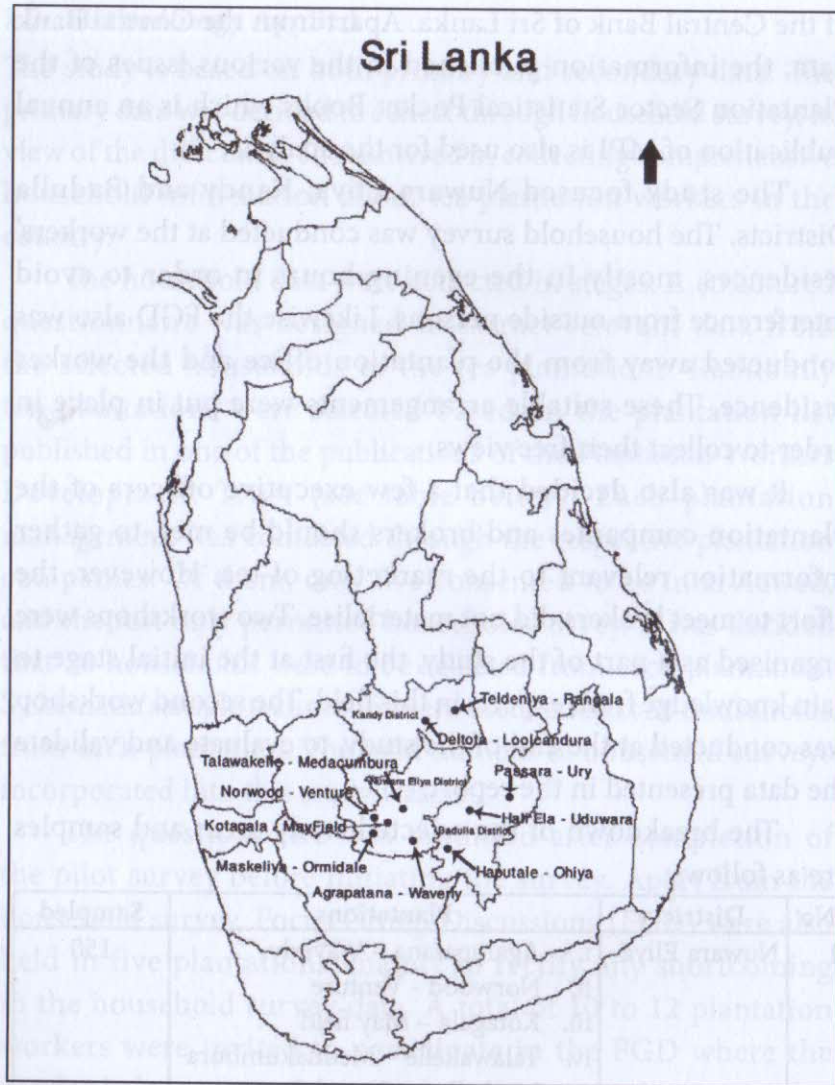
of the Central Bank of Sri Lanka. Apart from the Central Bank data, the information published in the various issues of the Plantation Sector Statistical Pocket Books which is an annual publication of MPI is also used for the analysis.

The study focused Nuwara Eliya, Kandy and Badulla Districts. The household survey was conducted at the workers' residences, mostly in the evening hours in order to avoid interference from outside persons. Likewise the FGD also was conducted away from the plantation office and the worker residence. These suitable arrangements were put in place in order to collect their free views.

It was also decided that a few executive officers of the plantation companies and brokers should be met, to gather information relevant to the marketing of tea. However, the effort to meet brokers did not materialise. Two workshops were organised as a part of the study, the first at the initial stage to gain knowledge from experts in this field. The second workshop was conducted at the end of the study, to evaluate and validate the data presented in the report.

The breakdown of the selected study areas and samples are as follows:

No	Districts	Plantations	Sampled
1	Nuwara Eliya	i. Agarapatana - Waverly ii. Norwood - Venture iii. Kotagala - Mayfield iv. Talawakelle - Meddakumbura v. Maskeliya - Ormidale	150
2	Kandy	i. Teldeniya - Rangala ii. Deltota - Loolcondra	60
3	Badulla	i. Passara - Ury ii. Hali Ela - Uduwara iii. Haputale - Ohiya	90
	Total	10	300



The research team consisted of graduates qualified in the disciplines of Economics, Sociology and Political Science. They were assigned to administer the survey questionnaire at household level. The team leader of the research and the staff of HDO conducted the FGD. However, the research team leader and the President of HDO finalised the research reports.

1.4 Limitation of the Study

The study focuses only the large scale tea plantations as they determine the economic and social factors that concern the plantation workers. In the process of collecting data, difficulties were encountered particularly when it came to gathering transparent data from the management, as they were unwilling to provide industry related information.



Chapter 2

The Tea Plantation Community in Sri Lanka



HUMAN DEVELOPMENT ORGANIZATION
HDO
P.O. BOX :171,
KANDY,
SRI LANKA

The Tea Plantation Community in Sri Lanka

Overview

Sri Lanka is a signatory party to a large number of United Nations' human rights treaties. The Sri Lankan constitution of 1978, Chapter III contains a bill of rights which includes the major provisions of the Universal Declaration of Human Rights. But the condition of the human rights has deteriorated in the country. Although Sri Lanka has ratified many International-treaties, people living in the Sri Lankan plantations have been subjected to various forms of oppression on the grounds of their ethnic identity as a Tamil minority group. Civil, political, economic and socio-cultural rights and the right to development have been denied to them.

3.1 Plantation People - A Historical Perspective

Historically the plantation workers¹ in Sri Lanka share a fate similar to millions of workers in many neo-colonial third world countries. They are products of the 19th century phase of Western capitalist expansion under colonialism, characterized by the

¹ National Plan of Action for Social Development of the Plantation Community 2006, Ministry of Estate Infrastructure, Sri Lanka. The total number of families living in the estates is 230,000 and population is 900,034.

establishment of a plantation based economy. From 1830 onwards coffee plantations had been established in Sri Lanka. By 1880 tea had replaced coffee² and the immigrant Indian workers became the cheapest and easiest source of labor for the plantations of Ceylon (Sri Lanka).

The IOT were brought to Sri Lanka by a British colonial era project. According to Professor Bastianpillai, workers were recruited from cities in India - Tamil Nadu such as Thirunelveli, Tiruchi, Madurai and Tanjore in 1827 by Governor Sir Edward Barnes on the request of George Bird, a pioneer planter.

The plantation workers (Indian Origin Tamils) form a minority community constituting about 5.4% (2001)³ of the population of the country. The IOTs, defined as labour living on the plantations under a regimented system of labour management; had been denied the right to mobility, and the management made itself responsible for their welfare, including health and education and for the supply of goods needed. This system underwent some changes with the nationalization of plantations, and the subsequent privatization and the system of management with the growth of trade unions. The people living in the Sri Lankan plantations, particularly women, have been totally subjected to various kinds of oppression concerning their civil, political, economic, social and cultural rights and the right to development, continuously. The plantation Tamil labour force that speaks Tamil is Hindu by religion. A majority of them are Dalits⁴ living in the central parts of Sri Lanka, in

2 Nadesan S, (1993), *A History of Up-Country People in Sri Lanka*, Nandalala Publication., Hatton.

3 *Preliminary Report of Census and Statistics of Sri Lanka- 2001*, Department of Census and Statistics, Sri Lanka, Colombo.

4 Dalits are identified as so called oppressed caste people particularly in India. Kalinga Tudor Silva, P.P. Sivapragasam, P. Thanges (Edit), (2009), *Casteless or Caste Blind*, IDS Network/IIDS, Colombo.

Sinhala Buddhist surroundings. Confined to the tea and rubber plantations and a small number to coconut plantations, the Tamil population did not have much opportunity of interacting with other communities. Remaining isolated from the rest of the population they are subjected to discrimination in many areas. A vast number of them had been deprived of citizenship until a few years back and to-date quite a good number of them remain without franchise. 'The plantation system had been narrowed to two units namely the home and work place for the workers who are bound by formal as well as informal contracts to these two spheres indefinitely.

The plantation line room that houses a worker-family symbolizes their captivity, as they have no right to leave the plantation or own a land or a house elsewhere.⁵ This is due to the fact that they were not citizens since 1948 and until it was solved in 1964 partially.

According to census report the total population of Sri Lanka was 16.8 million in 2001 (Census, 2001)⁶. Sri Lanka is a multi ethnic, multi religious and multi lingual country, with Sinhalese (81.9 percent), Sri Lankan Tamils (4.3 percent), Indian Origin Tamils⁷ (5.1 percent), Muslims (8.0 percent) and others including Burgher and Malay (0.7 percent). In terms of human development, Sri Lanka stands highest among the other South Asian countries. Human development indicators of health and education in Sri Lanka are now almost in a par with the developed countries. Sri Lanka has already attained

5 Shanmugaratnam N (1997), *Privatisation of Tea Plantations: An Institutional Historical Perspective*, Social Scientists Association, Colombo.

6 *Preliminary Report of Census and Statistics of Sri Lanka- 2001*, Department of Census and Statistics, Sri Lanka Colombo.

7 The Indian Origin Tamil is used interchangeably as plantation Tamils, Plantation people, Estate Tamils, Upcountry Tamils, Hill-country Tamils.

or is close to attaining the MDGs of universal primary school enrolment, gender parity in primary and secondary school enrolment, and the universal provision of reproductive health services is well ahead of the target year of 2015.⁸ There is however, a considerable concern about the high level of poverty, unemployment, and also decline in nutrition status, the presence of illiteracy and discrimination, and violence against women in the tea plantations, which are major challenges faced by this community. It stands as one of the most marginalized communities from the mainstream, in terms of ethnic, cultural, religious & language right. And, since they are a minority community, they are not benefited from any of the socio economic and development programs of the country.

According to MPI statistics, the registered workforce in the plantation sector was 242,266 persons in 2009. The statistics also show that the labour force in the tea plantations of Sri Lanka dropped by 47 percent from 497,995 (1981) to 242,266 (2009). It is a clear landmark decline of the registered labour in the plantation sector. For the purpose of this study the term "plantation worker" is used to refer to a person whose main source of income is the wage earned in a large unit of production devoted to crops such as tea, rubber and coconut. And therefore, this study is limited to focusing particularly the workers in the large scale tea plantations in the country. There are around 300,000⁹ tea small holdings, and they contribute around 65 percent to the total tea production in the country. The tea small holders are basically from the districts of Ratnapura, Galle and Matara, and they are not covered in this study which mainly focuses the recent developments in the

8 Sri Lanka, *Poverty Assessment Engendering Growth with Equity: Opportunities and Challenges*, World Bank 2007, Colombo.

9 www.development.lk/news.php?news=562

plantation economy and the workers living in the large scale tea plantations in Sri Lanka.

A considerable number of workers retired off to India as repatriates under the Indo - Ceylon (Pact) Act. There was also migration of plantation workers from the low and mid country plantations in the aftermath of the 1983 ethnic violence, to the north and east of Sri Lanka. In the 1992s, after the privatization of the plantations some workers also retired, taking advantage of the premature retirement package offered for persons volunteering to retire before retiring age. They left the plantations either permanently or temporarily. However some of them re-entered the same plantations to work on contractual basis. Hence, an actual assessment in this regard is lacking. The plantation management emphasizes that they are maintaining a standard labour land ratio of 2.47 (labour per hectare) without difficulties.

The TUs play to date a crucial role among the IOT plantation workers. One of the most striking developments in the 1920s was the militant action of the urban workers for better living and working conditions. A.E. Goonasinghe played an important role in developing workers' movements in the urban sector in Ceylon (Nadesan.S.1993). The plantation workers however, were faced with greater barriers at every stage of their struggle, to organize themselves. K. Natesa Aiyer, an Indian Brahmin joined A.E. Goonasinghe in TU action. However Natesa Aiyer's alliance with Goonasinghe did not last long. Finally Natesa Aiyer founded the first TU for the plantation workers: All Ceylon Estate Labour Federation, in 1931 with its head quarters in Hatton. In May 1931 a meeting of 5000 workers was held in Hatton, and resolutions were adopted protesting against wage-cuts (Nadesan, 1993, p.93). The latter

years saw a multiplicity of trade unions, and the major TUs in the plantation sector became politically motivated.

2.2 Tea Plantation

Since the tea plantation was considered to be the major foreign exchange earner even after the independence, efforts were continued to develop this sector in order to generate sufficient employment opportunities in the country. Nicholas Kaldor, a visiting economist, to the National Planning Council of Sri Lanka in the late 1950s made a remarkable comment "Ceylon owes its present prosperity (in comparison with other countries in the region) to the plantation economy." and went to the extent of even suggesting that "it is the plantation economy which is capable of providing further development for a rapid increase of the national wealth." The bulk of the plantation crops are cultivated in the Wet Zone of the country, which is also the region which experienced acute rural unemployment and under employment in the island. In addition, it was also felt necessary to strengthen the plantation sector not only to absorb more workers for its activities but also to diversify the agricultural sector in order to make it more efficient and prosperous. The plantation sector therefore was considered vital to the growth of the economy of Sri Lanka.

Though plantation sector maintained its position as the leading sector of the economy in the middle part of the last century and thereafter for a decade or so, the preoccupation of the peasant sector with promotion of welfare, coupled with the gradual emergence of the industrial sector, brought about perceptible waning of the importance of plantation agriculture in the country. Similarly, within the plantation sector the trend of 'Ceylonisation' of ownership and management and the

subsequent land reform measures (1970-75) virtually brought the area under plantation crop cultivation, to a standstill.

The successive governments since independence had repeatedly announced plans for nationalisation of the foreign owned enterprises in the country. The attitude of the government led to the curtailing of investment, in the plantation and demoralised management of the plantation sector. Consequently, many foreign owned plantation companies and individual owned plantations fragmented their tea lands into small plots and sold them. The announcement of the nationalisation of foreign owned assets and lands fixed "ceiling under the land reform regulations" led to further decline of the plantation agriculture - particularly the large scale British owned 'Sterling' and 'Rupee' company tea plantations, as well the plantations owned by the locals.

2.3 Identity Crisis

A considerable number of Indian Tamils could not state their ethnic identity particularly during the 1981 and 2001 census. The population of IOTs in 1981 was 838,000 (5.1 percent of the total population of the country). According to the 2001 census, the population of Indian Tamils was calculated to have increased only by 18,000 thus a total of 855,891. This leads to the conclusion that the share of IOT population in the country is only 5.08 percent of the total population. At national level the population has increased by 28 percent during the inter-census period, whereas the IOT population has decreased by 0.02 percent. This negative change has no scientific explanation.

In the 1981 census report, the Commissioner General clearly mentioned that the actual number and the proportion of the IOTs in Sri Lanka was much more than what was mentioned in the report. A good number of Indian Tamils who

obtained Sri Lankan citizenship identified themselves as Sri Lankan Tamils. As such the census identified these people as Sri Lankan Tamils, and it resulted in this anomaly.

For a long time, due to various political reasons, the IOTs had been barred from many areas of the civil life. This was mainly due to the absence of citizenship rights. As such when a section of them gained citizenship they believed that they need not consider themselves as Indian Tamils any more. On this subject there had been various debates and discussions among civil and political groups, but without consensus.

However, the Indian Tamil population identified as 'Up Country Tamils', 'Hill Country Tamils', 'Indian Origin Tamils' etc living in the plantations, rural areas and urban areas were about 7 percent of the population in 1981. Therefore, the share of this community in 2001 too would have been around this figure (7 percent) if not more. The census has been to a great extent incompetent in registering the people with their origin and, moreover, they are biased especially in the case of Indian Tamils. The size of the Indian Tamil population will be minimized in the future if no proper counting and reporting methods are adopted by the census authorities.

2.4 Land and Housing

There are around 914,000 people living in the plantation sector of Sri Lanka. Of them around 800,000 belong to the IOT community¹⁰. The houses provided to the plantation workers are called "line rooms" (because usually they have been built in rows) were constructed with the introduction of plantation crops, by the British. There are three types of line rooms to date in the plantations: 1) single line rooms with a verandah in front,

¹⁰ Compiled from Economic and Social Statistics of Sri Lanka 2010, Central Bank of Sri Lanka March 2010.

2) single line rooms with a verandah in front and back and 3) back and back line rooms with verandah. The line rooms are generally over crowded, damp, smoky and dark, hovels and having a severe toll on the health conditions of the occupants. Small vegetable plots, occasional cattle shed, open drains, and communal open-pit latrines occupy the narrow spaces between and adjacent to the lines rooms, giving the residential cluster the appearance of extreme congestion. This condition is mitigated only by the fact that they are surrounded by vast stretches of tea or rubber plantations. The houses occupied by the plantation workers are not owned by the occupants.

Even during the colonial era – which stretched up to 1948 when the plantation workers had the right to vote, they were not included for benefits from any of the development projects launched by the government. On the contrary, whenever a project was contemplated, the land for such project had been requisitioned from plantations. Therefore, it only resulted in the plantation workers of such plantations being rendered jobless and homeless.

There is no evidence that any attempt had been made to have the plantation workers included in any of the government's rural or urban housing projects in spite of the unions voicing over the deplorable situation of the line room facilities with father's family, son's family and, sometimes the daughter's family cramming into a single 8x12 feet room. Plantations, at that time was a separate entity which was called the "Planters' Raj" – the planters having the final say in any matter pertaining not only to the plantation industry but even the social development of the plantation community.

The Gazette No 10168 of 1950 stipulated provisions for constructing line rooms after 1950s. It said that the single

cottage type line should consist of an open veranda or an enclosed veranda, a living room, a back veranda and a kitchen. It also laid down in the Rule 10 of the Gazette that the vicinity must be clean of refuse and excreta and the line drains must be cleaned regularly. The other Act that regulates the housing in the tea plantations of Sri Lanka is Estate Labour (Indian) Ordinance: 24 (1) which prescribes that a single room cottage should not be occupied by a family¹¹, Estate Quarters (Special Provisions) Act No - 2 of 1971 and article 27 (2) (c) of the Constitution of Sri Lanka (1978) also recognizes the right to adequate standards of living, including housing for its citizens.

With only a small number of plantation workers managing to get citizenship under the Indian - Pakistani Residents (Citizenship) Act No - 3 of 1949 a vast majority of them, and their natural increase, remained stateless, until the Indo-Ceylon (Pact) was signed in 1964. During this period too, there were a number of schemes launched by the government to distribute land to the landless, but, none benefitted the IOT plantation workers, who had gained citizenship as of then.

When the plantations were taken over by the government in two stages under the Land Reform Law of 1972, first the rupee company plantations, and second, the sterling company plantations, the government handed over the plantations which it considered to be economically viable, to Sri Lanka State Plantations Corporation (SLSPC) and *Janatha* Estates Development Board (JEDB) which the government had created, for the management of those plantations. The plantations which were categorized as non viable were handed

11 "Report on Sri Lankan Tea Industry", (2008), Kandy: Institute of Social Development.

over to Upcountry Estates Development Board (UCEDB) and, some ad-hoc agencies which were subsequently created to run such plantations and then, the latter were distributed to the villagers. However, the right to land was denied to the plantation workers who lived and worked for over a century in the same plantations. The SLSPC and JEDB which managed the plantations until the 1990s had taken over the responsibility for housing the plantation workers. But they limited their activities to repairing, renovating and white washing the lines within the funds allocated for the purpose.

The UNP which came into power in 1977, declared some more plantations to be non-viable and set up an agency: National Agricultural Diversification and Settlement Authority (NADSA), and handed over such plantations to the agency under a crop diversification and land distribution program. Re-privatization of the estates which had been taken over by the state in 1975, was another important step. The process began in 1992. In the first stage the plantations were divided into 23 units and their ownership transferred to state owned Regional Plantation Companies (RPC). Their management was privatized on a profit sharing basis for five years. Next, 51 percent of the ownership of RPCs was sold to the managing companies. Finally the balance shares held by the state were sold through the stock market. The plantations were given to the companies under a lease agreement for 50 years, with options for renewal. With this step the private sector once again regained control over one of the most important industries in the country.¹² Under the privatization program about 450 plantations were handed over to 22 plantation companies. Still

12 Bastian, S., The politics of land reform and land settlement in Sri Lanka: www.panossouthasia.org

50 small and large plantations remain in the hands of state lessees, JEDB and the SLSPC¹³.

The Technical Assistance Team of the Social Welfare Program in 1994 revealed that a) 45 percent of the housing units were overcrowded, b) 64 percent of the houses suffered from inadequate light and an equal percentage from poor ventilation, c) 62 percent of them were without latrines and, d) 42 percent with no sufficient water, and suggested urgent steps to construct houses for the plantation workers.

The Plantation Housing & Social Welfare Trust (PHSWT) was created in 1992 and incorporated under the Companies Act No 17 of 1982. The organization was later re-named as the Plantation Human Development Trust (PHDT), in 2002. The PHDT is a Tripartite Organization consisting of the Government of Sri Lanka (GOSL), RPC and plantation TUs, formed to coordinate and facilitate programmes to enhance the quality of life of plantation workers. But the primary commitment and responsibility in respect of worker housing remains with the individual management companies¹⁴.

According to a statement of PHDT in 2006, the latter were still repairing line rooms in the plantations and expected to construct over 193,000 houses for plantation workers within the next 8 years. The director also stated that "at present it has been decided to construct 3500 houses per annum. These plantations have over 912,110 resident population attached to 22 regional plantation companies. The government has decided to construct 50,000 houses per year to cater to the impoverished

13 Sivapragasam, P.P. (2008), "Globalization and its Impact on Plantation Workers on Sri Lanka", *Studies on the Impact of Neo-liberal Policies*, Malaysia: CAWI pub. p.135.

14 PSG (2000), Status of Worker Housing in Privatized Plantations, Program Support Group, Colombo

masses in the country. This includes the plantation sector." The Director further predicted that "if the government starts its housing project, all plantation workers will receive single houses within a short period."¹⁵

The current PHDT programme has the mandate to transfer the ownership of plantation housing to the respective occupant after he/she has paid the bank loan of Rs.100, 000 within the stipulated period of ten years.

Minutely discussed development program for the plantation community was the 'National Plan of Action for Social Development of the Plantation Community 2006 – 2015'. This programme was prepared by the Ministry of Estate Housing, Infrastructure & Community Development with the patronage of UNDP¹⁶. Every issue had been thoroughly gone into at the preparation stage of the report. It was started to provide 200,000 units of new housing in the plantation sector. It was proposed that 20,000 houses per year were to be rebuilt or newly constructed. The plan was estimated to cost Rs. 13,571 millions for the construction of 60,000 houses in 2008. However, the plan was not implemented. The major reason for such situation is the non existence of the Ministry of Nation Building and Estate Infrastructure Development in the present government.

At present, under the Asian Development Bank assisted plantation development project, housing loans are being provided to 6,000 families to construct their own houses. The maximum loan of Rs. 100,000 and Rs. 145,000 worth of

15 Sunil C. Perera, *Asian Tribune*, "Plantation Human Development Trust to assist estate workers to achieve better lifestyle" published on 04. 02. 2006

16 Vamadevan, M., was given the leadership to prepare the vital document in his capacity of secretary to the Ministry of Estate Infrastructure in Sri Lanka, during 2004-06.

materials are given to the workers, and the technical support is provided by the Estate Workers Housing Cooperative Societies (EWHCS). It is said that the lease on the land would pass on to the workers from RPCs upon completion of the loan repayment at the end of ten years. Given the time constraints and lack of resources, instead of replacing the existing barracks with individual plantation housing model, the project will continue the reroofing of 11,000 line rooms to address the immediate problem of leaking roofs. In addition, the project will provide 150 common site services as required at the housing compounds. The project will also examine different options that can help improve sanitation, such as upgrading septic tanks and monitoring groundwater safety against bacterial contamination, and awareness raising.

In the *Mahinda Chintana*, the Vision for Future Towards a New Sri Lanka of His Excellency the President Mahinda Rajapakse, it has been stated: "One of my major goals is to make the plantation community a house owning society. Accordingly, instead of the present 'line rooms', every plantation worker's family will be a proud owner of a new home with basic amenities by the year 2015. While a sum of Rs. 5 billion will be allocated annually for this purpose as part of the Government contribution, foreign financing will also be utilized for this project."¹⁷ Several attempts have been made to provide a separate house for each worker's family since 1994. The plantation sector housing program which was considerably successful in the districts of Galle and Matara in the southern region of the country was thereafter expanded to other plantation districts of Ratnapura, Kegalle and Kandy. However, it has not sufficiently reached the districts of Nuwara Eliya and Badulla which are the

17 *Mahinda Chintana*, A Brighter Future Presidential Election – 2010, p. 41

major residential areas of the Indian origin plantation workers, to date. Ironically, attempts to provide the plantation workers with proper housing reached only a few plantation workers.

Still the line rooms built by the British remain in most of the plantations as reminders of the past. The following data showcase the changes that occurred in the plantation housing, reported in the Consumer Finance and Socio-Economic Survey (CFS) by the Statistical Department of Central Bank of Sri Lanka.

Table 2.1

Types of housing	1996/97 (%)	2003/04 (%)
Line Rooms	83.2	63.4
Single/Twin House	10.2	28.1
Others	6.6	18.5

Source: Compiled from the *Report on Consumer Finance Survey 2003/04*, Central Bank of Sri Lanka

According to the above data, single housing units for the plantation community had increased from 10.2 percent in 1996/97 to 28.1 percent as per survey conducted in 2003/04. The number of persons residing in line rooms also reduced from 83.2 percent to 63.4 percent. However, the increase of other category from 6.6 percent to 18.5 percent is largely due to the separate attachments made by the occupants of the line rooms in the plantations. These separate attachments, generally used for cooking, help them ease the congestion somewhat. In certain instances the attachment is also used as a separate abode for newly married couples in the sector.

A HIES of 2009/10, at sector level, reveals that 56.1 percent of the families in the plantation sector live in line rooms (or row houses). When compared with rural and urban sectors, more than one half (50.7 percent) of the residents in the plantation

sector live in units made with less than 2 bed rooms, whereas in the rural sector (which reports the best figures in this regard), nearly 80 percent of the households have 2 or more bed rooms, and a majority of them (47 percent of all) have 3 or more bed rooms¹⁸.

2.5 Situation of Poverty

The poverty in the plantation sector which was at 38.4 percent in 1995/96, fell to 30 percent in 2002, and, again rose to 32 percent in 2006/7. In 2009/10 it stood at 9.2 percent (HIES - 2009/10). The poverty alleviation measures and national development projects of the successive governments, no doubt, have contributed to the improvement and changes in the condition of the plantation people. Notable here is the percentage of plantation workers below or on the poverty line which was 38.4 percent in 1995/6, is reported to have dropped to 32 percent in 2006/7 in a matter of 11 years. This is a 17 percent decline. From June 2007 to September 2010, it had declined to 9.2 percent, meaning that in three years the poverty level in the plantation sector had reportedly dropped by 71 percent,... a great leap indeed. Whether this is the reality, or the system of computation that is responsible for the rosy picture presented, needs to be gone into. It is clear that the household income and expenditure report of 2009/10 covers only 3 months, namely July, August and September 2009 (HIES report page 1, 1.2 limitations of data), not the whole year. Development related analysis should be comparative. In a country with multi sectors, multi ethnicities and gender situations, conclusions could be reached only on the basis of whether resources, opportunities and capacity have been equitably distributed.

18 *Preliminary Report on Household Income and Expenditure Survey- 2009/10*, Department of Census & Statistics, Sri Lanka. p. 40.

Table 2.2
Poverty Situation 1995/96 – 2009/10 (In Percentage)

Sector	1990/91	1995/96	2002	2006/7	2009/10
Sri Lanka	26.1	28.8	22.7	15.3	7.6
Urban	16.3	14.0	7.9	6.7	6.5
Rural	29.5	30.9	24.7	15.7	7.7
Plantation	20.5	38.4	30.0	32.0	9.2

Source: *Preliminary Report, Household Income and Expenditure Survey, 2009/10*

As per above table, the national level poverty which was 26.1 percent in 1990/91, had gradually reduced, as has been indicated, to 7.6 percent in 2009/10. And compared to even the other sectors, where there has been a gradual drop, the plantation situation is presented as a drastic or overnight drop.

As to whether a significant change has taken place in the plantation poverty situation can be best understood only when the complete report is out rather than on the basis of the preliminary 3 month 2009/10 report of the statistics department.

In the meantime, the last report on the poverty situation in Sri Lanka (in 2006/07) states that the plantation poverty level remains as high as 32 percent. The highest poverty level (33.8 percent) recorded from Nuwara Eliya, a district which has many plantations, confirms this claim. It is apparent, therefore that outside the war zone areas, most poverty stricken is Nuwara Eliya district where there are more plantations. Plantation poverty level is four times higher than that of the urban sector, which on the other hand, means that in the plantation sector 32 out of 100 are living below official poverty line.

A comparison of 1990/1991 statistics department report with the 2006/7 poverty situation report shows that in the intervening period of 17 years, the poverty level has increased

by 68 percent. It substantiates that the plantation poverty has increased. Gender wise, most poverty stricken in the plantation sector are women and also children.

2.6 Educational Facilities to the Plantation Community

The children of the tea plantation workers have been provided with some educational facilities, mainly after the nationalization of the plantation schools during the 1980s. Still the plantation community is disadvantaged as far as the level and quality of education are concerned. The illiteracy rate significantly reduced from 51.7 percent in 1973 to 24.6 percent in 2003/04 in the plantation sector. The national illiteracy rate was 8 percent as of 2003/04¹⁹. It could be presumed that a majority of this 8 percent comes from the plantation community. The persons who have gone up to Grade 12 and 13 (secondary levels) are 59.4 percent. However, in the plantation sector only 20.2 percent have received secondary education. In a nut shell, it is clear that the educational level of an average person in the plantation sector is more or less half that of an average Sri Lankan.

There are 830 schools under the category of plantation schools in the country. 197,123 students were enrolled to these schools as of 2006. Among them, the total number of students in the primary and secondary classes was 96,904 and 93,217 respectively. However, the students enrolled to the secondary (i.e. Grade 12 -13) classes were only 6002. This was much lower than the average school enrolment rate in Sri Lanka.²⁰

The teachers are divided into three categories based on educational qualifications and training. Around 60 percent of

19 Household Income and Expenditure Survey, Department of Census & Statistics, Sri Lanka 2003/04.

20 Compiled from Preliminary Report School Census 2007, published by the statistical Branch of the Ministry of Education, Sri Lanka, in 2008.

the teachers teaching in the plantation schools have obtained training with the support of SIDA. This is in par with the national average and contribution made by the Teacher Training College in Kotagala which is a plantation sector and the College of Education in Patana which was established under GTZ project for the children of the plantation workers. However, the graduate teacher availability rate in the plantation schools is 9.73, which is far below the national rate, of 34.02.

A study conducted in 1994 shows that the total number of Tamil students adequately qualified to study for General Certificate of Education (Advanced Level) classes in the 1AB schools (the 1AB is the school with facilities to follow Science, Mathematics, Commerce and Arts classes), in the entire plantation districts, was 400 in 1994. After a period of little over a decade the number increased to around 1800 students in 2007 (Chandrabose: 1994).

Teacher non availability, particularly for Science and Mathematics is a huge challenge faced by the plantation community. In the meantime, even if qualified teachers could be appointed, retaining their services continuously for the children of this community is another, formidable, challenge.

Steps were taken in 2008 to address the teacher shortage, particularly in the primary and secondary plantation schools, through recruitment of teachers from among the plantation community. Under this special scheme, 3179 GCE (A/L) qualified teachers were appointed. Most of them came from the plantation sector; the appointments were made based on the school vacancies. The teachers were required to serve in a particular school for a minimum of ten years. These new appointments somewhat solved the problem of Science and Mathematics teaching at primary and secondary levels, but the

shortage of teachers remains an issue for the senior secondary classes.

The schools are not evenly distributed among the different communities in the plantation sector. The plantation community is receiving the least amount of opportunities for the secondary level of education. For example, the Nuwara Eliya district with around 58 percent Tamil speaking communities, has only nine (9) 1AB status schools, whereas 42 percent of the Sinhala medium students have double that number. In the Kandy district, with a large Tamil population (165,000), there are only four (4) 1AB schools for Tamil students. In Kegalle, 1AB schools are nonexistent but there is a Tamil population of 60,000. The Tamil plantation population in the Ratnapura district is around 11 percent of the total population but does not have schools with GCE (A/L) Science²¹. But it is available for other communities which are numerically inferior to the Tamil plantation population in the district. Such disparities also can be observed in the Badulla district. The Tamil population in the district constitutes 18 percent. The distribution of schools for Tamil students shows that they are given a greater opportunity to enroll in GCE (A/L) Arts and Commerce streams but not given the opportunity to enroll to Science classes. There are two 1AB schools in the Badulla district, located in the main town area and they are not accessible to many plantation students who aspire to study science.

Out of 700 Tamil schools (excluding the plantation schools in the districts of Colombo, Kalutara, Monaragala, Galle and Kurunegala) only 75 (or 10 percent) are 1C type schools. There are 420 (or 60 percent) Type 3 schools in these districts. The data

21 Human Development Organization (2010), *Status of School Education of the Plantation Community in Sri Lanka*, Kandy: HDO Publication.

presented here clearly indicate that the educational provisions available to the bulk of the plantation community are limited to primary level, along with a meager provision for collegiate education. This is in spite of various development programs introduced during the last three decades. Still the existence of a relatively smaller number of 1AB and 1C Type Tamil schools is an indication that the education of a majority of the plantation Tamil children is restricted to primary education.

It should be noted that of 244,459 (or 13 percent) students enrolled in GCE (A/L) classes in 2008 after the General Certificate of Education (Ordinary Level) examinations, only 6777 (or 8 percent) were from the plantation schools. By and large, the number of students who come from the plantations for GCE (A/L) classes also varies from district to district in the plantation areas, lowest being from Ratnapura - with 330 (or 4.30 percent) students. Only in the Matale district, the number enrolled for GCE (A/L) is slightly close to the national average.

The progress of the plantation children in the competitive examinations of GCE (O/L) is not impressive. The recent statistics show that the students who passed with six subjects in the first attempt in 2006 were 40.92 percent, but in the plantation schools it was between 25 to 35 percent. A large number of schools under Nuwara Eliya, Hatton, Badulla and Passara Zonal Education Offices are mainly plantation schools and the pass rate in the first attempt of GCE (O/L) in 2006 was 26.91 percent, 31.39 percent, 35.81 percent and 25.32 percent respectively.

Most of the students who completed the GCE (O/L) level were not qualified to continue their education in GCE (A/L) classes. At national level, 51.22 percent were qualified to enroll for GCE (A/L) in 2006. As far as the plantation areas were

concerned the lowest percentage of the plantation students qualifying for A/L studies was recorded from the Education Zone of Passara - 34 percent. But from Badulla Zone it was

Pregnant women do not have the facility of attending prenatal, antenatal clinics or having regular checkups. This is because the EMAs are not qualified enough to conduct such clinics and the absence of other necessary infrastructure like hospital facilities or motorable roads or transportation facilities. At the same time in many plantations the pregnant women even at the stage of labour pain are taken to the maternity wards for child delivery in leaf lorry. For example a pregnant mother Puspamalar of Frotoft Estate, Ramboda somewhere in 2010 delivered the child on her way to the Wahugapitya hospital in the lorry in which she was being transported. She had to be transported in the leaf lorry, because there was no ambulance or any other means of safe transport. But the infant died in the lorry itself. This is a common phenomenon in the plantations.

Source: Virakesary & Thinakkural National News Papers, 04/07/2010 & 21/06/2010

46.71 percent. In the Educational Zones of Nuwara Eliya and Hatton where around 90 percent of the students are plantation Tamil students, the qualifying rate for GCE (A/L) was only 37.79 and 36.06 respectively. It should be noted that around 54,000 (or 65 percent) students who studied up to GCE (O/L) left schools without enrolling for A/L classes in 2006.²²

The study conducted on the performance of plantation children showed that though some progress had been made in certain subjects at GCE (O/L) examination, around 89.01

²² Compiled from *Preliminary Report School Census 2007*, published by the statistical Branch of the Ministry of Education, Sri Lanka, in 2008.

percent of the students failed in Mathematics, in 1995²³ The failure rate in English, Science, Social Studies and Tamil Language was 81 percent, 74.2 percent, 55.8 percent and 31.4 percent respectively. But the situation improved considerably within the last 10 years, the failure rate in Mathematics dropping to 64 percent in 2006. Likewise, the failure rates in English, Science, Social Studies and Tamil Language were 74.7 percent, 67 percent, 34.4 percent and 20.5 percent respectively.

There are reasons for low achievement by the plantation children in secondary level education. One is the lack of schools to continue their secondary level education in the close proximity to the plantation areas. The potential plantation students have to tackle the additional trouble of reaching the IC schools which are far away, located mainly in the towns. In addition to this, poor transport facilities, particularly between the plantations and towns and existing natural and man-made obstacles along the roads are major challenges for the plantation students.

2.7 Plantation Women

The contribution of the plantation women workers to the national economy is immense that it will not be an exaggeration to call them the backbone of the country's economy. As per gender-wise population survey of the plantation population, more than 50 percent are women. One cannot be unaware of the fact that plantation women workers work more than their male counterparts, in terms of the number of hours per day. Rising as early as 5.00 am in order to attend to the household chores - such as cooking the breakfast and lunch for the male folks and

²³ Chandrabose A.S. (1995), *Present Status of Tamil Schools in the Plantations and an Action Programme for Upgrading these Schools*, SSA. Colombo.

children, feeding and sending them to school and thereafter cleaning herself and hastily eating what remains of the breakfast cooked for the family, a plantation woman finally leaves for the morning muster not later than 6.00 am from where she goes directly to the work place.

Plantation society is traditionally patriarchal. From managers (former - superintendents), chief clerks, factory officers and field supervisors (*kanganies*), male domination is solidified at different levels of the social, economic and cultural fields. Women are yet to assume positions of power and authority in decision making at the leadership level in TUs, since men invariably control power structures; there has been an instance of a male manager refusing to deal with a local female leader simply because of her being female. The plantation management system is a top down approach.

Plantation women workers are discriminated against on class, gender and ethnicity grounds. As they are historically plantation workers, they are subjected to a numerous forms of discrimination and deprived of their rights.

- i. Plantation women workers sell their labour. It should be noted here that their labour is commodified.
- ii. The price for this commodity, however, is determined by the market forces such as plantation companies.
- iii. Prices of the products (tea, rubber and coconut) are determined by market forces and not by the workers.
- iv. The life of the plantation workers are tied to the plantation and their work is without any social security.
- v. Plantation workers are daily paid. Although the agricultural workers too are paid daily, the latter's life

is not tied to the industry: they are free to look for higher or added income avenues.

- vi. In a critical sense the plantation workers, particularly women, are captive labour.

The female workers have traditionally been assigned the most laborious tasks: plucking tea and tapping rubber. Women workers, who were paid a lower wage than men until 1984, though have been put on an equal wage with men, still continue to be treated as inferior under the traditional male domination socially in spite of the women's contribution economically. A woman worker explained in the FGD her experience that "The men finish their work as early as one or two o'clock and they go out for entertainments; while they (women) work until five to six in the evening, and then they go home only for many more hours of work".

It must be noted that the wage hikes are not given to the plantation workers through the national budget, which, however, takes in to account the cost of living index. Women constitute over 50 percent of the plantation sector workforce. This sector is a major Foreign Exchange Earner with around 4.5 percent of the Sri Lankan workforce directly employed in it. While the practice followed in the other sectors is to determine the wages on the basis of the prevailing cost of living, the wage of the plantation sector workers since 2000 is determined through the CA irrespective of the increasing cost of living index.

Although men and women are receiving equal wage, considering the longer hours worked by the women workers and the consequent loss of more energy, one cannot be convinced that the wage received by the women is adequate when one takes into account the quality of food necessary to regain their lost energy. This is an indirect violation of their human right.

- **Health and Reproductive Rights of the Women**

The healthcare facilities to the plantation workers are not on par with those available to the people of other sectors. With the takeover of the plantations by the government in the 1970s, the practice of having a dispensary in each plantation came to an end. Two or three plantations were made into one unit and the measure was explained as an attempt to reduce the cost. But, this change did not bring about a qualitative change in the system. An Estate Medical Assistant (EMA) who until then had to be in charge of one plantation, was compelled to be in charge of a larger unit with a larger number of workers.

Permanent family planning measure practiced in the plantation sector which is forced on the women has become a serious problem in the plantation sector. In spite of the available temporary family planning methods, plantation health officers force permanent family planning on the plantation women. It is noted that female sterilization (LRT) vigorously practiced in the plantation sector than elsewhere. Though a spate of accusations has been leveled against the forced sterilization, the practice has not been curtailed. Practically, various focus group discussions brought out the fact that about 32 percent of the women who had undergone family planning – sterilization had no clear idea of the type of family planning that they had undergone. A majority of them were illiterate, and particularly not knowing Sinhala, in which language all the explanations were done.

Other 27 percent informed that they underwent sterilization either due to the pestering of the spouse or plantation health/welfare officers, and they also have a fear of losing their

employment²⁴. Their freedom to make decisions should be respected, the way it is respected where their counterparts elsewhere are concerned.

Table 2.3
Child Nutrition And Health Status

By Sector	Children with low birth weight (% - <2.5 Kg)	Children stunted (% - height for age)	Children wasted (% - low weight for height)	Children underweight (% - low weight for age)
Urban	13.7	8.3	8.9	17.8
Rural	17.3	14.1	16.8	31.0
Estate	30.0	37.0	12.5	45.7
Population average	17.4	14.6	14.8	29.9

Source: *Sri Lanka Poverty Assessment*, World Bank, Pub. 2007

The World Bank Report (Table 2.3) documents that low birth weight is more prevalent among the plantation population. Nearly 30 percent of the infants born to mothers in the poorest plantation income quintile were low in birth weight. Mothers living in the plantations have the higher percentage of low birth weight infants. Malnutrition leads to stunting which means that children are short for their age. According to the following table almost 37 percent of plantation children are stunted whereas only 14.6 percent at national level quintile.²⁵

- **Nutritional Status of Women**

The persistence of poor nutritional status is made apparent by the poor nutritional level of women in the plantation households

24 Sivapragasam, P.P., *Status of Human Rights of Women Workers in Plantation Sector of Sri Lanka*, An Un Published M.HR Thesis, Submitted to University of Colombo, 2009.

25 *Sri Lanka Poverty Assessment Engendering Growth with Equity Opportunities & Challenges*. World Bank 2007, Colombo. p.53

(low body mass index). Nearly 40 percent of the poor women and almost half of the plantation mothers have low body mass²⁶. Mother's poor nutritional status is an important contributor to intrauterine growth retardation, and low birth weight. The plantations are still well behind the rest of the country and the rural sector where key indicators of health are concerned. These lapses are due to the fact that the plantation healthcare system has not been absorbed into the national stream.

2.8 Role of Trade Unions and Politics

Trade Unions (TU) occupy an important place among the plantation workers as an organized voice for their rights. Since Natesa Aiyar founded the first TU for the plantation workers - The All Ceylon Estate Labour Federation (ACELF) in 1931³⁷. The later years saw a multiplicity of TUs, and the major TUs in the plantation sector became politically motivated. However, during the 30 years of the civil war, the trade union movements and, especially those of the plantation sector, weakened.

At present there are around 20 TUs in the plantation sector. Of them there are three main TUs: Ceylon Workers Congress (CWC), Lanka Jathika Estate Workers Union (LJEWU) and Joint Plantation Trade Unions Centre (JPTUC) which have been recognized as major TUs by the Employers' Federation of Ceylon for the purpose of signing a CA. Other TUs, though not signatory to the CA, are nevertheless active. According to G. Hitinayake, the workers' actions, attitudes and behavior are highly dependent on directions given by the union leaders. Union leaders in the plantations closely associate with politicians. They seek advice and assistance from the political hierarchy when there is a conflict between plantation workers

26 *Sri Lanka Poverty Assessment Engendering Growth with Equity Opportunities & Challenges*. World Bank 2007, Colombo. p.54

and the management.²⁷ This was observed during the field visit and discussion with workers and middle level management staff who participated in the FGD. However, in most cases, decisions taken during such political dialogues do not address the real issues of the workers.

According to key community leaders, 'TUs have lost their clout and bargaining power in the CA process, and some TUs openly support the liberal economic reforms for their own political survival. This has left the workers helpless in the face of low wages and poverty'. Whereas this is nothing new for the major TUs in Sri Lanka, many of them are linked to political parties. TUs in the plantations traditionally lacked political clout since most of their members had lost citizenship rights and voting rights. With the ascendance of the latter, and with their leadership entering into cabinet positions, plantation TUs are now able to utilize their political influence in TU negotiations.²⁸ However, according to workers, most of the TUs have used this linkage and political power to benefit themselves rather than for the benefit of the working community.

In the post liberalization era of Sri Lanka, the plantation trade unionist turned politicians shifting their allegiance from the opposition to the ruling party has been a common occurrence, claiming it to be a working agreement in pursuance of the overall welfare of the plantation people. But there is little evidence of their using their clout with the ruling party to win the rights of their constituency.

27 Hitinayake, G., (2009) 'Root causes for poor delivery of government services in plantation', *LST Review* Volume 19 Issue 258, April 2009, Colombo.

28 Sivapragasam, P.P., (2008), 'Globalization and its impact on plantation workers in Sri Lanka', *Studies on the Impact of Neo-liberal Policies on the Conditions of Agricultural Workers*, CAWI publication, Malaysia. p.123.

Local level leaders of plantation TUs (plantation committee leaders) and members were frank about problems of gender discrimination within the TU movement and among workers. In the plantations a large majority of workers are women. However, when unions are formed, the leadership ratio is usually reversed. Plantation committees are dominated by men. The reasons are not surprising. They follow a patriarchal tradition common to most societies and it has not spared the TU.

A group of women and young workers interviewed for this study criticized that "it is difficult for women to come forward, and at the same time, men generally oppose women taking up leadership positions in TUs. They do not like to be led by women, and in the meantime top level leadership of every TU is held by men".

Even though the plantation TUs are well organized ones, the workers in the sector are weakest in terms of demanding their rights, as the TUs are highly politicized; seldom consensus is reached among the TUs in relation to workers' demands for rights, and the leaders promote hereditary, male dominated leadership.

2.9 Stakeholders in the Tea Plantation Sector

There are various stakeholders who influence the tea plantation industry. The role of every one of them is important to sustain and develop the sector. Plantation workers and the management form the core-group amongst them. Other stakeholders related to this industry can be divided as follows: a). State institutions, b). Private sector and c). Nongovernmental sector (Table 2.4).

Table 2.4
Stakeholders in the tea plantation sector

State Sector	Private Sector	Non State (CSOs) Sector
The Ministry of Plantation Industries (MPI)	Employers Federation of Ceylon	Trade Unions
The Tea Research Institute (TRI)	The Planters Association (PA) of Ceylon	Civil Society Organizations (NGOs & INGOs)
The Tea Small Holdings Development Authority (TSHDA)	The Tea Association of Sri Lanka (TASL)	CBOs (Community Based Organizations)
Land Reform Commission (LRC)	The Colombo Brokers Association (CBA)	Technical Assistance Team (TAT)
National Institute of Plantation Management (NIPM)	The Colombo Tea Traders Association (CTTA)	Fair Trade Organizations (FTO) (Fair Trade Organizations also involve in trade and export activities. FTO may come under the private sector also)
	The Federation of Tea Smallholder Societies (FTSHS)	Program Support Group (PSG)
	The Private Tea Factory Owners Association (PTFOA)	Media
	Plantation Human Development Trust (PHDT) (This is a semi governmental Organization set-up by Plantation Companies, TUs and Government)	

All these three stakeholder groups directly or indirectly influence the development of the plantation sector and workers. However, it is hard to state that the coordination between these three is well maintained. For example, the state

intervention in the large scale plantation is often less than in the smallholdings. Similarly, although, the Colombo Brokers, Colombo Tea Traders and The Tea Association of Sri Lanka are close to and dependent on the tea trade and tea export income and benefits from them, they do not maintain any direct link with the plantation workers. In the meantime there is hardly any evidence to suggest that even a small percentage of their gain is utilized for the development of the plantation workers.

a. State Stakeholders

There are many public sector/state owned institutions playing a significant role in the tea plantation industry. Sri Lanka Tea Board, Tea Research Institute, and Tea Small Holding Development Authority and the Ministry of Plantation Industries (MPI) are the major institutions and the National Institute of Plantation Management is also a special body in the Sri Lankan tea industry.

Tea Research Institute (TRI) was established in 1925 by the Planters' Association of Ceylon (PA) as cultivation and processing research body. It is presently the sole implementing agency of the Tea Research Board (TRB), and is under its administration. TRI has a special place for its research work in the industry and it is in charge of research and investigation of all problems and matters affecting the production of tea, including economic viability of tea and future economic trends in the industry.

Sri Lanka Tea Board (SLTB) was established in 1976 to serve the industry and administer the cess fund. It has three units; namely:

Head Office,

Tea Commissioners' Division (TCD),

Tea Promotion Bureau (TPB).

The head office handles the promotional assistance scheme for the lion logo/brand and tea support schemes for orthodox and CTC factories, bagging, packing tea and fertilizer credit. TCD is responsible for registering tea factories, monitoring the price formula for green leaf purchases by the tea factories, licensing green leaf dealers, issuing permits for the import of tea, for blending, export and collecting of statistics relating to the area under tea cultivation and production. Meanwhile TPB is responsible for the generic promotion of the Ceylon tea through media advertising, publishing and through offering promotional gifts. It maintains offices in Cairo, Dubai, Moscow and Istanbul and it also has a tea centre in London. Generally SLTB is responsible for tea policy formulation, promotion of tea export and providing the smallholders with financial assistance for tea research.

TSHDA was established in 1975 and its main responsibility is providing extension services to smallholders and managing the cess rebate for replanting and infilling tea. Its main objectives are to provide fertilizer, planting materials and setting up tea smallholder development societies. TSHDA's main role is implementing and monitoring smallholder programs.

• *The Ministry of Plantation Industries (MPI)*

The MPI is in charge of development of the plantation industry and formulation of policies which affect the tea industry. The ministry works for the entire plantation sector in the country. Nevertheless, the MPI, the sole body of the plantation industry, is not involved in nor influences the process of the CA or the social development of the plantation workers. It is mainly concerned with physical resources of the industry (such as tea plants, land, etc..) rather than the human resources or development of the plantation workers.

“Since 1997, for over a decade, the focal point of the social development of the plantation community in the state administrative structure had been the Ministry of Estate Infrastructure Development. With the re-naming of the Ministry of Nation Building and Estate Infrastructure Development (MNB&EID) as the Ministry of Economic Development in 2010, the Estate Infrastructure Division of that Ministry was abolished. These changes reflect the shift in the political bargaining power of the plantation community”.²⁹ And, in the meantime the 10 year (2006 - 2015) social development plan for the plantation community, initiated by the Ministry of Nation Building and Estate Infrastructure did not get off the ground.

b. Private Sector Stakeholders

Privatization of the plantations in 1992 led to the emergence of private sector stakeholders. They include the Colombo Tea Traders Association, Colombo Brokers Association, Private Tea Factory Owners Association, Federation of the Tea Smallholder Societies, Planters Association of Ceylon and Tea Association of Sri Lanka.

Generally, the Colombo Tea Traders Association is involved in lobbying the government on behalf of its members, conducting tea auctions and other sales related activities. The Tea Brokers Association is concerned with marketing the produce and auctioning. The Private Tea Factory Owners Association was established with the objective of promoting and safeguarding the tea factory owners in the context of state intervention. It bargains with the government on its price policy for green leaf. Currently the small holdings have increased numerically to be

²⁹ The Sunday Times.lk/110220/Business Times/bt20.html

on a par with large scale plantations. This has necessitated a greater interest on the part of the Tea Smallholders Societies in relation to their problems.

The Planters Association is a representative of the Regional Plantation Companies for all intents and purposes. Similarly, the Tea Association of Sri Lanka with the private sector stakeholders as members plays the major role in producing and marketing tea of good quality.

c. Non State Sector Stakeholders

The non state sector institutions like CSOs, TUs and media are also of vital importance in influencing the living and working condition of the plantation workers. In this context TUs, NGOs, INGOs and Tamil print media collectively play a significant role.

• Trade Unions

TUs have direct live-wire role amidst all stakeholders, while as far as the larger plantations are concerned TUs are well organized bodies. The large scale plantations, compared to small holdings, are a stronger base for TU movements. Some of the TUs including the CWC entangled in politics, have accepted enrolment of workers into their membership, negotiating their wages and resolving industrial disputes, as their key functions. They influence the state of affairs in the industry, supported by their membership strength on the one hand, and their political affiliations with the ruling party on the other.

CWC and Upcountry People's Front (UPF) are prominent parties in the plantation sector, and they ally either with the United People's Freedom Alliance (UPFA) or with the United National Party (UNP) which alternatively comes into power. The plantation politics is TU based and, therefore, the latter remains a decisive factor that shapes the destiny of politics in the

plantation. The TUs with political links are involved in activities relating to the plantation workers' wage increase, development and labour rights, policy formulation, in general. Though the plantation TUs are carrying out development activities in the plantation sector, given that the TUs are also political parties, it is not clear whether the TUs are representing the workers as TUs or political parties. It was observed and identified in the FGD that majority of the workers depend on TU cum political parties when they execute their daily activities as well as when it comes to resolving work related and other social problems. This dependent state of mind originated with the inception of the plantations in the colonial period is continuing to date, but in a different form.

- **Civil Society Organizations (CSOs)**

Many of the Civil Society Organizations (CSOs) work for the development and defense of human rights. Among them are nongovernmental organizations (NGOs) and media. As far as the plantation sector is concerned, NGOs maintain direct links with the community, engaged in health, human rights, children's welfare, nutrition, education, gender equality, domestic violence control and development activities. They also pursue livelihood development and poverty alleviation activities among the plantation workers, in addition to nationalizing and internalizing the workers problems and lobbying for support. They also remain a pressure group as regards the plantation development oriented policies and law by the government. For example: Establishment of New Divisional Secretariats and Grama Niladhari Divisions & Revision of Existing Divisions in Sri Lanka.

International Non Governmental Organizations (INGOs) in the plantation sector have to work with the support of the plantation management, companies and the government,

based on a Memorandum of Understanding signed between them. Therefore they do not take up plantation worker issues concerning their rights which may put them on a collision course with aforesaid forces. They do not also subscribe to actions of local NGOs who, together with their community development activities, take up human right issues of the workers. Some of the INGOs, directly working for many years in the plantations, are facilitating their local partners financially, and some of them implement development programs such as supplying water and sanitary facilities, construction of crèches and community centers and livelihood supports. According to the interviews of the plantation workers the activities of the INGOs are mostly project oriented. When their project period is over they leave the target area. Therefore the sustainability of the development programs in the plantations becomes questionable.

- **Media**

In the meantime media, though, could play a prominent role in exposing the plantation workers' problems, their activities nevertheless are so limited that they cannot draw the national level attention to the plantation workers' problems. The Tamil daily and weekend news papers allocate a small space for plantation issues. Therefore their materiel gain limited national response. Compared to Tamil news papers, Sinhala and English news papers pay little attention to the plantation issues. Therefore, little opportunity is there for the majority of Sri Lankans to know and understand the issues of the plantation community.

As far as the stakeholders such as the government, private sector and non-state sector are concerned, it could be observed that the government, CSOs, political parties and other institutions as well are maintaining a direct link with the production, sales and consumer aspects. But their interest is self

centered, and therefore the extent to which they focus on the development of the plantation workers, who are the primary stakeholders in the tea chain, is in question. For example: though some plantation companies claim that they provide Child Development Centre, and education to the children, it is not clear yet to what extent such involvements have helped bring about any social change among the plantation workers.

In the meantime, though CSOs, media, TUs and political parties claim that they are interested in the workers' welfare, the question is whether they have any clout in order to bargain on behalf of the workers. It is important therefore, that they play the true stakeholders' role transparently in the industry for its development, rather than to serve their own interests.

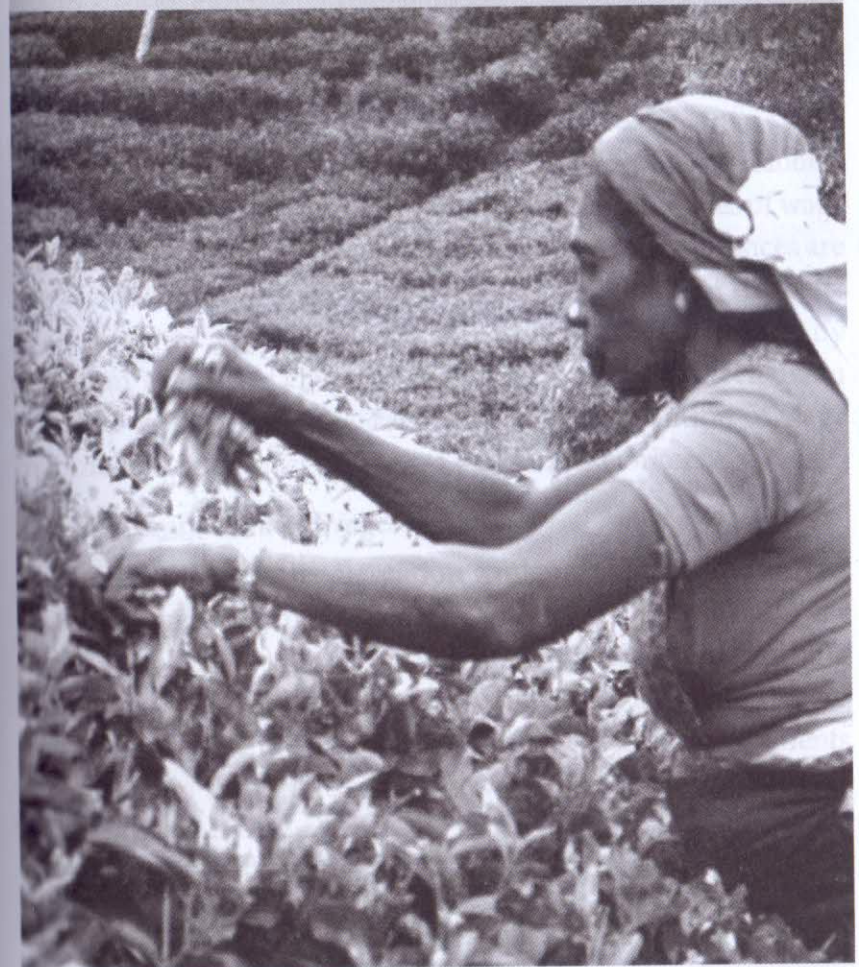
HUMAN DEVELOPMENT ORGANIZATION
 HDO
 P.O.BOX :171,
 KANDY,
 SRI LANKA

Chapter 3



Chapter 3

Daily Wage of the Tea Plantation Workers



Daily Wage of the Tea Plantation Workers

Overview

The tea plantation workers coming into the category of 'wage labour', are distinctly different from peasants and other categories of wage laborers in Sri Lanka. The minimum wage and the allowances are the major components of the income of the plantation workers. Wages for the plantation workers have been determined by EA from 1996. This chapter mainly focuses on the mechanism adopted to determine the daily wage, the distribution of wage income and its impact on the tea plantation workers.

3.1 Determination of Wages

Minimum wage for the plantation workers was first introduced by the "Wage Committee" in 1927, under the Minimum Wages Ordinance (MWO) for the Indian immigrant laborers working on plantations. Until the Wages Board was set up, there was no unified wage system, and workers could not receive the payments directly from the employers.¹ The wage rates were decided by

¹ The methods of payments made by the owners of the plantation sector were basically derived from the scholarly work done by Elaine Gunawardena (1960), Dharmapriya Wesumperuma (1986:112) and S. Nadesan (1993:39)

the planters, and part of the payment was made in the form of rice and other foodstuff. The wages were also not paid regularly – once in a few months – at the convenience of the plantation proprietors. The employers dealt directly with the *kanganies* (chieftain) who owned a group of migrant laborers to supply to the plantations when required. This arrangement ended with the introduction of the MWO in 1927. The Estate Wages Board (EWB) was established through this enactment. The Wages Board consisted of workers represented by TUs, employer representatives and representatives of the Government. This system was replaced with the CA which was introduced signed by the representatives from three selected TUs on behalf of the plantation workers, and the EFC, on behalf of the management of the companies. The government is not involved in this process.

The daily wage package comprises a number of allowances. No attempt has been made to explain the basis of these components to the plantation workers. Usually the revision of the daily wage package means either adding or reducing some amount from the different components of the daily wage. Paradoxically the daily wage consisted of ten to twelve components until 1984. The value of each component was a few cents, and mostly lesser than the basic wage. For example, the allowances such as Plantation Workers Additional Special Allowances 1972 (PWASA), Private Sector Additional Allowances (1972) and Interim Devaluation Allowances 1967 (ID), were 16 cents, 50 cents and 30 cents per day respectively.

The wages of the men and women workers were made equal after the joint wage struggle launched by the plantation TUs at the head of late S. Thondaman, President of CWC in 1984. The Cost of Living Allowance (COLA) valued at 3 cents per day should be paid for each point increase in the Cost of Living Index in the country. One of the land mark achievements in the

struggle of 1984 was the inclusion of various allowances (most of the allowances amounted to a few rupees and cents) and set the minimum wage at Rs. 23.75 for a tea plantation worker in April 1984.

1.4 Collective Agreement to Determine Wages

In 1994 the wages of the workers were increased from Rs. 72.24 to Rs. 83. This was possible because the then President *Chandrika Bandaranayake Kumaranathunga* backed the demand. After 1994 the government withdrew from the process of wage determination. Since then, the plantation companies have been able to bring the plantation TUs in line with its policy of determining the wage increases through a CA.

The CA was concluded in 1996 with CWC, Lanka *Jathika* Estate Workers' Union (LJEWU) and Joint Plantation Trade Unions Centre (JPTUC) signing on behalf of the workers and EFC on behalf of the employers. CWC and LJEWU are two different individual TUs and JPTUC is a federation of small TUs. The signatories to the CA ally themselves with whichever political party that forms a government. The non signatory TUs are middle level TUs, and some of them too ally with ruling political parties. The signatories to the CA meet once in two years to revise the wages of the tea plantation workers. The COLA which had been part of the wage package of the plantation workers was done away with in 1996. In 1997 it was agreed that Rs. 83 would be paid as the basic wage per day which was increased to Rs. 95 in 1999. The components of the wage package of the plantation workers changed from 2001. Table 3.1 depicts the basic wage rate and the components introduced until 2011.

Table 3.1

Wage Rate of the Plantation Workers in Sri Lanka 2001 – 2011

CA	Basic Wage Rate (Rs.)	Attendance Incentive (Rs.)	Price Share Supplement (Rs.)	Total*	
				<75% Attendance	75% > Attendance
2001	101.00	5.00	5.00	101.00	116.00
2004	135.00	20.00	25.00	135.00	185.00
2007	200.00	70.00	20.00	200.00	290.00
2009	285.00	90.00	30.00	285.00	405.00
2011*	380.00	105.00	30.00	380.00	515.00

Source: Collective Agreement Documents 2001, 2004, 2007, 2009 and 2011.

*The latest Collective Agreement was signed in 06th May, 2011, but the latest wage details were not taken as a source for the study.

The attendance incentive and the price share supplement form parts of the CA from 1996. Accordingly, an attendance of more than 75 percent of the days offered by the management (it was 85 percent until 2009) would entitle a labourer to the maximum attendance incentive stipulated in the CA, while the others would receive only the basic wage as per table 3.1. The average outturn of the tea plantation workers in the plantation sector is 18 days per month. The studies conducted by *Sinnathamby* (1985) and *Care International* (1999) also confirmed that most of the tea plantation workers were not able to turn up on all days of work offered by the plantation management. Only a limited number of workers who belong to certain categories conform to this requirement, such as watchers, bungalow servants, health workers and factory workers. They are less than 10 percent of the labour force in the plantations.

Around 25 percent of the plantation workers interviewed, stated that various commitments, unfavorable climatic

conditions and weariness are the major causes, preventing the pluckers from reporting to work for an over 75 percent of the days offered. Particularly the workers who work on Sundays for additional payment (on over kilos plucked) are not in a position to turn up for work on Monday. Ironically, the Sunday work is an additional option to the workers, and it is not included as a day offered by the plantation management. In addition to that, certain social functions and visit to hospitals also lead to abstaining from work for one or two days in any given month. Moreover, the often deteriorating health condition of the female workers, having to carry 15 to 20 kg of green leaves every day in the harsh weather conditions and along difficult terrains in the hilly areas of the tea plantation is not satisfactory. Frequent school development meetings in the schools too causes the workers to keep out of work.

However, the signatories to the CA, give the following reasons on why the plantation workers should conform to the 75 percent target.

1. The plantations are highly labor intensive, and male and female worker turnout on a regular basis is essential in order to meet the production targets set out by the plantation management.
2. Free housing, free water supply, and free health care facilities are incentives provided to the resident workers so that they could work in the plantations.
3. Any provision added to what is given currently will cause the plantation sector lose.

However, it is not an achievable task for several workers in the plantations. For example, the plantation management expects a minimum outturn of 19 days, which could be

calculated for the provision of Rs. 405 per day. The above information clearly shows that workers cannot fulfill this requirement. On the top of it, if the workers conform to this requirement are unable to complete the task, they are forced to do so by the management. This is one form of exploitation. The workers do not have with them any record of daily attendance. It is kept and recorded by the field supervisor. The out turn record of each worker in a particular month is prepared at the end of that month, and the wages are paid before the 10th of the following month. Any error in the record of the number of days of outturn of a plantation worker, will lead to the worker losing his/her wage. If the worker loses one day out of the 19 days, it will fall below the 75 percent outturn target and, as a result, the worker will be deprived of the attendance incentive.

Though the plantations offer around 25.65 days of work per month to pluckers, the average outturn by female workers is 18.65 days, and only 10.80 days by the male workers. This status quo varies from one tea region to another in the sample.

Table 3.2

Distribution of Monthly Wages to the Tea Plantation Workers

Classification of the Actual Monthly Wage Earnings (Rs)	Number of Tea Workers	Percentage
>2000	43	5.54
2001 - 3500	163	21.04
3501 - 5000	280	36.08
5001 - 6500	203	26.15
6501 - 8000	54	6.95
8001 - 9500	22	2.83
9501 <	11	1.41
	776	100.00

Source: Households Survey

However the plantation management states that a worker receives an average of Rs. 10,000 per month (Rs. 405 x 25 days). Therefore, it is imperative that we discuss the actual structure of the wage income of the tea plantation workers. The following are compiled using the pay slips of the tea plantation workers issued by the respective tea plantation companies. The computation of wages has been made on the basis of the average income that they received during the last quarter of 2010.

As per table 3.2 the deduction from the plantation workers monthly wages include the advance payment, Employees Provident Fund (EPF), union subscriptions, loans, dhoby and barber wages. Out of 776 workers in the study, 5.54 percent receive Rs. 2000 or below Rs. 2000, large number of workers, 280 receive between Rs. 3501-5000, which is equal to 36.08 percent. The table also indicates that 26.15 percent workers receive between Rs. 5001-6500 and only 1.4 percent received over Rs. 9501. The number of work days also varies. Hence, it is apparent from the study that 62.66 percent of the plantation workers receive a wage of less than Rs. 5000.

The tea plantation companies repeatedly claim that they are losing every year, mainly on account of labour cost. They imply by "labour cost", the wages paid to the workers. The cost of labour includes both direct and indirect labour cost. According to Lalith Hettiarachchi, SLTB Chairman, the 60 percent of cost of production is accounted for labour cost. There have been no substantial analysis of the labour cost, and in the meantime, there has been no attempt on the part of the management to give the breakdown. However, a plucker who plucks an average of 16-19 kg green leaves per day, contributes to the production of 3-4 kg of tea. In the Colombo Auction, a kg of tea is paid Rs. 371.54, in 2010. Rs. 371.54 Multiplied by 4 it comes to Rs. 1486.16. This is more than the daily total

labour wage of Rs.405, plus EPF/ETF, annual holiday wages, maternity benefit, gratuity etc (Rs.500), still the company has a margin of Rs. 986.16 per worker per day or Rs. 246.54 per kg. And, in the meantime the cost of production in 2010 had been Rs. 313.17 and the Auction price, Rs. 371.54 per kg. Thus the profit margin had been Rs. 58.37 for every kg of made tea.² Hence, the wages increased less than the auction price during this period, and therefore it is safe to say that the producers are making clear profits, and the claim that they are running at a loss is far from the truth.

It should be noted that the daily wage of a casual labourer in the government sector is Rs. 485, and that for the workers in other sectors too is considerably higher. A labourer who works in a construction site, for example, receives a minimum wage of Rs. 600 per day, and most of the private sector companies pay their skilled workers a daily wage of Rs. 800 to 1200.

The EFC, which is the body of privatized plantation companies, argues that they are providing the workers with a number of benefits. The benefits they refer to are (a) contribution of 10 percent of the basic wage to the EPF (b) rent free houses, maintenance of water supply and free health care facilities (c) tea for the workers at concessional price and (d) the other provisions under the labour ordinance. The Federation even argues that in monetary terms the workers are receiving more income than others.

A vast majority of the workers do not have any other source of income to supplement their income from the plantations. The entire fertile land is utilized for the plantation of crops, and only a negligible number of plantation workers engage in home gardening etc. for family consumption. They spend most

² Annual Report, 2010, Central Bank of Sri Lanka, Colombo.

of their income to purchase their basic needs. According to the sample survey conducted by the Central Bank of Sri Lanka itself, around 67 percent of their income is spent on food, whereas, the rural sector spends only 51 percent.



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Chapter 4

Tea Marketing in Sri Lanka



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² Annual Report, 2010, Central Bank of Sri Lanka, Colombo.



Tea Marketing in Sri Lanka

Overview

Tea is the one of the major commodities which brings significant foreign exchange earnings for the country. In 2010, the Sri Lankan tea industry recorded US \$ 1.37 billion¹ in income which accounted for 16.7 percent of the total exchange earnings of the country.² According to the John Keels, Sri Lanka's 2011 tea export earnings is expected to reach US \$ 1.5 billion.³ The price of tea, like the price of any other commodity in the market, is governed by the principle of supply and demand. In terms of supply, in short term, weather conditions, the picking, and in the long run, the area under tea cultivation, the type of bush planted and the development of agricultural techniques are all of important⁴. The chapter discusses different aspects of tea marketing and trade.

1 <http://www.lankabusinessonline.com>, Sri Lanka tea export earnings exceed Kenya's - 03 Feb, 2011 & Annual Report 2010/11, John Keels PLC, Colombo.

2 <http://www.ft.lk/category/sectors/agriculture/Sri Lanka 2010 tea output at record 329.4 m kg>.

3 <http://www.news360.lk/srilanka tea export earnings>.

4 The trend of marketing of tea have been considerably analyzed by the authors like Ronald Rote 1986:153, B. Sivaram 2000:519, M. Sinnathamby: 2010:02.

4.1 Method of Marketing of Tea

Over 95 percent of the manufactured tea is sold through auctioning by the producers. There are other mechanisms such as private sales, forward contracts and direct sales. There are also some unrecorded private sales meant mainly for local consumption, but the quantity sold is very small. For instance, in the second quarter of 2010, out of the total sales of 78.5 million kg of tea, 77.3 million kg was sold at auctions.⁵

The reasons for marketing tea through auctions are a) it has a high intra-product quality difference; b) it is manufactured into many grades so as to create substantial intra-quality physical difference. The producer has the opportunity to obtain the highest bid from the widest possible range of offers. At the auction, buyers bid for one particular grade from a particular tea garden at a time after tasting the tea and judging its value. Thus, the auctioneer plays an important role in the tea market. Apart from personally tasting and evaluating each and every invoice, he/she has to use his/her knowledge of the world demand and marketing skill in judging the marketability of the tea. He/she has the final jurisdiction and his/her judgment determines to a certain extent the selling price of the tea. The sale price, of course, depends on the demand in the auction room and broadly on the overall supply of tea.

In Sri Lanka the auctions are held under the patronage of the Ceylon Chamber of Commerce. The organization of the body of auctions consists of sellers, buyers and brokers. Its objective is to promote and protect the common interest of sellers and buyers of tea, as well as of brokers. Auctions are held

5 Sinnathamby, M, (2010) 'Tea Marketing and the Role of Multinational in Price Determination' presented in the workshop organized by the HDO at the Open University of Sri Lanka on 23rd October 2010, p.34.

every week. Quantities of tea coming up for sale are catalogued before hand, and the catalogues are closed a few days before the auction (Report on Tea 1995). Quantities are generally regulated in an attempt to maintain an even supply over the year, mainly to minimize the price fluctuation. Samples of tea catalogued for each auction are circulated amongst the buyers. The selling of tea at the auction is entrusted to the brokers who work on a commission which they receive both, from the seller and from the buyers. Prior to the sale, selling brokers make their valuations of the teas catalogued, based on the market at the previous week's auction.

The dominance of the auction system has several advantages for the tea industry:

- i. The auction system allows for the highest price possible to be paid for the tea in a way that equilibrates market demand and supply.
- ii. The cost of maintaining this system is also fairly low. In India, auctioning costs less than 2 percent of the merchandise including free sampling to prospective buyers, while in Kenya the commission to the broker is 1 percent from the producer and 0.5 percent from the buyer.
- iii. It is a transparent trading forum. Because buyers must buy the tea in its physical form rather than just on paper, it is protected from destabilizing speculators.

Although the system of auctioning at surface level seems to illustrate a perfectly fair market where prices are determined solely by the interplay of supply and demand, a more detailed picture shows that it is not so: Auction houses are usually seen as 'middlemen' that soak up cost. It is alleged that, when the situation is to their advantage, they increase price arbitrarily,

delay and speculate⁶.

Traditionally, prices at the London Auctions acted as a barometer of international tea prices but this pre-eminence of the London market weakened since the mid-sixties when tea drinking habit began to rise rapidly in the Middle East and West Africa. Tea is not sent to London to be distributed to these markets as it was done when London Auction dominated the scene, and, instead it is now dispatched directly from the tea producing countries after it is purchased at the auction. Sri Lankan tea, for instance, is directly dispatched from Colombo to selected destinations. Technological advancement in communication and the increased patronization of local auction centers contributed to the development of auction centers in producing countries.

These developments eventually led to the closing down of the London Tea Auctions in June 1998 and the Auctions now take place in the countries which are major tea producers. The local auction center is used for rapid delivery and lower costs: there are 6 auction centers in India, and one each in Sri Lanka (Colombo), Indonesia (Jakarta), Malawi (Limbe), Eastern Africa (Mombasa) and Bangladesh (Chittagong). Chinese tea is sold at commodity fairs in Guangzhou.

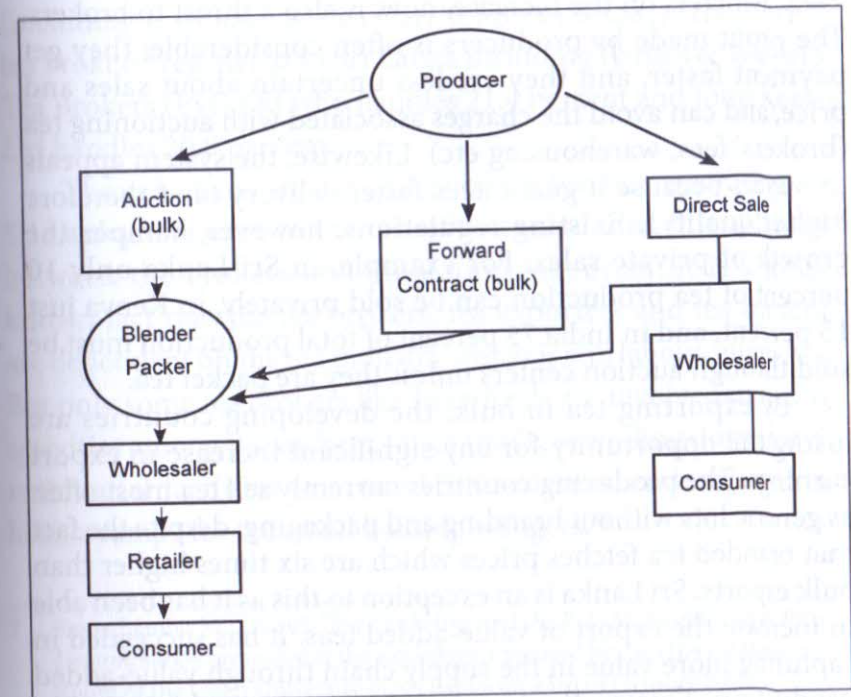
4.2 The Colombo Tea Auction

The Colombo Tea Auction was established in 1883 and managed by the Colombo Tea Traders' Association. This body is the apex of the tea industry. Currently, it is the world's largest tea auction acknowledged as the most professionally, transparently and

6 Sinnathamby, M., (2010), 'Tea Marketing and the Role Multi nationals in Price Determination' presented at the workshop organized by the HDO at the Board Room of the Open University of Sri Lanka on 23rd of October 2010, p.34.

efficiently conducted auction. An average of 6 million kg of tea, spread over 10,000 or more separate invoices are sold each week at 50 auctions held each year. Today, the Colombo Tea Auction has entered in to its second century ranking as the world's largest tea auction center with almost 200 companies vying with one another, on behalf of the principals from all over the world. The principal channels of tea distribution are depicted in Figure 1 which also indicates the chain of value-addition.

Figure 1:
Chain of Value - Addition of Tea



Source: Sivaram. B (2000) (edited) *Plantation Management in the New Millennium*, NIPM, p. 524)

4.3 Criticism of Auctioning

By and large, producers continue to sell the bulk of their tea through public auctions, of which, there are now (after the closure the London Auction) 11 in the world, Although auctions constitute a convenient, transparent and safe mode of sale, they do not obtain the best price for the producers, and have little incentive to offer value-addition by producers. (Sivaram, 2000:523). However, recently, the plantation companies also entered into the marketing arena not merely through bulk sales to blenders/packers but by-passing the auction through directly marketing their produce in packets and other forms of value-addition, to the consumer.

The sale of tea through forward contracts and private sales, which is on the increase, now, is also a threat to brokers. The profit made by producers is often considerable; they get payment faster, and they are less uncertain about sales and price, and can avoid the charges associated with auctioning tea (brokers' fees, warehousing etc). Likewise, the system appeals to buyers because it guarantees faster delivery (and therefore higher quality). Existing regulations, however, hamper the growth of private sales. For example, in Sri Lanka only 10 percent of tea production can be sold privately, in Kenya just 15 percent, and in India 75 percent of total production must be sold through auction centers unless they are packet tea.

By exporting tea in bulk, the developing countries are losing the opportunity for any significant increase in export earnings. The producing countries currently sell tea most often as generic lots without branding and packaging, despite the fact that branded tea fetches prices which are six times higher than bulk exports. Sri Lanka is an exception to this as it has been able to increase the export of value-added teas. It has succeeded in capturing more value in the supply chain through value-added production. During the last decade or so, with government assistance through various forms of export subsidies, the Sri Lankan tea due to its quality such as the flavor, blending,

colour, taste and thickness, has been able to retain its place in the supply chain⁷.

4.4 Tea Brokers

There are a number of tea brokers dominating the sales in each auction centre globally. J. Thomas & Co. Pvt. Ltd., the largest tea broker in the world, handles over 155 million kg of tea a year, i.e., one-third of all tea auctioned in India and Carritt Moran and Co. Ltd. the world's second largest tea broker, handles 24 percent. Unilevers, James Finlay and Van Rees are some of the global tea brokers.⁸ 11 brokers are registered in the Tea Board of Kenya, while there are 4 registered brokers in Calcutta (including J. Thomas & Co., Carritt Moran & Co.). There are 8 tea brokers⁹ registered in Sri Lanka including Forbes & Walkers Tea Brokers (Pvt) Ltd who handles 21.4 percent and John Keels Ltd handles 20.8 percent.

Though there are a number of tea brokers operating in Sri Lanka, it is hard to find proof that there is an interrelation between the brokers and plantation labourers. It is a well-known fact that the tea brokers, tea exporters and tea traders are dependent on the tea industry which is still labour intensive. But only some tea brokers like John Keels are involved in social activities among its workers, for example, providing dormitory/residential facilities to around 500 workers, and organizing health camps for tea small holding villagers.¹⁰

7 Sinnathamby, M., (2010), 'Tea Marketing and the Role Multinationals in Price Determination' presented at the workshop organized by the HDO at the Board Room of the Open University of Sri Lanka on 23rd of October 2010.

8 Sanne van der Wal, (2008), *Sustainability Issues in the Tea Sector*, SOMO pub, Netherlands, p23.

9 www.inttea.com.

10 www.keells.com/files/Tea_Small_Annual_Report_2010-2011

Table - 4.1
Tea Brokers in Sri Lanka

No	Name of the Company	Market Share
1	Forbes & Walkers Tea Brokers (Pvt) Ltd	21.4
2	John Keels Ltd	20.8
3	Asia Siyaka Commodities (Pvt) Ltd	15.4
4	Lanka Commodity Brokers Ltd	13.3
5	Mercantile Produce (Brokers (Pvt) Ltd	12.4
6	Bartleet & Company Ltd	6.7
7	Ceylon Tea Brokers Ltd	6.2
8	Eastern Brokers Ltd	3.8

Source: Ceylon Tea Brokers Ltd, 2010, www.ashaphillip.net/reports/Ceylon-IPO

4.5 Exports of Tea

Sri Lanka is a one of the major tea suppliers to the world market. Around 95 percent of the annual production of the country is exported to international market. Sri Lanka supplies around 21 percent of the total demand of the world market. The quantity of tea export increased from 184.7 million kg in 1980 to 314.6 million kg in 2010 which is a 70 percent increase.

As far as the value of exports is concerned, the country received Rs. 5,704 million in 1980 to around Rs. 155,608 million in 2010. Table 4.2 gives the details of volume and value of exports of tea in the recent years.

The trend in international exports has changed over the period of last four decades. The western countries were the major markets for tea until the 1960s. At present a substantial amount of tea is exported to the developing countries. The

other recent changes in the tea market are the availability of inexpensive tea from Kenya, Indonesia and Argentina which are new competitors to Sri Lanka. As far as Sri Lanka's tea is concerned, its share of contribution to the international market has considerably dropped. In 1982 Sri Lanka supplied 37 percent of tea to the world market, but this share has dropped to 21 percent now. Kenya, on the contrary which gave only about 10 percent of the world tea supplies in 1982, increased its supply to around 32 percent in the year 2008.

Table 4.2

Sri Lanka: Production, Volume and Value of Exports of Tea-1990-2010

Year	Production (Million kg)	Volume of Exports (Million kg)	Value of Exports (Rs. Million)
1980	191.2	184.7	5,704
1985	213.9	197.9	15,764
1990	233.1	215.6	19,797
1995	245.9	235.7	23,990
2000	305.8	281.4	51,042
2005	317.2	298.8	77,327
2008	318.7	301.2	129,464
2010	329.0	314.6	155,608°

Source: Compiled from the data available in the Statistical Abstract of Sri Lanka, Department of Census and Statistics, (1997), p190 and the Statistical Information on Plantation Crops-2008, ° Ministry of Plantation Industries (October 2009), Colombo. Table 2.11, p.33 & The Sunday Leader, Colombo, July 2, 2011.

As already noted above, the destinations of the exported tea have substantially changed over the years. Table 4.3 shows the quantum of tea exports to different destinations over the last three decades. Accordingly, the quantum of exports to western

and other industrial countries has considerably dropped. Sri Lanka produced tea for the UK markets for more than a century.

Table 4.3

Export Destination of Tea 1990-2008 (Million kilograms) (Figures in parenthesis are percentage distribution)

Countries	1990		2000		2008	
		%		%		%
Middle East	115	52.04	150	53.2	169	56.15
Asian Countries	23	10.41	68	24.11	68	22.59
EU Countries	22	9.96	24	8.51	17	5.65
African Countries	21	9.50	16	5.67	22	7.31
USA, Canada and Australia	14	6.33	06	2.13	07	2.32
Other Countries	26	11.76	18	6.38	18	5.98
Total	221	100.00	282	100.00	301	100.00

Source: Compiled from the data available in the Statistical Information on Plantation Crops-2008, Ministry of Plantation Industries (October 2009), Colombo. Table 2.24, p 52.

Note:

Middle Eastern Countries: UAE, Syria, Turkey, Jordan, Iran, Saudi Arabia, Israel, Kuwait, Lebanon and Iraq,

Asian Countries: Russia, Ukraine, Pakistan, Japan and Hong Kong,

EU countries: UK, Germany, Netherlands, Greece, Poland, Finland and Italy

African Countries: Libiya, Egypt and Tunisia

However, the supply of low priced tea from the East African countries and failure of the marketing strategies adopted by the exporters of Sri Lanka have led to a steep drop in exports to the UK (Carlo Fernando 1974:55). Thus, Sri Lanka the amount of tea was exporting which was around 22 million kg of tea to the EU markets, mainly to UK, Germany and the Netherlands, during the 1990s has now dropped to 17 million kg. This amounted to only 5.65 percent of the total volume of exported tea to the international markets in 2008. In the same year the volume of exports to USA, Canada and Australia also dropped to almost 50 percent of the exports of tea when compared to that of 1990.

However, Sri Lanka is now exporting a significant volume of tea to the Middle East and Asian countries. According to the figures in the Table 4.3, the volume of exported tea to the Middle East was 115 million kg in 1990, and it had increased to 169 million kg in 2008. The volume of tea exported to the Asian countries had tripled from 23 million kg in 1990 to 63 million kg in 2008. The volume of tea exported to Saudi Arabia dropped from 11.4 million kg in 1990 to 7.2 million kg in 2008 and that to Libya dropped from 10 million kg to 7 million kg, the volume to the other countries such as UAE (45 million kg), Syria (26 million kg), Iran (16 million kg), Iraq (11 million kg) Jordan (14 million kg), Kuwait (7.5 million kg) Lebanon (1.8 million kg) in the Middle East are consuming almost the same amount of tea from Sri Lanka during last two decades.

Chile has been buying tea from Sri Lanka for several decades and the quantum of exports significantly increased from 5.7 million kg in 1990 to 7.2 million kg in 2008. Russia, which is the second largest consumer of world tea, consumes a considerable quantity of Sri Lanka tea. Russia imports over

45 million kg of tea every year, but it is only 10 percent of her demand. The other countries which consume Sri Lankan tea mainly are Ukraine, Japan, Pakistan and Hong Kong. Japan imported only 8 million kg in 1990, but increased it to around 10 million kg in 2008. Likewise, the export of tea to Hong Kong also increased substantially from 3.6 million kg in 1990 to 5 million kg in 2008.

Pakistan, the third largest consumer of world tea, (since it is not producing tea) imports 155 million kg of tea annually. But, Sri Lanka exports to Pakistan less than 1 percent of their annual consumption. Pakistan imports tea mainly from the East African countries.

It is clear from what has been stated above that 95 percent of the tea produced in Sri Lanka is exported to the international markets. Under no circumstance, has the country faced huge challenges in marketing its production. Initially the brand name was 'Ceylon Tea' and it fetched a good price in the international market. Subsequently, the name was changed into 'Sri Lankan Tea'. However, a considerable amount of tea is still in the market with the reputed brand name of 'Ceylon Tea'. Moreover, a large portion of tea is now marketed in the Middle Eastern countries.

4.6 Tea Price

The tea industry is still important to the Sri Lankan economy. Exports of tea provided 48.2 percent of the total exports income in 1973. This percentage prior to 1965 was as high as 60 percent for many years. Export price of tea increased, save a few years during the change of hands of the plantations to the RPCs in 1992. However, the privatized companies implemented appropriate strategies to recover the losses. The privatized companies restored the industry and made it a profitable venture in the country.

Table 4.4 gives the data on exports and cost of production of tea in the country.

Table 4.4
Sri Lanka: Cost of Production and Market prices of tea in the country 1990-2010

Year	COP	Colombo Auction Price (Rs/Per/Kg)		FOB price (Rs/Per/Kg)	
		Loss/Profit		Loss/Profit	
	(a)	(b)	(a) - (b)	(d)	(a) - (d)
1990	73.29	70.97	- 3.29	91.82	+ 18.53
1995	73.29	72.21	- 1.08	101.76	+ 28.47
2000	105.88	135.53	+ 29.65	181.42	+ 75.54
2001	113.39	143.96	+ 30.57	205.99	+ 92.60
2002	121.47	150.28	+ 28.81	212.09	+ 90.62
2003	126.72	149.05	+ 22.33	216.36	+ 89.64
2004	133.10	180.74	+ 47.64	243.95	+ 110.85
2005	149.10	186.20	+ 37.10	258.82	+ 109.72
2006	161.90	199.84	+ 37.94	274.16	+ 112.26
2007	210.70	279.52	+ 68.82	360.97	+ 150.27
2008	231.40	310.53	+ 79.13	429.76	+ 198.36
2009	269.01	360.85	+ 91.84	470.11	+ 201.10
2010	313.17	371.54	+ 58.37	494.39	+181.22

Source: Compiled from the various data available in the Statistical Information on Plantation Crops-2010, Ministry of Plantation Industries (October 2010), Colombo & Annual Report 2010, Central Bank of Sri Lanka.

It should be noted that the tea produced in high, medium and low elevations are different from one another, namely: in blending, taste, colour and thickness.

At the outset, it was quite difficult to collect region wise and size wise accurate data of cost of production, and its prices in the auction and the FOB prices. Nevertheless the data collected about the cost of production and the Net Sale Average

(NSA) price of tea given by the plantation management, during our field visits, are very much similar to figures given in the above table. Therefore, it could be concluded that the auction price is equivalent to the NSA of the large scale privatized tea plantations in the country.

Though the cost of production has increased more than four times (from Rs. 73.29 in 1990 to 2010 Rs. 313.17,) the average price in the auction too has increased. The table also shows the FOB price of tea in the country. The FOB indicates the cost of goods, transport and insurance from the manufacturing point to the port of departure. The cost of loading to the vessel as well is included in the quoted price. This means that the buyer has to bear all costs and risks of loss or damage to the goods from that point. The FOB prices are always over slightly 170 percent of the cost of production of the tea in the country.



Chapter 5

Employment in the Tea Plantations



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Employment in the Tea Plantations



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P.O. BOX 1171
KANDY
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Employment in the Tea Plantations

Overview

Tea plantation is a highly labour intensive sector. Tea plantation worker – hectare ratio of the sector, with specific reference to large scale plantations is 2.5 percent. The process of tea production requires involvement of both, the male and female. Most of the workers in the tea plantations reside within the plantation area. The clusters of the labour lines are strategically located in different parts of the tea plantation to enable quick labour deployment and to protect the boundaries of the plantations.

5.1 Tea Plantation Workers

The data collected from selected tea plantations about the different types of occupation of the tea plantation workers are shown in Table 5.1 Accordingly the bulk of the labour force is involved in plucking tea leaves, which is the main activity. The data also shows that the male workers are also involved in tea plucking. Though the tea factory requires mainly male workers to attend to machine operation in the factory, a considerable number of female workers are also engaged in the factory work. Females are mainly involved in certain sections of the factory such as to collect, grade and pack tea in the factory. There are other types

of work which involve workers in the plantations. Even today the plantation engages the line sweeper, a job which is stigmatized and considered dishonourable. And also *dhoby* (laundry man) and *barber* remaining in the traditional plantation occupational system, are not directly or indirectly involved in the plantation industry. Bungalow servants and allowance labour are accounted for in the plantation account.

Table 5.1
Occupations of the Labour in the Selected Tea Plantations - 2010

Job Engagements of the workers	Plantation 1		Plantation 2		Plantation 3	
	Male	Female	Male	Female	Male	Female
1.Plucking of Tea	276	309	238	316	310	420
2. Factory Workers	26	49	-	-	34	40
3. Others						
Sundry Workers	12	-	07	-	06	-
Watchers	-	-	07	-	08	-
Pesticides Sprayers*	01	-	-	-	-	-
Health Workers	-	-	01	-	-	-
Bungalow Servant	04	-	04	-	04	-
Dhobi (Not directly or indirectly with the plantation industry)	01	-	03	-	02	-
Barber (Not directly or indirectly with the plantation industry)	01	-	03	-	02	-
Sub Total	321	358	263	316	366	460
Total		678		579		826

Source: Field Survey (*Pesticide Spray is not a regular work, it is included in sundry work)

Although the tea sector is labour intensive, the numerical strength of registered labour in the large scale tea plantations has dropped during last three decades. The distribution of labour in the tea sector could be mainly gauged from the statistics provided by the MPI. The table 5.2 compiles details of the number of registered labour in the large scale tea sector from 1985 to 2008. The total labour force also includes the plantation staff, which is around 4 percent of the total labour force in the sector. The statistics do not include managerial staff such as Manager and Superintendents.

Table 5.2
Sri Lanka: Number of Workers in the Plantation Sector 1985 - 2008

Year	23 Private Companies	Others		Total
		JEDB	SLSPC	
1985	-	238,321	220,296	458,617
1990	-	213,703	191,601	405,304
1995	343,536	14,892	11,234	369,662
2000	294,532	8,551*	8,690*	311,773
2005	275,677	8,704	6,908	291,289
2008	229,923	6,448	5,895	242,266

Source: *Plantation Sector Statistical Pocket Book 2000 (August 2000)*, and *Statistical Information on Plantation Crops - 2008 (October 2009)*, Ministry of Plantation Industries, Colombo 02. * Figures of 1999.

The statistics provided in table 5.2 clearly show a drop in the permanent labour strength in the sector. In 1985 it was 458,617, and it dropped by 47 percent to 242,266 in 2008. The drop in the labour force seems to have been a common phenomenon both during, the government ownership up to the 1990s and during the private sector management thereafter. The breakdown is as follows:

- 459,000 plantation workers retired and were sent back to India as repatriates under the Indo-Ceylon Pact,

which was signed in 1964.¹ This exodus continued up to 1984,² until the ferry service between Sri Lanka and India was suspended due to the escalating conflict in the north and east.

- After 1972, with the land reform (Nationalization of plantations), many families were chased out of the plantations particularly in the Kandy, Kegalle, Badulla and Ratnapura districts.
- There had been also migration of plantation workers from the low and mid country plantations to the north and east, in the aftermath of the 1983 ethnic violence, and it continued for some time thereafter.
- Some workers also retired taking advantage of the premature retirement package offered for persons volunteering to retire before retiring age since the re-privatization in the 1990s either permanently or temporarily.
- Displacement caused by the ethnic conflicts and development projects.³ After 1983 ethnic violence and with the civil war, a considerable number of plantation workers particularly from southern districts (Kandy, Kegalle, Badulla, Rathnapura and Galle) left the plantations due to isolated incidents of ethnic violence. Due to the development projects like Upper Kotmale hydro project, Victoria project, Randenigala project,

1 UNHCR, 2004, *Focus on Protection*, 'Citizenship for all', Vol-5, 2004, Colombo.

2 CSPA *Voice of the Voiceless*, No-52, 1993, Kandy.

3 Human Development Organization, (1998, 2000, 2005, 2006, 2009, 2010), "Fact Finding Reports and Articles Published in National News Papers", Kandy. And Guy de Fontgalland, S., (2004), *The Challenges faced by the Plantation Tamils in the 21st Century*, pub-LMA: Bandarawela, p287.

Rantembe project and Mahaweli Oya project. When the plantations were requisitioned by the government the workers were displaced.

- Plantation youth unwilling to seek employment in the plantations, migrate to cities in search of employment. This is caused by the lack of dignity attached to the plantation workers. Generally the plantation workers are considered socially inferior. According to information gathered at the FGD, 71 percent of the workers are not willing to send their children for the plantation work for various reasons.

Several studies have focused on the potential for employment opportunities in the tea sector. Thus it is worthwhile to look at the arguments which mainly focus on the necessity of expanding the tea sector, mainly to broaden the scope of employment.

5.2 Changing Status Quo

Pattern of employment for the workers in the tea plantations has significantly changed over the last three decades, although plucking of tea leaves still continues with manual labour. It was mainly performed by the female workers, but it has been now extended to the male workers as well. Although engaging the male workers in plucking on and off had been the practice from the inception, their involvement at an increased scale began with the reprivatisation of the plantations, in the 1990s. Male workers had been regularly involved in weeding, clearing, factory work etc in the plantations, from the inception of the tea plantations in the country. Hand machine was introduced to pluck tea for men in some plantations. Apart from the involvement in weeding, around 20 to 25 percent of the total male workers have, to date been regularly involved in the manufacturing of tea.

The female tea plantation workers spend approximately 9-10 hours per day at work. This includes the preparation for departure from their home and arrival after work. In our close interaction with them we found that they are not inclined to engage in any job other than plucking tea leaves as far as their choice of work is concerned. The workers also felt that they retained year round jobs in the plantation. Illiteracy, lack of interaction with the outside world, the hold of the management on them and the lack of diversified skills are the major reasons which have led to this pattern of thinking. Workers are expected to harvest a minimum of 16-19kg each in order to gain stipulated daily wage. The workers are to receive additional income for harvesting beyond the fixed norm. But the norm is liable to be varied. The current rate for every additional kilo gram of green tea is Rs. 12 (2010).

Next to plucking, comes field weeding. The routine cultivation practice requires control of weeds, since it positively influences the yield of tea. Therefore, the plantation management attaches importance to weeding, in which mainly male workers are engaged. There are two types of weeding, namely: manual weeding and chemical weeding. In the former scrapers are used, and the task requires roughly 90 man-days per hectare. However, the method has been outmoded in many plantations, because of the high risk of soil erosion. Chemical weeding is now widely practised, and it is believed that helps prevent the soil erosion and needs only 20 man-days per hectare. And also as it is cost effective, the managements opt for it.

However, with the lengthening of the weeding pace with the use of chemical, the job opportunity for workers has narrowed. In manual weeding, male workers get more number of man-days in the plantations. But with chemical weeding,

which is done three to four times a year male workers get only 10 to 15 days work in a given month.

Weeding – using both manual and chemical application of pesticide and fertilizers are performed in the tea plantations by mainly male workers but also female workers. Labour requirement for this task depends less on the amount of fertilizer and pesticide applied, but more on factors such as the level of field, weather conditions, and types of tea bush, fertilizer and price of tea in the market. In the sample plantations 12-15 man-days per hectare are required on the average for fertilizer application, and, this includes the supervisory staff. In the plantation sector, large quantities of chemicals are used as fertilizers and pesticides. 'Many accidents have taken place among the plantation workers who handle these pesticides. Many varieties of pesticides, herbicides and fertilizers are used in the plantations every day' (Prof. N. Yogaratnam, "Safety and health in tea plantations need improvement," *The Bottom Line*, 12.09.2010).

Pruning of tea bush is another job available for male workers in the plantations. Labour requirement for pruning varies with the elevation, variety of tea bush, and type of pruning. Pruning intervals, known as pruning cycle, take 4 to 5 years in Sri Lanka. The average labour requirement for clean pruning is around 20 man-days per hectare, but only 12 man-days are utilized per hectare.

However, there are three other major important development activities, which are fairly labour intensive in the sample tea plantations: nursery maintenance, replanting, new planting and filling vacancies. Replanting involves a series of labour intensive activities such as uprooting old tea bush, rehabilitation of soil, planting new saplings and maintaining

the field until maturity. However, these activities are lax in the tea plantations.

Factory operations also need labour, the demand for which is determined by the type of machinery, the extent of automation, and the quantity of green leaf processed. One man-day is usually required to process 750 kg of green leaf. The factories in the sample tea plantations are still working with old machinery.

A significant adverse effect on labour demand has been generated by the substitution of troughs for trolleys, use of automated conveyors to transfer green leaf, and use of mechanised sifters and auto tea pluckers instead of manual operations. The factory labour component is less than 10 percent of the total labour requirement per hectare. But, none of these has affected the total employment opportunity in the tea industry.

The data collected from the sample households reveals the emergence of different categories of workers among the plantation workers, as shown in the table 5.3. Only 64.84 percent of them are fully involved in the plantation jobs, whereas the other 35.16 percent are involved in various jobs within as well as outside the plantation.

Until recently the registered workers were not allowed to engage in non plantation jobs, as the management considered it a violation of contract of services, and, the management reserved its rights to take action against such persons. There were several cases of management striking the names of such persons off the check roll, and most of the time expelling them from the plantations. However, now the management, unable to retain the male workers in service due to paucity of work, treats their keeping away from work voluntarily as a blessing in disguise.

The jobs, this group of 35.16 percent can engage in, are divided into five categories: (a) Daily paid urban/rural labourers (b) Monthly paid sales men /hotel assistants (c) Migrants to Middle East (d) Domestic servants and (e) vegetable cultivators.

Part time jobs for tea plantation workers within the plantation area are mainly vegetable cultivation and cattle breeding. Bulk of the vegetables like potato, carrot, leeks, cabbage, capsicum, beetroot etc., are produced in the privately owned land and marginal tea land in the Nuwara Eliya district, which is a hill station. Vegetable cultivation provides an average of 10-15 days of work in a month to the plantation workers who are willing to do part time jobs in the vegetable gardens.

Table 5.3
Status of Employment in the Sample Households - 2010

Classification	Number	Percentage Distribution
Plantation Workers	776	64.84
Non Plantation Workers		
2.1 Daily paid Urban/Rural Laborers	65	5.34
2.2 Monthly paid sales man / Hotel servants	105	8.75
2.3 Middle East Jobs (migrant workers)	35	2.85
2.4 Domestic Servants	57	4.73
2.5 Engaged in vegetable cultivation	35	2.98
Unemployed	112	9.31
Others*	12	1.20
	1197	100.00

Source: Field Survey

*Including the persons of the differently able and physically handicapped.

Testimony 1

My name is Sellathurai, aged 45. I am married and I have 3 children. I've been a Resident on a tea Estate near Passara, for over 25 years I am a Mason in the estate. I have also been doing manuring and holing works. On 29th October 2009 at 7.00 am, we were assigned to fertilizer application. 53 bags of fertilizer were loaded into the tractor by two workers. As our field was far, we got into the same vehicle. A worker who was with me and I got into the vehicle at last. The driver pulled the vehicle before I could get in. Therefore as I had held on to a bag, I slipped off and, the bags fell to the rear wheel. As the workers who were already inside the vehicle, shouted, the driver reversed the vehicle and, as a result, the portion below the knee of my right leg got crushed under the wheel and fractured.

There were no other vehicles at the place, and, therefore, my colleagues carried me to the estate hospital. Though this hospital is government maintained, it does not have facilities adequate to treat – cases as mine. I was sent to Badulla hospital in an ambulance. I was there for one month.

After returning I met the Superintendent on a labour day. He refused to obtain me compensation stating that my fall was due to my negligence. I am a member of a leading trade union for the last 15 years. Though I met the union representative at Badulla with my fractured leg, he did not meet the Superintendent on my behalf. In the meantime he did not take appropriate step to get compensation for the damage I sustained. Also he did not guide me on what step I should take.

On a labour day, I mentioned my grievance to the management. But I did not report the matter to the Assistant Commissioner of Labour (ACL) or the Police. I had been at

home for 6 months. My wife too has a trouble in the leg. After my accident, the workers talked the management into offering my wife a work in the crèche for Rs.200 pay per day. I do not have the means and, therefore, did not file a case against the management.

After 6 months, I met the management seeking some easy work. I was offered a work of road clearing. I cannot walk without a staff. But, when I am assigned to work in a far off place, I have to walk the distance. In my physical condition, I hardly work at least 10 days a month. And therefore I do not get the full daily pay of Rs.405. I have to be satisfied with only the basic wage of Rs.285. In February 2011, my balance wage was Rs.1700 but, as usual, I pay my monthly union subscription of Rs.65.

My youngest child, a son of 18 years old, stopped schooling, after my accident. Other than the meager earnings of my wife and me, what he earns through odd jobs adds to the family's income.

Source: Field Level FGD

The adult females with secondary level education give up the plantation jobs for foreign employment. The table 5.3 shows that 2.85 percent of them have migrated to the Middle East to find jobs. Most of them have become housemaids.

The educated youth with secondary and post secondary level education secure non plantation jobs in trades and businesses in the cities such as Kandy or Colombo. Those with post-secondary education have either become teachers, or are on the lookout for professional jobs of that sort. The non plantation workers from the plantations are also employed as

labourers in gem mines, and some work in tea small holdings, which have a higher demand for labour, than the large-scale tea plantations.

The total unemployed persons in the sample were 9.31 percent of the total labour force. The unemployed persons in the plantations were generally educated youths. When asked about their opinion about joining the plantation work they exhibited total unwillingness to pursue the jobs of their parents. Moreover, they did not like the working conditions, the style of management and the plantation system.

The administrative staff level job opportunities for the educated plantation youths are very limited in the plantations. Moreover, the educated unemployed among the plantation population do not meet certain criteria set out by the management to be recruited into staff. As we have mentioned elsewhere, the elite families exclusively dominate the management of the plantation. And the other middle level staff is recruited largely from the non plantation communities. Therefore, the educationally qualified individuals from the plantation population do not get the higher level jobs, even if they aspire to get them.

David Dunham (1998) and others analysed the future labour supply and possible management responses to tea plantations in Sri Lanka. The study stated that the young workers might in future have very good reasons to look for jobs elsewhere if the strategies of tea plantation management did not change appropriately. For example, during the FGD, some young workers explained that in some plantations when they met the management to discuss their problems, they kept standing outside all the while talking through the window. So, the young workers have a reasonable grievance that their

dignity is not respected. This is a serious question raised by the young educated workers.

An ILO study on the Employment and Unemployment Situation in Selected Plantation Districts and Creation of Employment Opportunities (1999) reveals that there is a mismatch between the available jobs in the plantation and the aspiration of the unemployed. The study also found a trend of unwillingness for plantation sector jobs among the educated (those who studied up to GCE (O/L) classes) in the plantations. The study showed that a considerable number of educated youth were prepared to accept employment opportunities in the factory but it was limited within the plantations and not readily available in the vicinity of the plantations.

Testimony 2

One of the managerial staff in the X plantation stated in an interview "we, as management have problems too. There are many trade unions in our estate. There are problems arising from unions cum political parties rivalry. They inform it to their respective trade union leaders and the leaders put political pressure on us and threaten us that or if we do not act as they wish. If we do not listen to the leaders of the trade union it would be a problem for us.

Source: Field Level FGD

We came across factors other than the literacy rate which seemed to have determined the labour outturn in the plantation sector. The location of the plantations, health condition of the workers, nature of plantation jobs, opinion of the youngsters about their parental jobs, attack on the plantation workers and the lack of dignity of the plantation job also influence labour

contribution. It should be noted that the location factor has considerably influenced the labour outturn in the plantations.

The location of the tea plantations is one of the key reasons that causes the workers to shift from the plantation sector to the non plantation sector. There are plantations which do not have easy access to the nearby towns. The workers of such plantations do not have any opportunity to engage in non plantation employments and are compelled to freeze in the plantation jobs. Some female workers are able to do overtime work during the flush season (May-July) and earn 33 days as monthly wage. The entire arable land in the plantation coming under tea cultivation considerably prevents the workers from engaging in subsidiary occupations. Social isolation is common in very many plantations in the high elevation tea regions, except for a few plantations which are close to towns and cities.

There are instances of tea plantation workers suffering from backaches and not reporting to work. This is a symptom of anaemia. A study on the health conditions of the tea plantation workers found out that around 67 percent of the lactating women workers were anaemic.⁴

The female workers have a 'dual role'. As housewives, they have to perform numerous household chores like collecting firewood, fetching water, cooking and attending to their children and parents, in addition to the plantation work. Their work in the plantation begins around 7.30 am. They actually leave home around 6.30 am, and it is a tedious thing for them to climb up hills to reach the assigned field, and here they begin their work at 7.30 am which extends up to 5.00 pm, with 45

4 For detailed information on health condition of the tea workers, see Vidyamali Samarasinghe, (1990), *Maternal Nutrition and Health States of Indian Tamil Female Tea Plantation Workers in Sri Lanka*, ICES, Sri Lanka.

Testimony 3

The tea workers living in the X plantation in Kotagala area tried to find some additional income to improve their livelihood. Many workers are involved in livestock keeping and some in agriculture – vegetable gardening. But now the people face difficulties in engaging in extra income generating activities. Workers say that after the privatization of the plantations the companies do not allow the workers to keep livestock or vegetable garden as they want. If they want to engage in livestock keeping or vegetable gardening, they have to put up with many rules and restrictions. For example if they keep cows in front of their settlement the workers have to collect the daily waste and remove it to a far off place or the hilly area from their home.

The same situation prevails in cultivation. The management does not allow them to utilize the bare land to cultivate. There may be water and other facilities in that area. But due to regulatory measures adopted by the management the workers have to put up with the meager income they derive from the plantation work.

Kumar says "I am working on this plantation. I have three school going children. My wife is also working on the plantation. As our income is not enough to feed the family and support the children's education, I thought of buying a cow. With loans borrowed from neighbor I bought a cow. I kept her in front of my house as I do not have a place to erect a shed. The Welfare Officer after stating that it was a health hazard, told me to remove the cow from the vicinity. In the meantime I am unable to erect a shed because I do not have a space for it. In this situation I have to keep the cow hidden from the authorities, as I am liable to be dismissed if they discover that I am having the cow".

There is little grass with which to feed the cow and the cow feed is also expensive. Now I am treble burdened in that I have to feed the cow support the family and also repay the loan. How can I overcome poverty?

Source: Field Level FGD

minutes to one hour lunch break. Therefore, experiencing weariness and sometimes body pain, they are compelled to take a few days' off in order to attend to family affairs every month. This also affects the turnout of the female workers.

When a mother is unable to send her child to the crèche (Child Development Centre) or Pre School, she stays with the child. This practice is relatively high in the Sri Lankan plantations, which is another reason for absenteeism. In countries like India, there are mobile child care centres in some plantations, and this fact somewhat reduces the burden of mothers.⁵

The frequent violence against the Tamils working in the tea plantations, affects their attendance. The Tamil workers working in the tea plantations are of IOT who do not have connections with the North East crisis. However, some Sinhalese do not draw a distinction between the IOT plantation workers and the native Tamils of North-East. Whenever an ethnic problem arises in the North or East, the Sinhala people in the other provinces make it an excuse to harass the plantation community. This threat is prevalent when it comes to almost all Tamil tea plantation workers who live in the southern districts in Sri Lanka. Most of these incidents were recorded in the large scale tea plantations. In such circumstances, Tamil workers are compelled to keep out of work till normalcy is restored. It ultimately affects the plantation labour outturn in the particular region, on the one hand and they lose work and income, on the other.

The tea plantation workers and the youngsters are not satisfied with the plantation management's recruitment policy. If posts fall vacant, sometimes the plantation management offers the educated children of the plantation workers positions

⁵ Chandrabose, A.S, (2009), *Labour Productivity in Tea Plantations The comparative studies in Sri Lanka and India*. An unpublished PhD Thesis.

such as temporary field supervisor on daily wage basis. The job is to supervise field work. However there is no assurance that such posts will be made permanent.

5.3 Educational Achievements of the Labour Force in the Households

Table 5.4 shows the educational achievements of the labour force who solely depends on the plantation work and also those who are partly involved in work other than the work in the plantations.

Table 5.4
Educational Attainment of the Employed Persons in the Plantation Sector - Sample Households - 2010

Educational Attainments	Estate Workers	Daily paid Urban /Rural Laborers	Monthly paid sales man /assistants	Middles Jobs	Domestic Servants	Engaged in vegetable cultivation	Unemployed
No Schooling Illiterate	71 (9.15)	-	-	-	-	15 (42.85)	-
Primary	315 (40.59)	28 (43.07)	-	-	-	-	12 (10.71)
Secondary	295 (38.01)	10 (15.38)	38 (36.19)	-	19 (33.33)	-	47 (41.95)
GCE (O/L)	95 (12.25)	27 (41.35)	32 (30.48)	18 (51.42)	38 (66.67)	20 (57.15)	51 (45.54)
GCE (A/L)	-	-	35 (33.33)	17 (48.58)	-	-	02 (1.80)
Total	776 (100.00)	65 (100.00)	105 (100.00)	35 (100.00)	57 (100.00)	35 (100.00)	112 (100.00)

Source: Field Survey

Notes: Primary: The persons with grade 5, education level are considered as having attained the primary level of education. No schooling, illiterate: the persons who have never been to school and cannot write or read their name and address in their mother tongue. Secondary: Those with grades 8 to 10, education level considered as secondary school educated. GCE (O/L): ten years of school education and GCE (A/L) is 12 or 13 years of school education in the streams of either Arts/Commerce or Science/ Mathematics.

1197 workers participated in the survey. There are 776 workers work in the plantation, and, among them 71 workers (or 9.15 percent) are illiterate. Those who studied up to GCE (O/L) are also working in the plantation, and they are 12.25 percent of the total work force in the sample household of the study. A majority of those working in the urban areas have primary education. The workers involved in sales / assistants jobs, Middle East jobs and the domestic servants are with secondary level of education. In our entire sample, only a few resident workers were there who had attained 12 to 13 years (GCE A/L) education. They were 2.89 percent of the total labour force in the sample.

5.4 Job Related Trends amongst the Tea Plantation Workers

Permanent workers opt to become temporary workers in the plantation so that they can take to jobs outside the plantations. This is prevalent among the male workers. Persons with GCE (O/L) and who could not pass the examination have swelled the ranks of unemployed in the plantations.

A good number of educated youth leave for jobs in Colombo, and after sometimes if they find it difficult to settle down, they come back to the plantations to join the ranks of the unemployed even though suitable jobs are available in the plantations.

A majority of educationally qualified persons are not in a position to join the higher educational institutes. They remain unemployed until they get suitable jobs. In the meantime they are not skilled enough in cultivation and production of tea. A scientific training for them in these aspects will help them acquire sufficient knowledge in this field. The training which includes soil management, plant nutrition, processing and marketing of tea, be absorbed into the vocational training

syllabus as a subject. It is necessary to set up a separate institute for this purpose.

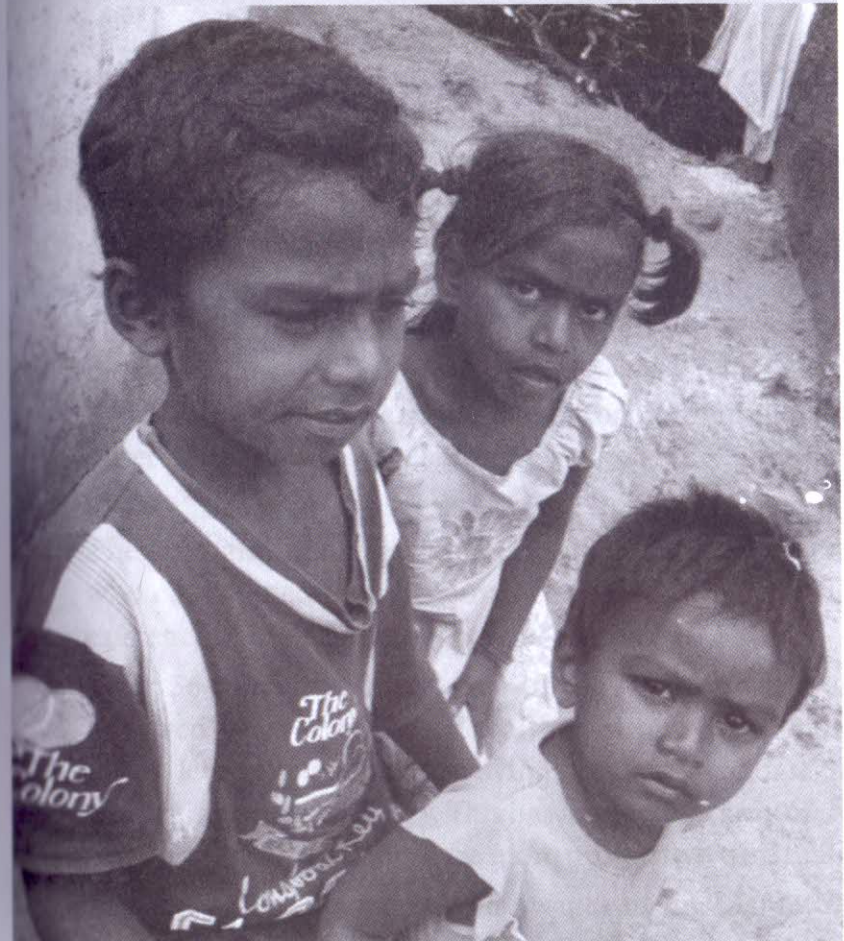
Most of the dropouts with secondary education and those who have never been to a school generally enter into unskilled labour force in the plantation sector. Therefore measures should be taken to train them and transform them into a skilled labour force. This will be a step towards empowering the community. There is a Technical Education Centre in Hatton, catering to the plantation community. But it is not in a position to train even 150 persons a year. The capacity of this Centre should be raised to take in and train a minimum of 500 persons a year. Technical Colleges with the same capacity should be established in Nuwara Eliya, Pussellawa, Ragala, Baduula, Haputale and Passara areas.

HUMAN DEVELOPMENT ORGANIZATION
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Chapter 6

Conclusion

Conclusion



HUMAN DEVELOPMENT ORGANIZATION
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SRI LANKA

Conclusion

Plantations in many countries of the world owe their origin to colonialism. The Sri Lankan plantations are not an exception to this rule, where the living and working conditions of the plantation workers are tied to the productivity and the economic efficiency of the industry. Changes in these two separate factors and their effect on the lives and the standard of living of the workers are likely to impact on the wellbeing of the industry. The study observes the following:

- A widening gap between the plantation community and other communities in relation to sustainability and their future.
- The land and housing rights of the plantation workers, who contributed to the emergence and contribute to the existence of the plantation, have been denied.
- Over 56 percent of them live in the line rooms, built hundred years ago. Their health and nutrition are at lowest level. Particularly, the living standards amongst the workers are unsatisfactory. This has made a mockery of the rule that “healthy workers are more productive workers”.
- The CA which determines the wages of the plantation

workers is roundly criticized with justification for not being fairly formulated.

- As per CA of 2009 the basic wage of a plantation worker is Rs. 285 (US \$ 2.5) per day. The daily attendance of workers and tea price vary. Hence the plantation workers' wage compared to their counterparts in other sectors is lower.
- The poverty rate among the plantation workers who receive a low income was 32 percent as per 2006/07 HIES Report. But, out of them, only 13 percent receive government poverty reduction benefits.
- Plantation sector lags far behind the other sectors where education is concerned. The backwardness of this community in this respect contributes to the backwardness of the country. This sector has more unskilled labour. But even in filling white colour job vacancies, the plantation youth who may have the necessary qualifications are seldom given a chance. However, such education can enhance the living and working condition of the community is irrefutable.
- Although there are different stakeholders in the plantation sector, the role they play is not clear. While the plantation companies are directly involved in the labour welfare activities, there is no evidence suggestive of the involvement of the other stakeholders namely, tea brokers, private traders and exporters. TUs are more interested in their political sustainability than in fighting for the workers' rights.
- Given these factors, implementing the following is of vital importance in order to overcome the challenges stated above.

Recommendations

State

- Establishment of an Up Country Plantation Community Development Authority to implement community development and social security programs to support the plantation workers.
- Delimitation should be undertaken of the existing Divisional Secretariats and new divisional secretariats should be created for the convenience of the plantation community.
- Establishment of a special Monitoring Unit of the Human Rights Commission of Sri Lanka in order to oversee the plantation areas.
- Wider power should be given to the Plantation Education Units of the Ministry of Education, to plan, implement and monitor the administration and quality of education in the plantation schools; adequate resources should be allocated to upgrade the plantation schools with better infrastructure, libraries and science laboratories.
- Absorption of the plantation health system into the national stream.
- ✓ The domestic labour laws governing the plantation sector should be strengthened in accordance with the ILO standards.

Corporate Sector / Plantation Companies

- ✓ Creating an environment conducive for industrial peace and harmony and the sustainability of the industry.
- ✓ Determining the daily wage of plantation workers based on the cost of living in the country.
- Retaining the European Union market, and in the meantime sustaining the Middle East and Asian markets.
- ✓ Adopting appropriate measures to share profit with workers, as a stimulant to their participation in the industry.
- Distributing the marginal land amongst plantation workers for cultivation as per 1978 Tea Master Plan proposal. The proposal could be revisited and appropriate measures taken by the local CSOs to study and explore the possibilities of implementing it.
- Giving preference to educated children of the plantation workers in filling managerial and field/ factory/ office grade vacancies.
- ✓ Appointing women field supervisory staff and providing toilets with a supply of water for workers in work places, with specific attention to the privacy of women workers.
- Providing housing schemes to the plantation workers with social amenities and facilities for extra income activities with the ownership of the houses vested in the occupant of the house.

Civil Society Organizations (Trade Unions and NGOs)

- ✓ TUs should promote and protect workers' rights in the sector through mediation and collective bargaining for conflict resolutions.

- Major TUs in the sector should abstain from using the worker population (their members) for their personal political gains and benefits.
- ✓ TUs should follow democratic norms, values and ensure political participation and gender equality at the leadership level and in the decision making process.
- TUs should organize worker education programs for local level leaders and grass-roots activists and promote labour research initiatives.
- ✓ NGOs should develop lobby strategies and action oriented plans for promoting human rights and development of the tea plantation workers and their families and obtain the advocacy of the tea stakeholders at national, regional and global levels to do this.
- Periodical researches and studies should be conducted to ascertain the causes for the issues arising from the tea chain in order to formulate alternative resolution strategies.
- ✓ Concerned CSOs should initiate an International Collective Action to advocate social justice and human rights of plantation people.

International Organizations

- ✓ ILO should provide technical support and monitor the provision of decent work for the plantation workers.
- United Nations should take necessary action to ensure that the ten principles of United Nations Global Compact are meaningfully implemented by the plantation companies.
- ✓ Developmental arms of the United Nations such as UNDP, UNICEF, UNESCO, UNIFEM, UNEP, etc should implement strategic development programs that can benefit the plantation community.

A Future Road Map

Plantation sector plays an important role in the social and economic spheres of the country. But the role of the government concerning the development of the people and especially the workers in that sector, needs to be reviewed. An Authority for the Up Country Plantation Community Development has to be established for the sustainable development of the people of that sector. Similarly, there is a need to delimit the jurisdictions of the local bodies in order to ensure the participation of the plantation people in their development activities and decision making.

The above strategies, viewed from the stand point of the research of the problems, appear to be mandatory, as emphasized by politicians, academics and social activists.

However, the political stance of the government, being ambiguous and the amount of the national budget allocated for the plantation workers' development being low, appear to be drawbacks.

In the meantime, the need of a resourceful and independent mechanism in order to eradicate discrimination in relation to educational and healthcare facilities has been pointed out.

The exclusion of the plantation health and medical system from the national stream is another stumbling block to this community's development. Therefore the plantation medical and health system should be absorbed by the national stream. The preliminary steps in this regard are being taken by various institutions, including the government. The international assistance from organizations such as SIDA has strengthened the plantation sector education. In the meantime, the country's move towards MDGs of 2015 is the strongest factor. However, the building of political pressure to get the budget allocation for

the plantation education and health development to increase is in question.

It is very important that the plantation companies which profit from the plantation industry contribute to the development of the plantation workers. The reports of these companies state that they have increased the investments in the workers development. It is very important that the plantation companies which profit from the plantation industry contribute to the development of the plantation workers. The reports of these companies state that they have increased the investments in the workers development. The plantation workers' wages, however, are increased once in 2 years. Though the demand and price for the Sri Lankan tea increases in the international market, the companies argue that the cost of production increases and the industry loses as a result of the plantation worker's wage increase. Such arguments further broaden the scope of workers' struggle for reasonable living wage.

An important contribution to the plantation sector development is made by the women workers. But, the gender balance is not maintained. The work related welfare facilities available to them is also relatively low. This necessitates appointment of women supervisors and staff. Providing female workers with work place welfare facilities is mandatory. And, although this is possible, the plantation companies do not seriously consider the matter, which is another drawback.

Plantation TUs play a remarkable role in protecting the wellbeing of the plantation workers. These TUs should in the mean time play a constructive role in protecting their rights.

There is room for building women leadership in TUs; providing them with a proper education, and following TU ethics. These strategies are implementable. But the patriarchal

leadership and the self serving political motives of the TU leaders weaken these strategies.

There is space for CSOs intervention towards developing and managing the human rights of the plantation workers. Similarly, there is room for identifying their problems and approaching the appropriate stakeholders for solutions. CSOs in co-operation with one another have played an eminent role in winning the rights of the plantation workers in other countries. In this context, the need for building a strong international plantation organization is made obvious. However, the ways and means of building such international organizations and inviting the intervention of CSOs, need to be discussed.

All in all, though the strategies mentioned in this report contain strengths and weaknesses, yet, there is room for implementing these strategies.

HUMAN DEVELOPMENT ORGANIZATION
HDO
P.O.BOX :171,
KANDY,
SRI LANKA

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Annexure

C110 Plantations Convention, 1958

Convention concerning Conditions of Employment of Plantation Workers

The General Conference of the International Labour Organization,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Forty-second Session on 4 June 1958, and

Having considered the question of conditions of employment of plantation workers, which is the fifth item on the agenda of the session, and

Having decided that, as an exceptional measure, in order to expedite the application to plantations of certain provisions of existing Conventions, pending the more general ratification of these Conventions and the application of their provisions to all persons within their scope, and to provide for the application to plantations of certain Conventions not at present applicable thereto, it is desirable to adopt an instrument for these purposes, and

Having determined that this instrument shall take the form of an international Convention, adopts this twenty-fourth day of June of the year one thousand nine hundred and fifty-eight the following Convention, which may be cited as the Plantations Convention, 1958:

PART I. GENERAL PROVISIONS

Article 1

1. For the purpose of this Convention, the term *plantation* includes any agricultural undertaking regularly employing hired workers which is situated in the tropical or subtropical regions and which is mainly concerned with the cultivation or production for commercial purposes of coffee, tea, sugarcane, rubber, bananas, cocoa, coconuts, groundnuts, cotton, tobacco, fibers (sisal, jute and hemp), citrus, palm oil, cinchona or pineapple; it does not include family or small-scale holdings producing for local consumption and not regularly employing hired workers.
2. Each Member for which this Convention is in force may, after consultation with the most representative organizations of employers and workers concerned, where such exist, make the Convention applicable to other plantations by-
 - (a) adding to the list of crops referred to in paragraph 1 of this Article any one or more of the following crops: rice, chicory, cardamom, geranium and pyrethrum, or any other crop;
 - (b) adding to the plantations covered by paragraph 1 of this Article classes of undertakings not referred to therein which, by national law or practice, are classified as plantations;

and shall indicate the action taken in its annual reports upon the application of the Convention submitted under article 22 of the Constitution of the International Labour Organization.

3. For the purpose of this Article the term *plantation* shall ordinarily include services carrying out the primary processing of the product or products of the plantation.

Article 2

Each Member which ratifies this Convention undertakes to apply its provisions equally to all plantation workers without distinction as to race, colour, sex, religion, political opinion, nationality, social origin, tribe or trade union membership.

Article 3

1. Each Member for which this Convention is in force-
 - (a) shall comply with-
 - (i) Part I;
 - (ii) Parts IV, IX and XI;
 - (iii) at least two of Parts II, III, V, VI, VII, VIII, X, XII and XIII; and
 - (iv) Part XIV;
 - (b) shall, if it has excluded one or more Parts from its acceptance of the obligations of the Convention, specify, in a declaration appended to its ratification, the Part or Parts so excluded.
2. Each Member which has made a declaration under paragraph 1 (b) of this Article shall indicate in its annual reports submitted under article 22 of the Constitution of the International Labour Organization any progress made towards the application of the excluded Part or Parts.
3. Each Member which has ratified the Convention, but has excluded any Part or Parts thereof under the provisions of the preceding paragraphs, may subsequently notify the Director-General of the International Labour Office that

it accepts the obligations of the Convention in respect of any Part or Parts so excluded; such undertakings shall be deemed to be an integral part of the ratification and to have the force of ratification as from the date of notification.

Article 4

In accordance with Article 19, paragraph 8, of the Constitution of the International Labour Organization, nothing in this Convention shall affect any law, award, custom or agreement which ensures more favourable conditions to the workers concerned than those provided for by the Convention.

PART II. ENGAGEMENT AND RECRUITMENT OF MIGRANT WORKERS

Article 5

For the purposes of this Part of this Convention the term *recruiting* includes all operations undertaken with the object of obtaining or supplying the labour of persons who do not spontaneously offer their services at the place of employment or at a public emigration or employment office or at an office conducted by an employers' organization and supervised by the competent authority.

Article 6

The recruiting of the head of a family shall not be deemed to involve the recruiting of any member of his family.

Article 7

No person or association shall engage in professional recruiting unless they said person or association has been licensed by the competent authority and is recruiting workers for a public department or for one or more specific employers or organizations of employers.

Article 8

Employers, employers' agents, organizations of employers, organizations subsidized by employers, and the agents of organizations of employers and of organizations subsidized by employers shall only engage in recruiting if licensed by the competent authority.

Article 9

1. Recruited workers shall be brought before a public officer, who shall satisfy himself that the law and regulations concerning recruiting have been observed and, in particular, that the workers have not been subjected to illegal pressure or recruited by misrepresentation or mistake.
2. Recruited workers shall be brought before such an officer as near as may be convenient to the place of recruiting or, in the case of workers recruited in one territory for employment in a territory under a different administration, at latest at the place of departure from the territory of recruiting.

Article 10

Where the circumstances make the adoption of such a provision practicable and necessary, the competent authority shall require the issue to each recruited worker who is not engaged at or near the place of recruiting of a document in writing such as a memorandum of information, a work book or a provisional contract containing such particulars as the authority may prescribe, as for example particulars of the identity of the workers, the prospective conditions of employment, and any advances of wages made to the workers.

Article 11

1. Every recruited worker shall be medically examined.
2. Where the worker has been recruited for employment at a distance from the place of recruiting, or has been recruited in one territory for employment in a territory under a different administration, the medical examination shall take place as near as may be convenient to the place of recruiting or, in the case of workers recruited in one territory for employment in a territory under a different administration, at latest at the place of departure from the territory of recruiting.
3. The competent authority may empower public officers before whom workers are brought in pursuance of Article 9 to authorize the departure prior to medical examination of workers in whose case they are satisfied-
 - (a) that it was and is impossible for the medical examination to take place near to the place of recruiting or at the place of departure;
 - (b) that the worker is fit for the journey and the prospective employment; and (c) that the worker will be medically examined on arrival at the place of employment or as soon as possible thereafter.
4. The competent authority may, particularly when the journey of the recruited workers is of such duration and takes place under such conditions that the health of the workers is likely to be affected, require recruited workers to be examined both before departure and after arrival at the place of employment.
5. The competent authority shall ensure that all necessary measures are taken for the acclimatization and adaptation

of recruited workers and for their immunization against disease.

Article 12

1. The recruiter or employer shall whenever possible provide transport to the place of employment for recruited workers.
2. The competent authority shall take all necessary measures to ensure-
 - (a) that the vehicles or vessels used for the transport of workers are suitable for such transport, are in good sanitary condition and are not overcrowded;
 - (b) that when it is necessary to break the journey for the night suitable accommodation is provided for the workers; and
 - (c) that in the case of long journeys all necessary arrangements are made for medical assistance and for the welfare of the workers.
3. When recruited workers have to make long journeys on foot to the place of employment the competent authority shall take all necessary measures to ensure-
 - (a) that the length of the daily journey is compatible with the maintenance of the health and strength of the workers; and
 - (b) that, where the extent of the movement of labour makes this necessary, rest camps or rest houses are provided at suitable points on main routes and are kept in proper sanitary condition and have the necessary facilities for medical attention.

4. When recruited workers have to make long journeys in groups to the place of employment, they shall be convoyed by a responsible person.

Article 13

1. The expenses of the journey of recruited workers to the place of employment, including all expenses incurred for their protection during the journey, shall be borne by the recruiter or employer.
2. The recruiter or employer shall furnish recruited workers with everything necessary for their welfare during the journey to the place of employment, including particularly, as local circumstances may require, adequate and suitable supplies of food, drinking water, fuel and cooking utensils, clothing and blankets.

Article 14

Any recruited worker who-

- (a) becomes incapacitated by sickness or accident during the journey to the place of employment,
- (b) is found on medical examination to be unfit for employment,
- (c) is not engaged after recruiting for a reason for which he is not responsible, or
- (d) is found by the competent authority to have been recruited by misrepresentation or mistake, shall be repatriated at the expense of the recruiter or employer.

Article 15

Where the families of recruited workers have been authorised to accompany the workers to the place of employment the competent authority shall take all necessary measures for safeguarding their health and welfare during the journey and more particularly-

- (a) Articles 12 and 13 of this Convention shall apply to such families;
- (b) in the event of the worker being repatriated in virtue of Article 14, his family shall also be repatriated; and
- (c) in the event of the death of the worker during the journey to the place of employment, his family shall be repatriated.

Article 16

The competent authority shall limit the amount which may be paid to recruited workers in respect of advances of wages and shall regulate the conditions under which such advances may be made.

Article 17

1. Each Member for which this Part of this Convention is in force undertakes that it will, so far as national laws and regulations permit, take all appropriate steps against misleading propaganda relating to emigration and immigration.
2. For this purpose it will, where appropriate, act in co-operation with other Members concerned.

Article 18

Measures shall be taken as appropriate by each Member, within its jurisdiction, to facilitate the departure, journey and reception of migrants for employment on a plantation.

Article 19

Each Member for which this Part of this Convention is in force undertakes to maintain, within its jurisdiction, appropriate medical services responsible for

- (a) ascertaining, where necessary, both at the time of departure and on arrival, that migrants for employment on a plantation and the members of their families authorised to accompany or join them are in reasonable health;
- (b) ensuring that migrants for employment on a plantation and members of their families enjoy adequate medical attention and good hygienic conditions at the time of departure, during the journey and on arrival in the territory of destination.

PART III. CONTRACTS OF EMPLOYMENT AND ABOLITION OF PENAL SANCTIONS

Article 20

1. The law and/or regulations in force in the territory concerned shall prescribe the maximum period of service which may be stipulated or implied in any contract, whether written or oral.
2. The maximum period of service which may be stipulated or implied in any contract for employment not involving a long and expensive journey shall in no case exceed 12 months if the workers are not accompanied by their families or two years if the workers are accompanied by their families.
3. The maximum period of service which may be stipulated or implied in any contract for employment involving a long and expensive journey shall in no case exceed two years if

the workers are not accompanied by their families or three years if the workers are accompanied by their families.

4. The competent authority may, after consultation with the employers' and workers' organizations representative of the interests concerned, where such exist, exclude from the application of this Part of this Convention contracts entered into between employers and non-manual workers whose freedom of choice in employment is satisfactorily safeguarded; such exclusion may apply to all plantation workers in a territory, to plantation workers engaged in the production of a particular crop, to the workers in any specified undertaking or to special groups of plantation workers.

Article 21

The competent authority in each country where there exists any penal sanction for any breach of a contract of employment by a plantation worker shall take action for the abolition of all such penal sanctions.

Article 22

Such action shall provide for the abolition of all such penal sanctions by means of an appropriate measure of immediate application.

Article 23

For the purpose of this Part of the Convention the term *breach of contract* means

- (a) any refusal or failure of the worker to commence or perform the service stipulated in the contract;
- (b) any neglect of duty or lack of diligence on the part of the worker;

- (c) the absence of the worker without permission or valid reason; and
- (d) the desertion of the worker.

PART IV. WAGES

Article 24

1. The fixing of minimum wages by collective agreements freely negotiated between trade unions which are representative of the workers concerned and employers or employers' organizations shall be encouraged.
2. Where no adequate arrangements exist for the fixing of minimum wages by collective agreement, the necessary arrangements shall be made whereby minimum rates of wages can be fixed, where appropriate by means of national laws or regulations, in consultation with representatives of the employers and workers, including representatives of their respective organizations, where such exist, such consultation to be on a basis of complete equality.
3. Minimum rates of wages which have been fixed in accordance with arrangements made in pursuance of the preceding paragraph shall be binding on the employers and workers concerned so as not to be subject to abatement.

Article 25

1. Each Member for which this Convention is in force shall take the necessary measures to ensure that the employers and workers concerned are informed of the minimum rates of wages in force and that wages are not paid at less than these rates in cases where they are applicable; these measures shall include such provision for supervision, inspection, and sanctions as may be necessary and

appropriate to the conditions obtaining on plantations in the country concerned.

2. A worker to whom the minimum rates are applicable and who has been paid wages at less than these rates shall be entitled to recover, by judicial or other appropriate proceedings, the amount by which he has been underpaid, subject to such limitations of time as may be determined by national laws or regulations.

Article 26

Wages payable in money shall be paid only in legal tender, and payment in the form of promissory notes, vouchers or coupons, or in any other form alleged to represent legal tender, shall be prohibited.

Article 27

1. National laws or regulations, collective agreements or arbitration awards may authorize the partial payment of wages in the form of allowances in kind where payment in the form of such allowances is customary or desirable; the payment of wages in the form of liquor of high alcoholic content or of noxious drugs shall not be permitted in any circumstances.
2. In cases in which partial payment of wages in the form of allowances in kind is authorized, appropriate measures shall be taken to ensure that such allowances are appropriate for the personal use and benefit of the worker and his family.
3. Where food, housing, clothing and other essential supplies and services form part of remuneration, all practicable steps shall be taken to ensure that they are adequate and their cash value properly assessed.

Article 28

Wages shall be paid directly to the worker concerned except as may be otherwise provided by national laws or regulations, collective agreement or arbitration award or where the worker concerned has agreed to the contrary.

Article 29

Employers shall be prohibited from limiting in any manner the freedom of the worker to dispose of his wages.

Article 30

1. Where works stores for the sale of commodities to the workers are established or services are operated in connection with an undertaking, the workers concerned shall be free from any coercion to make use of such stores or services.
2. Where access to other stores or services is not possible, the competent authority shall take appropriate measures with the object of ensuring that goods are sold and services provided at fair and reasonable prices, or that stores established and services operated by the employer are not operated for the purpose of securing a profit but for the benefit of the workers concerned.

Article 31

1. Deductions from wages shall be permitted only under conditions and to the extent prescribed by national laws or regulations or fixed by collective agreement or arbitration award.
2. Workers shall be informed, in the manner deemed most appropriate by the competent authority, of the conditions under which and the extent to which such deductions may be made.

Article 32

Any deduction from wages with a view to ensuring a direct or indirect payment for the purpose of obtaining or retaining employment, made by a worker to an employer or his representative or to any intermediary (such as a labour contractor or recruiter), shall be prohibited.

Article 33

1. Wages shall be paid regularly. Except where other appropriate arrangements exist which ensure the payment of wages at regular intervals, the intervals for the payment of wages shall be prescribed by national laws or regulations or fixed by collective agreement or arbitration award.
2. Upon the termination of a contract of employment, a final settlement of all wages due shall be effected in accordance with national laws or regulations, collective agreement or arbitration award or, in the absence of any applicable law, regulation, agreement or award, within a reasonable period of time having regard to the terms of the contract.

Article 34

Where necessary, effective measures shall be taken to ensure that workers are informed, in an appropriate and easily understandable manner-

- (a) before they enter employment and when any changes take place, of the conditions in respect of wages under which they are employed; and
- (b) at the time of each payment of wages, of the particulars of their wages for the pay period concerned, in so far as such particulars may be subject to change.

Article 35

The laws or regulations giving effect to the provisions of Articles 26 to 34 of this Convention shall

- (a) be made available for the information of persons concerned;
- (b) define the persons responsible for compliance therewith;
- (c) prescribe adequate penalties or other appropriate remedies for any violation thereof;
- (d) provide for the maintenance, in all appropriate cases, of adequate records in an approved form and manner.

PART V. ANNUAL HOLIDAYS WITH PAY**Article 36**

Workers employed on plantations shall be granted an annual holiday with pay after a period of continuous service with the same employer.

Article 37

1. Each Member for which this Part of this Convention is in force shall be free to decide the manner in which provision shall be made for holidays with pay on plantations.
2. Such provision may be made, where appropriate, by means of collective agreement or by entrusting the regulation of holidays with pay on plantations to special bodies.
3. Wherever the manner in which provision is made for holidays with pay on plantations permits-
 - (a) there shall be full preliminary consultation with the most representative organisations of employers and workers concerned, where such exist, and with any

other persons, specially qualified by their trade or functions, whom the competent authority deems it useful to consult;

- (b) the employers and workers concerned shall participate in the regulation of holidays with pay, or be consulted or have the right to be heard, in such manner and to such extent as may be determined by national laws or regulations, but in any case on a basis of complete equality.

Article 38

The required minimum period of continuous service and the minimum duration of the annual holiday with pay shall be determined by national laws or regulations, collective agreement or arbitration award, or by special bodies entrusted with the regulation of holidays with pay on plantations, or in any other manner approved by the competent authority.

Article 39

Where appropriate, provision shall be made, in accordance with the established procedure for the regulation of holidays with pay on plantations, for-

- (a) more favourable treatment for young workers, in cases in which the annual holiday with pay granted to adult workers is not considered adequate for young workers;
- (b) an increase in the duration of the annual paid holiday with the length of service;
- (c) proportionate holidays or payment in lieu thereof, in cases where the period of continuous service of a worker is not of sufficient duration to qualify him for an annual holiday with pay but exceeds such minimum

period as may be determined in accordance with the established procedure;

- (d) the exclusion from the annual holiday with pay of public and customary holidays and weekly rest periods, and, to such extent as may be determined in accordance with the established procedure, temporary interruptions of attendance at work due to such causes as sickness or accident.

Article 40

1. Every person taking a holiday in virtue of this Part of this Convention shall receive, in respect of the full period of the holiday, not less than his usual remuneration, or such remuneration as may be prescribed in accordance with paragraphs 2 and 3 of this Article.
2. The remuneration payable in respect of the holiday shall be calculated as prescribed by national laws or regulations, collective agreement or arbitration award, or by special bodies entrusted with the regulation of holidays with pay on plantations, or in any other manner approved by the competent authority.
3. Where the remuneration of the person taking a holiday includes payments in kind, provision may be made for the payment in respect of holidays of the cash equivalent of such payments in kind.

Article 41

Any agreement to relinquish the right to an annual holiday with pay, or to forgo such a holiday, shall be void.

Article 42

A person who is dismissed or who has relinquished his employment before he has taken the whole or any part of the holiday due to him shall receive in respect of every day of holiday due to him in virtue of this Part of this Convention the remuneration provided for in Article 40.

PART VI. WEEKLY REST

Article 43

1. Plantation workers shall, except as otherwise provided for by the following Articles, enjoy in every period of seven days a period of rest comprising at least 24 consecutive hours.
2. This period of rest shall, wherever possible, be granted simultaneously to all the workers of each plantation.
3. It shall, wherever possible, be fixed so as to coincide with the days already established by the traditions or customs of the country or district.

Article 44

1. Each Member may authorize total or partial exceptions (including suspensions or diminutions) from the provisions of Article 43, special regard being had to all proper humanitarian and economic considerations and after consultation with responsible associations of employers and workers, wherever such exist.
2. Such consultation shall not be necessary in the case of exceptions which have already been made under existing legislation.

Article 45

Each Member shall make, as far as possible, provision for compensatory periods of rest for the suspensions or diminutions made in virtue of Article 44, except in cases where agreements or customs already provide for such periods.

PART VII. MATERNITY PROTECTION**Article 46**

For the purpose of this Part of this Convention, the term *woman* means any female person, irrespective of age, nationality, race or creed whether married or unmarried, and the term *child* means any child whether born of marriage or not.

Article 47

1. A woman to whom this Part of this Convention applies shall, on the production of appropriate evidence of the presumed date of her confinement, be entitled to a period of maternity leave.
2. The competent authority may, after consultation with the most representative organizations of employers and workers, where such exist, prescribe a qualifying period for maternity leave which shall not exceed a total of 150 days of employment with the same employer during the 12 months preceding the confinement.
3. The period of maternity leave shall be at least 12 weeks, and shall include a period of compulsory leave after confinement.
4. The period of compulsory leave after confinement shall be prescribed by national laws or regulations, but shall in no case be less than six weeks; the remainder of the total period of maternity leave may be provided before the

presumed date of confinement or following expiration of the compulsory leave period or partly before the presumed date of confinement and partly following the expiration of the compulsory leave period as may be prescribed by national laws or regulations.

5. The leave before the presumed date of confinement shall be extended by any period elapsing between the presumed date of confinement and the actual date of confinement, and the period of compulsory leave to be taken after confinement shall not be reduced on that account.
6. In case of illness suitably certified as arising out of pregnancy national laws or regulations shall provide for additional leave before confinement, the maximum duration of which may be fixed by the competent authority.
7. In case of illness suitably certified as arising out of confinement the woman shall be entitled to an extension of the leave after confinement, the maximum duration of which may be fixed by the competent authority.
8. No pregnant woman shall be required to undertake any type of work harmful to her in the period prior to her maternity leave.

Article 48

1. While absent from work on maternity leave in accordance with the provisions of Article 47, the woman shall be entitled to receive cash and medical benefits.
2. The rates of cash benefit shall be fixed by national laws or regulations so as to ensure benefits sufficient for the full and healthy maintenance of herself and her child in accordance with a suitable standard of living.

3. Medical benefits shall include prenatal, confinement and postnatal care by qualified midwives or medical practitioners as well as hospitalisation care where necessary: freedom of choice of doctor and freedom of choice between a public and private hospital shall be respected as far as practicable.
4. Any contribution due under a compulsory social insurance scheme providing maternity benefits and any tax based upon payrolls which is raised for the purpose of providing such benefits shall, whether paid both by the employer and the employees or by the employer, be paid in respect of the total number of men and women employed by the undertakings concerned, without distinction of sex.

Article 49

1. If a woman is nursing her child she shall be entitled to interrupt her work for this purpose, under conditions to be prescribed by national laws or regulations.
2. Interruptions of work for the purpose of nursing are to be counted as working hours and remunerated accordingly in cases in which the matter is governed by or in accordance with laws and regulations; in cases in which the matter is governed by collective agreement, the position shall be as determined by the relevant agreement.

Article 50

1. While a woman is absent from work on maternity leave in accordance with the provisions of Article 47, it shall not be lawful for her employer to give her notice of dismissal during such absence, or to give her notice of dismissal at such time that the notice would expire during such absence.

2. The dismissal of a woman solely because she is pregnant or a nursing mother shall be prohibited.

PART VIII. WORKMEN'S COMPENSATION

Article 51

Each Member of the International Labour Organization for which this Part of this Convention is in force undertakes to extend to all plantation workers its laws and regulations which provide for the compensation of workers for personal injury by accident arising out of or in the course of their employment.

Article 52

1. Each Member for which this Part of this Convention is in force undertakes to grant to the nationals of any other Member for which this Part of this Convention is in force, who suffer personal injury due to industrial accidents happening in its territory, or to their dependants, the same treatment in respect of workmen's compensation as it grants to its own nationals.
2. This equality of treatment shall be guaranteed to foreign workers and their dependants without any condition as to residence. With regard to the payments which a Member or its nationals would have to make outside that Member's territory in the application of this principle, the measures to be adopted shall be regulated, if necessary, by special arrangements between the Members concerned.

Article 53

Special agreements may be made between the Members concerned to provide that compensation for industrial accidents happening to workers whilst temporarily or intermittently employed in the territory of one Member on behalf of an undertaking situated in

the territory of another Member shall be governed by the laws and regulations of the latter Member.

PART IX. RIGHT TO ORGANISE AND COLLECTIVE BARGAINING

Article 54

The right of employers and employed alike to associate for all lawful purposes shall be guaranteed by appropriate measures.

Article 55

All procedures for the investigation of disputes between employers and workers shall be as simple and expeditious as possible.

Article 56

1. Employers and workers shall be encouraged to avoid disputes and, if they arise, to reach fair settlements by means of conciliation.
2. For this purpose all practicable measures shall be taken to consult and associate the representatives of organizations of employers and workers in the establishment and working of conciliation machinery.
3. Subject to the operation of such machinery, public officers shall be responsible for the investigation of disputes and shall endeavour to promote conciliation and to assist the parties in arriving at a fair settlement.
4. Where practicable, these officers shall be officers specially assigned to such duties.

Article 57

1. Machinery shall be created as rapidly as possible for the settlement of disputes between employers and workers.

2. Representatives of the employers and workers concerned, including representatives of their respective organizations, where such exist, shall be associated where practicable in the operation of the machinery, in such manner and to such extent, but in any case in equal numbers and on equal terms, as may be determined by the competent authority.

Article 58

1. Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment.
2. Such protection shall apply more particularly in respect of acts calculated to-
 - (a) make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership;
 - (b) cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours or, with the consent of the employer, within working hours.

Article 59

1. Workers' and employers' organizations shall enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration.
2. In particular, acts which are designed to promote the establishment of workers' organizations under the domination of employers or employers' organizations, or to support workers' organizations by financial or other means, with the object of placing such organizations under

the control of employers or employers' organizations, shall be deemed to constitute acts of interference within the meaning of this Article.

Article 60

Machinery appropriate to national conditions shall be established, where necessary, for the purpose of ensuring respect for the right to organize as defined in the preceding Articles.

Article 61

Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilization of machinery for voluntary negotiation between employers or employers' organizations and workers' organizations, with a view to the regulation of terms and conditions of employment by means of collective agreements.

PART X. FREEDOM OF ASSOCIATION

Article 62

Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization.

Article 63

1. Workers' and employers' organizations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programmes.
2. The public authorities shall refrain from any interference which would restrict this right or impede the lawful exercise thereof.

Article 64

Workers' and employers' organizations shall not be liable to be dissolved or suspended by administrative authority.

Article 65

Workers' and employers' organizations shall have the right to establish and join federations and confederations and any such organization, federation or confederation shall have the right to affiliate with international organizations of workers and employers.

Article 66

The provisions of Articles 62, 63 and 64 apply to federations and confederations of workers' and employers' organizations.

Article 67

The acquisition of legal personality by workers' and employers' organizations, federations and confederations shall not be made subject to conditions of such a character as to restrict the application of the provisions of Articles 62, 63 and 64.

Article 68

1. In exercising the rights provided for in this Part of this Convention workers and employers and their respective organizations, like other persons or organized collectivities, shall respect the law of the land.
2. The law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in this Part of this Convention.

Article 69

In this Part of this Convention the term **organization** means any organization of workers or of employers for furthering and defending the interests of workers or of employers.

Article 70

Each Member for which this Part of this Convention is in force undertakes to take all necessary and appropriate measures to ensure that workers and employers may exercise freely the right to organize.

PART XI. LABOUR INSPECTION**Article 71**

Each Member for which this Convention is in force shall maintain a system of labour inspection.

Article 72

Labour inspection services shall consist of suitably trained inspectors.

Article 73

Workers and their representatives shall be afforded every facility for communicating freely with the inspectors.

Article 74

1. The functions of the system of labour inspection shall be-
 - (a) to secure the enforcement of the legal provisions relating to conditions of work and the protection of workers while engaged in their work, such as provisions relating to hours, wages, safety, health and welfare, the employment of children and young persons, and other connected matters, in so far as such provisions are enforceable by labour inspectors;

- (b) to supply technical information and advice to employers and workers concerning the most effective means of complying with the legal provisions;
 - (c) to bring to the notice of the competent authority defects or abuses not specifically covered by existing legal provisions.
2. Any further duties which may be entrusted to labour inspectors shall not be such as to interfere with the effective discharge of their primary duties or to prejudice in any way the authority and impartiality which are necessary to inspectors in their relations with employers and workers.

Article 75

The competent authority shall make appropriate arrangements to promote-

- (a) effective co-operation between the inspection services and other government services and public or private institutions engaged in similar activities; and
- (b) collaboration between officials of the labour inspectorate and employers and workers or their organizations.

Article 76

The inspection staff shall be composed of public officials whose status and conditions of service are such that they are assured of stability of employment and are independent of changes of government and of improper external influences.

Article 77

1. The competent authority shall make the necessary arrangements to furnish labour inspectors with-

- (a) local offices, suitably equipped in accordance with the requirements of the service, and accessible to all persons concerned;
 - (b) the transport facilities necessary for the performance of their duties in cases where suitable public facilities do not exist.
2. The competent authority shall make the necessary arrangements to reimburse to labour inspectors any travelling and incidental expenses which may be necessary for the performance of their duties.

Article 78

1. Labour inspectors provided with proper credentials shall be empowered-
- (a) to enter freely and without previous notice at any hour of the day or night any place of employment liable to inspection;
 - (b) to enter by day any premises which they may have reasonable cause to believe to be liable to inspection; and
 - (c) to carry out any examination, test or inquiry which they may consider necessary in order to satisfy themselves that the legal provisions are being strictly observed and, in particular-
 - (i) to interrogate, alone or in the presence of witnesses, the employer or the staff of the undertaking on any matters concerning the application of the legal provisions;
 - (ii) to require the production of any books, registers or other documents the keeping of which is prescribed by national laws or regulations relating to conditions

- of work, in order to see that they are in conformity with the legal provisions and to copy such documents or make extracts from them;
 - (iii) to enforce the posting of notices required by the legal provisions;
 - (iv) to take or remove for purposes of analysis samples of materials and substances used or handled, subject to the employer or his representative being notified of any samples or substances taken or removed for such purpose.
2. On the occasion of an inspection visit inspectors shall notify the employer or his representative of their presence, unless they consider that such a notification may be prejudicial to the performance of their duties.

Article 79

Subject to such exceptions as may be made by law or regulation, labour inspectors-

- (a) shall be prohibited from having any direct or indirect interest in the undertakings under their supervision;
- (b) shall be bound on pain of appropriate penalties or disciplinary measures not to reveal, even after leaving the service, any manufacturing or commercial secrets or working processes which may come to their knowledge in the course of their duties; and
- (c) shall treat as absolutely confidential the source of any complaint bringing to their notice a defect or breach of legal provisions and shall give no intimation to the employer or his representative that a visit of inspection was made in consequence of the receipt of such a complaint.

Article 80

The labour inspectorate shall be notified of industrial accidents and cases of occupational disease in such cases and in such manner as may be prescribed by national laws or regulations.

Article 81

Places of employment shall be inspected as often and as thoroughly as is necessary to ensure the effective application of the relevant legal provisions.

Article 82

1. Persons who violate or neglect to observe legal provisions enforceable by labour inspectors shall be liable to prompt legal proceedings without previous warning: Provided that exceptions may be made by national laws or regulations in respect of cases in which previous notice to carry out remedial or preventive measures is to be given.
2. It shall be left to the discretion of labour inspectors to give warning and advice instead of instituting or recommending proceedings.

Article 83

Adequate penalties for violations of the legal provisions enforceable by labour inspectors and for obstructing labour inspectors in the performance of their duties shall be provided for by national laws or regulations and effectively enforced.

Article 84

1. Labour inspectors or local inspection offices, as the case may be, shall be required to submit to the central inspection authority periodical reports on the results of their inspection activities.

2. These reports shall be drawn up in such manner and deal with such subjects as may from time to time be prescribed by the central authority; they shall be submitted at least as frequently as may be prescribed by that authority and in any case not less frequently than once a year.

PART XII. HOUSING**Article 85**

The appropriate authorities shall, in consultation with the representatives of the employers' and workers' organisations concerned, where such exist, encourage the provision of adequate housing accommodation for plantation workers.

Article 86

1. The minimum standards and specifications of the accommodation to be provided in accordance with the preceding Article shall be laid down by the appropriate public authority. The latter shall, wherever practicable, constitute advisory boards consisting of representatives of employers and workers for consultation in regard to matters connected with housing.
2. Such minimum standards shall include specifications concerning-
 - (a) the construction materials to be used;
 - (b) the minimum size of accommodation, its layout, ventilation, and floor and air space;
 - (c) verandah space, cooking, washing, storage, water supply and sanitary facilities.

Article 87

Adequate penalties for violations of the legal provisions made in accordance with the preceding Article shall be provided for by laws or regulations and effectively enforced.

Article 88

1. Where housing is provided by the employer the conditions under which plantation workers are entitled to occupancy shall be not less favourable than those established by national custom or national legislation.
2. Whenever a resident worker is discharged he shall be allowed a reasonable time in which to vacate the house. Where the time allowed is not fixed by law it shall be determined by recognized negotiating machinery, or, failing agreement on the subject, by recourse to the normal procedure of the civil courts.

PART XIII. MEDICAL CARE**Article 89**

The appropriate authorities shall, in consultation with the representatives of the employers' and workers' organizations concerned, where such exist, encourage the provision of adequate medical services for plantation workers and members of their families.

Article 90

1. Medical services shall be of a standard prescribed by the public authorities, shall be adequate having regard to the number of persons involved, and shall be operated by a sufficient number of qualified personnel.

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2. Such services where provided by the appropriate public authorities shall conform to the standards, customs and practices of the authority concerned.

Article 91

The appropriate authority, in consultation with the representatives of the employers' and workers' organizations concerned, where such exist, shall take steps in plantation areas to eradicate or control prevalent endemic diseases.

PART XIV. FINAL PROVISIONS**Article 92**

The formal ratifications of this Convention shall be communicated to the Director-General of the International Labour Office for registration.

Article 93

1. This Convention shall be binding only upon those Members of the International Labour Organization whose ratifications have been registered with the Director-General.
2. This Convention shall come into force six months after the date on which there have been registered ratifications, in conformity with Article 3, of two of the following countries: Argentina, Belgium, Bolivia, Brazil, Burma, Ceylon, China, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Ethiopia, France, Ghana, Guatemala, Haiti, Honduras, India, Indonesia, Italy, Liberia, Federation of Malaya, Mexico, Netherlands, Nicaragua, Pakistan, Panama, Peru, Philippines, Portugal, El Salvador, Spain, Sudan, Thailand, Union of Soviet Socialist Republics,

United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America and Viet-Nam.

3. Thereafter, this Convention shall come into force for any Member six months after the date on which its ratification has been registered.

Article 94

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Director-General of the International Labour Office for registration. Such denunciation shall not take effect until one year after the date on which it is registered.
2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 95

1. The Director-General of the International Labour Office shall notify all Members of the International Labour Organization of the registration of all ratifications and denunciations communicated to him by the Members of the Organization.
2. When notifying the Members of the Organization of the registration of the second ratification communicated to

him, the Director-General shall draw the attention of the Members of the Organization to the date upon which the Convention will come into force.

Article 96

The Director-General of the International Labour Office shall communicate to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations full particulars of all ratifications and acts of denunciation registered by him in accordance with the provisions of the preceding Articles.

Article 97

At such times as it may consider necessary the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall examine the desirability of placing on the agenda of the Conference the question of its revision in whole or in part.

Article 98

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides:
 - a) the ratification by a Member of the new revising Convention shall ipso jure involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 94 above, if and when the new revising Convention shall have come into force;
 - b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 99

The English and French versions of the text of this Convention are equally authoritative.

Source: webinfo@ilo.org

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