

## WAGE STRUCTURE OF PLANTATION WORKERS

### AND THE 1984 APRIL STRIKE

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#### Trade Union Movement in the Plantations

Plantation Workers have formed the core of the working class, constituting almost one-fifth of the work-force in the country. However, the rise of the trade union movement in this sector came very much later than in the urban sector of Sri Lanka. There were, of course, a number of reasons for this. The plantation worker was not a free agent able to sell his labour in a competitive labour market. He was tied in varying degrees of duress to the estates and his mobility was thus limited. His wages were low and were not paid regularly; protests were silenced by blows and personal restraint (de Silva 1962 : 247). Government had no obligation to intervene in these matters as the Indian labour in Sri Lanka, unlike the indentured labour taken to some of the other Colonies, was considered to be voluntary. The first ever Labour Legislation, the Contract for Hire and Service Ordinance No. 5 of 1841, was brought into bind the worker to his contract, and offences such as 'bolting', failure to complete the allotted task, or impertinence to the employer were made punishable with imprisonment. In short, the worker's condition more or less bordered on medieval serfdom. Some of these began to change only after intervention by the Indian Government in the early twenties. All these formed major obstacles to the formation of trade unions, even though they were undoubtedly the most exploited group.

Unionisation in the plantations, after it began, developed in isolation from the very active urban movement that had existed since the late nineteenth century. It was not that the leaders of urban labour were unaware of the grievances of these workers but they made no attempt to unionise them or to link the urban and plantation workers in joint action mainly because they considered these workers to be a transient element within the Sri Lankan society with no permanent interest in the country. (Jayawardena 1972 : 332).

The first ever concern on behalf of these workers was expressed by Ponnampalam Arunachalam, a Member of the Legislative Council. Between 1913 - 1922, he carried on a campaign in the Council against poor wages and working conditions on the plantations. This was followed by the move to promote trade unionism in the plantations by Natesa Aiyar, a journalist and Council Member.

By this time, the plantation workers, too, had become receptive to unionisation. Their enfranchisement in 1931, improvement in the plantation educational system, the success of the urban trade union struggles (in Colombo) and the rise of the Left Movement all contributed to this. Natesa Aiyar founded the All Ceylon Estate Labour Federation in 1931 with its Head Office in Hatton, a plantation town, and later a branch in Kandy (Jayawardena 1972: 237). From its very inception the Federation had to face serious opposition from various quarters. The planters went all out to smash the emerging trade union movement. The entry of union leaders into the estates was prohibited and they were also refused permission to hold meetings in town areas. This coupled with the Economic Depression brought a natural death to union activities in the plantations by the end of 1933.

Around this time, the Trotskyites formed the All Ceylon Estate Workers' Federation but failed to draw in the plantation workers because of the stern and repressive measures adopted by the planters against those who joined the union. But they continued their efforts fully utilising the discontent among these workers and even called for the expulsion of the White planters in 1937 - 38. The arrest and internment of these leaders following the declaration of the Second World War put an end to the movement.

The Ceylon Indian Congress Labour Union formed in 1940 may be said to be the beginning of a continuous trade union movement in the plantations. After Sri Lanka gained Independence the above union changed its name to the Ceylon Workers' Congress (CWC) in 1950. A split in the CWC in 1956 led to the formation of the Democratic Workers' Congress (DWC). Today the most powerful union in the plantations is the CWC, followed by the Union of the ruling United National Party - the Lanka Jathika Estate Workers' Union (LJEWU). During the past 15 years, the party in power has used its powers of political patronage to build strong unions in state sector enterprises. The strength of the LJEWU is partly due to this. The trade union movement in the plantations today is characterised by the existence of fifteen to twenty different unions - large and small - and since these unions are aligned, fully or partially to one or the other of the major political parties in the country, the ideological and other differences prevailing among these parties spill over into the trade union movement, too. The differences among the unions have become so sharp that they view each other as rivals in the field rather than as comrades fighting for a common cause. While weakening the trade union movement this also has helped the management to keep workers in subordination.

**Table I : STRIKES SINCE 1948**

(Annual Averages For Selected Periods)

Period	Private Sector			Plantation Sector		
	Number of Strikes	Number of Workers involved	Number of man - days lost	Number of Strikes	Number of workers involved	Number of man - days lost
1948 — 55	77	14,865	61,935	436	1,296,343	2,239,263
1956 — 64	174	76,907	736,862	1,302	685,499	3,254,276
1965 — 69	48	11,796	183,188	813	408,926	3,142,999
1970 — 71	54	11,984	100,386	1,025	414,471	2,232,336
1977 — 83	141	32,062	216,306	1.192	556,047	1,959,640

Source: Department of Labour

## Strikes in the Plantations

The weak organisation of the trade unions, however, has not prevented them from engaging in various types of trade union agitation, including work stoppage. Table 1 reveals that strikes have been more frequent in the plantations than in other sectors. Most of these strikes according to trade unions arise from the non-co-operative and intransigent attitudes of estate managements to negotiate even on relatively minor issues. Often the non-issue of food stuffs and non-payment of wage advances have been the major causes for strikes. Assaults on estate workers by the management is claimed to be another reason that causes strikes (CWC, Report of Activities for 1979 - 81).

This paper is an attempt to analyse one of the plantation strikes that took place in April 1984. It also highlights some of the outstanding issues in the wage system of plantation workers and the various discrimination and disparities that existed at the time of the strike which, in fact, made the strike inevitable. The outcome of the strike and some implications of the outcome are also discussed.

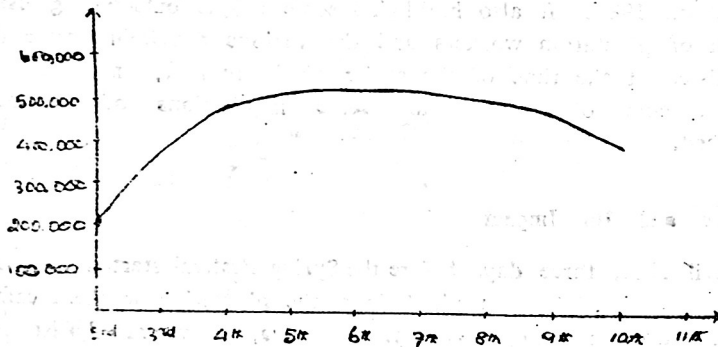
### The April Strike and Its Impact

On 2nd April 1984, three days before the Spring Festival started at Nuwara-Eliya, the central town of the tea plantations, the plantation workers came out on a strike which according to Colvin R. de Silva, a veteran leftist leader, "could undoubtedly be called the biggest strike in the history of trade unions in Sri Lanka" (Ceylon Daily News, April 9, 1984). The strike lasted for nine days until the 10th of April thereby causing serious damage to the tea industry and trade. The majority of the tea plantation workers and a large section of the rubber workers were involved in strike action. There was controversy, however, over the actual number involved in the strike.

The CWC, the strongest union in the plantation sector which led fourteen other unions (trade unions represented in the Joint Committee of Plantation Trade Unions) in this historic struggle, claimed that over six hundred thousand workers struck work. The LJEWU contradicted the CWC statement by saying that "not even 75,000 workers were out" (CDN, April 3, 1984). The LJEWU position was that most of the estates were working despite the strike. This position was described by the striking unions as "a figment of LJEWU imagination" and they maintained that many of the LJEWU workers too joined the strike despite the black-legging by the union. The unofficial participation of the LJEWU members in the strike was a fact, their President, the Minister

of Lands and Mahaweli Development, himself admitted when he made the call that "we, therefore, ask any of our members who were cajoled or coerced or misled to join the strike to immediately return to work" (CDN April 4, 1984). The first report of the Government controlled newspaper establishment, the Lake House, estimated that "at least half the work force was out" (CDN April 3, 1984). It is our estimation, considering all sources, that between four and five hundred thousand workers were involved in the strike. Due to the last minute hesitation of the CWC, whether to go ahead with the strike or to postpone it, the strike started with some hesitation and took at least two days to take-off. Then for five days it went on its own momentum. However, the numbers slightly dwindled in the last two days as shown in the diagram below.

FIGURE I



The April strike was effective not only because of the numbers involved but also because of its economic implications. The tea industry was the most affected by the strike. Sri Lanka has for a long time depended largely on tea exports for its foreign currency earnings. It brings to the country almost 40 per cent of her foreign exchange earnings. In 1983, for instance, export earnings from tea accounted for Rs. 8,295 million or 33 per cent of total export earnings (Central Bank, Annual Report, 1983: pp 11). Moreover, the tea auctions in Colombo during the weeks preceding the strike had been fetching very high prices and the industry was booming. Therefore, government sources cautioned the unions that "this was not a time to strike". However, the reply of the CWC Secretary, Sellasamy, was "what better time to strike on a pay question than when produce prices are high".

It was initially speculated that the country would lose Rs. 60 million a day as a result of the strike. However, later the figure was estimated to be a moderate Rs. 30 million (CDN, April 12, 1984). The total "strike loss" for the two corporations was estimated at Rs. 840 million (Rs. 288 million produc-

tion loss plus Rs. 552 million due to wage increases). If the loss due to coarse plucking and consequently quality loss after the strike ended are added, the total losses would amount to over Rs. 1,000 million (Sundararaj 1984). In the Sri Lankan tea industry the April flush is considered to be the peak harvest. The broker agencies in Colombo estimated the total tea production for April to be around 18 million kilos (CDN, April 12, 1984), which was fairly higher than the normal monthly average. To produce 1 pound of made tea it is necessary to pluck 4 pounds of green leaves. Plucking rounds are completed on a weekly cycle and therefore the flush that is not plucked is lost for ever. When the strike continued, day by day the tea business circle in Colombo became nervous of the situation even to the point of exerting pressure on the Government to settle the strike. Overseas buyers also expressed their concern about the ready availability of Sri Lanka tea over the next few weeks. There was no doubt that a continuous plantation strike could have seriously damaged the whole economy. In view of this, the Finance Ministry officials too pointed out that an early settlement was desirable since tea was enjoying boom prices.

The strike was most effective in the High and Medium grown tea estates especially in the Nuwara Eliya, Badulla and Kandy Districts. These were also the areas where the CWC commands a considerable following. In 'Low Grown' estates, where the LJEWU was strong the strike had to be conducted under pressure and intimidation. In many tea and rubber estates in the Sabaragamuwa and Southern Provinces there had been pressures of an intimidatory nature compelling the workers to return to work. For instance, there were threats that the monthly rations of the workers would be withheld, cash advances reduced and that the festival loan for New Year would not be granted (The Island, April 1984). A number of estate-level trade union activists were also locked up in police stations on complaints made by estate superintendents. Some of the threats were also of a communal nature since the large majority of the strikers belonged to the Tamil minority of Indian origin. The effective use of the LJEWU for strike-breaking from within the ranks of the plantation workers, however, was frustrated as it could have easily turned into communal rioting which simply could not be risked. The striking unions were in a position to withstand all pressures and intimidation and to win their demands entirely on the strength of their superior bargaining power.

### **The Issue at Stake**

The issue of wages was central to the plantation strike. The strike, in fact, was led by a cabinet Minister, Mr. S. Thondaman, who perhaps had no political

objectives. Thondaman strictly refrained from making any statement during the strike. However, Sellasamy, the Secretary, stressed that the "strike was not anti-government" (CDN, April 4, 1984). This was quickly vouched for by Dr. Colvin R. de Silva, who said that "the struggle was entirely a trade union action on straight-forward economic questions".

The confrontation between the plantation unions and the management on the wage issue was a longstanding one. The immediate grievance of the plantation workers, however, was that wage increases granted between 1980 and 1983 to workers in other sectors, in view of the rising inflation, had not been extended to them, thereby discriminating against them. In order to understand these acts of discrimination in their proper setting, it is necessary to look at the wage system and the wage structure in the plantation industries.

The wage structure was straight-forward and simple and, therefore, it was easy for the bureaucrats to administer. All the workers—pluckers, weeders and even factory workers—were considered to be in one category and thus were paid a flat rate, though an extra payment was added to the wages of some of these categories (See Appendix 1). One exception was made in the case of women, who were paid a lower rate - around 25 per cent less - compared to men and the principle of 'equal wage for equal work' was thus negated (See Table 2).

TABLE 2

Male — Female Wage Rates — Plantation Sector  
(Wage Rates / Per Diem / Rs. Cts.)

Year / Month	Tea Estates		Rubber Estates	
	Males	Females	Males	Females
1978 July	9.30	7.14	12.79	13.06
1979 July	11.60	9.30	15.21	13.06
1980 July	14.00	11.70	17.75	15.59
1981 July	16.12	13.77	17.87	15.67
1982 July	16.30	13.89	18.05	15.79
1983 July	16.87	14.27	18.62	16.17

Source: Sri Lanka State Plantations Corporation,

The daily wage system was the norm in the estates since colonial times though payments were made at the end of the month. (They were, in fact, paid during the early part of the following month). Under the daily wage system there was no guarantee of uninterrupted work. The number of days of work

offered per month varies very widely. It fluctuates from season to season and year to year as shown in Table 3 and it also varies from estate to estate, largely depending on the whims and fancies of the Superintendents.

**TABLE 3**

**Number of Working Days**

Year	/	Month	Tea Estates		Rubber Estates	
			Males	Females	Males	Females
1977		March	19.5	20.1	15.6	16.1
		September	20.3	18.3	16.2	14.6
1978		March	20.2	19.6	22.1	21.0
		September	18.5	18.0	19.6	18.6
1979		March	19.2	20.1	22.5	19.4
		September	19.0	17.2	13.5	14.8
1980		March	19.3	20.3	23.6	21.1
		September	20.0	17.2	23.6	21.1
1981		March	15.0	16.2	24.2	19.2
		September	18.5	17.5	22.9	18.1

Source: Statistical Abstracts, Department of Census and Statistics, 1979 and 1982.

The Tea Master Plan Study from a survey conducted found that the average number of days of work offered in April 1978 varied from 16.4 to 21.9 in four high elevation estates, 17.0 and 19.3 in five mid-elevation estates and 13.2 to 15.0 in three low-elevation estates (CIDA 1978, 21). The peak activity periods in tea cultivation are April to June and October to January while in rubber cultivation it is December and January, February being the lean month for rubber cultivation. Because of this, earnings varied a great deal from month to month.

Further, the whole wage structure and the work schedules are so bureaucratic that they deny basic human rights and fair living conditions to these workers. The work schedule hardly allows women workers to attend to their duties as working mothers. Kurian estimated that with her labour at home as well as her job outside the home, the woman worker on the estate works for more than 12 hours a day during the flush season (Rachael Kurian, 1982 : 63). Even during the normal season a woman worker's day begins at 7-00 a. m. and concludes



at 6-00 p. m.<sup>(1)</sup> Thus, the two main outstanding wage issues were equal pay for women workers and a monthly wage for all.

The wages in the plantation were determined and reviewed from time to time by the Wages Boards established by Parliamentary Enactment in 1941. The Wage Boards were tripartite bodies representing the employers, the employees and the government. Employers and the employees had equal representation in it. Thus, the Government representatives exercised the decisive vote in any controversial issue. Before nationalisation of the plantations, the government representatives, more often than not, voted with the trade union representatives on wage issues. However, after nationalisation both the employers and the government represented one and the same interest. Thus, a formidable force was created within the Wage Board System that obviously worked to the disadvantage of the workers.

Before the Second World War, the wages of plantation workers consisted of a single component, the basic wage. Due to the unprecedented rise in prices of consumer goods in 1944 wage indexation principle was introduced. The allowance paid in order to compensate for the increase in the Cost of Living was known as the Special Allowance. The purpose of this was to maintain the stability of the real value of the basic wages in the face of rising inflation. Thus, the wages came to comprise of two components, a basic wage and a cost of living allowance. In March 1972, a third component called the Price - Wage Supplement (PWS) was introduced for rubber workers and the same was extended to tea workers in 1975. Since the prices of plantation products were subject to a high degree of fluctuation, it was argued that the basic wages could not be increased beyond certain levels. It was, however, admitted that there should be an element in the plantation wage structure which links wages to product prices and the PWS was the result of it. PWS was to be based on the selling price of these commodities and was to be paid on a sliding scale. According to the original agreement, 10 cents was payable on every increasing slab of 25 cents over and above the Net Sale Average (NSA) price of Rs. 2-50 per Kg. for tea workers and similarly 10 cents was payable to rubber workers for every increasing slab of 5 cents in the price of RSS 1, over and above Rs. 1-75 per Kg. The sliding scale for tea was linked to the NSA price for all Mid - grown teas at the Colombo auctions.

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1 Not surprisingly, trade unions in the plantations are now demanding a six hour working day for women.

This agreement worked for a few years. However, when there was a price boom in the latter half of the seventies for the two main plantation products, the PWS was frozen, for tea workers at the 1975 level of 30 cents per day (when the price of tea was Rs. 6-60 per Kg.) and for rubber workers at Rs. 2-65 (at the price of Rs. 9-15 per Kg. in 1979). As a result of this freezing both tea and rubber workers lost a great deal in terms of higher PWS on higher product prices. In 1983, for instance, tea workers would have received Rs. 13-80 per day as PWS when the price of tea was Rs. 40-00 per Kg. but this was denied to them, Thus, one of the grievances of the trade unions was the freezing of the PWS.

Beginning from 1967, a variety of allowances were introduced from time to time into the wage system either when the currency was devalued or when new budgetary measures that affected the cost of living were introduced. The wages of plantation workers were thus calculated by the addition of the value of a number of allowances to their basic wage. The daily wage in 1982, for instance, consisted of the following allowances added to the basic minimum wages: Special Allowance (i. e. Cost of Living Allowance), Plantation Workers, Additional Special Allowance (PWASA), Private Sector Special Allowance (PSSA), Private Sector Additional Special Allowance (PSASA) and Budgetary Relief Allowance (BRAs) I and II Supplementary Allowances were introduced in 1979 (See Appendix II for details). In 1982, the wages of plantation workers were consolidated and after the consolidation the wages came to be comprised of three components: a basic wage, allowances and the PWS. The basic wages that stood at Rs 4-51 and Rs. 2-65 respectively for tea and rubber workers (men) were brought up to Rs. 16-12 and Rs. 13-77 by the addition of the various allowances and the PWS as shown below:

Consolidation of Wages — Estate not less than

100 acres in extent

	Basic	Special Allowance	Statutory Allowance under 72 to 81 Acts	Price Wages Supplement	TOTAL
Male	4.41	6.16	5.15	0.30	16.12
Female	4.32	4.20	4.95	0.30	13.77
Children	4.07	4.13	4.17	0.30	13.21

At the time of the strike the wages stood as follows:

Plantation Wages — March 1984

	Male	Female	Children
Tea	18 . 28	18 . 16	14 . 93
Rubber	20 . 18	17 . 21	17 . 63

**Wage Discrimination against Plantation Workers**

Since 1980 several wage increases were granted to Government and Corporation employees. The increases amounting to Rs. 361 was made up as follows:

	Rs.	Cts.
Cost of Living Allowance (2) paid in January 1980 at C. O. L. point 360	—	70 - 00
Cost of Living Allowance paid in 1981 at C. O. L. point 391 (31 points x Rs. 2 - 00)	—	62 - 00
Salary Commission increase (1 - 1 - 1982)	—	45 - 00
Cost of Living Allowance paid in August 1983 at C. O. L. index 483 (92 points x Rs. 2 - 00).	—	184 - 00

Of this amount, only Rs. 45 - 00 had been extended to the plantation workers when a Rs. 2 - 00 increase was allowed in basic wages in January 1982. So, it was claimed that it was really "not a demand for wage increase but a demand that government's own wage standards be observed" (CDN, April 9, 1985).

2. C. O. L. Allowance is calculated at Rs. 2 - 00 per point increase in the C. O. L. index but the increase is not paid every month as the index rises. The amount is revised periodically according to increase in the C. O. L. index.

Discrimination arose primarily from the fact that the plantation workers were paid the Cost of Living Allowance on a different basis than the others. They were paid a Cost of Living Allowance of 3 cents per day for every 1.8 point increase in the cost of Living Index, a rate determined as early as 1944. Assuming that the worker in the plantation sector gets 26 days work per month this will only work out to 43 cents per point increase while other workers were entitled to Rs. 2-00 for every point increase. For instance, Government farm workers whose basic wages were Rs. 18-50 in January 1983. received a Cost of Living Allowance of Rs. 24-00 per day.

Plantation trade unions having noted this discrimination began to agitate for the payment of the same rate of allowance to their members as well. It was argued that while the pattern of wage structure may vary for the various categories of workers, i. e. unskilled, skilled, semi-skilled, technical, clerical and so on, there is no justifiable reason to discriminate in the payment of the Cost of Living Allowance. In February 1983, the Wage Board after rejecting a demand from the trade union representatives for the payment of 11 cents for a point increase in the Cost of Living Index, passed a motion on a compromise formula, for the payment of 6 cents. This decision was gazetted but the Board never met again to ratify it and consequently it was never implemented. This was one of the major grievances of the unions that eventually led to the 1984 April strike;

### Trade Union Negotiations

Trade Unions claimed that they had time and again drawn the attention of the Plantation Corporations as well as the government to the plight of their members in the face of rapidly escalating consumer prices.<sup>(3)</sup> Table 4 shows that although money earnings increased from Rs. 132-00 to Rs. 282-00 between 1977 and 1983 real earnings began to decline sharply after 1979. The temporary rise in real wages in 1982 was due to the consolidation of wages and the increase of Rs. 2-00 in the basic wage effected in that year. According to trade

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(3) On 23-11-1983, the conference of the plantation trade unions wrote to the Hon'ble President and the Government asking for a wage increase.

TABLE 4

**Average Monthly Earnings of Tea  
Estate Workers**

Year	Monthly Earnings		COL index - All Items (1952 = 100)	Real Earnings	
	Rs.	Cts.		Rs.	Cts.
1975	100	- 45	198.3	50	- 65
1976	99	- 85	200.7	49	- 75
1977	132	- 11	203.2	65	- 01
1978	166	- 95	227.8	73	- 29
1979	218	- 90	252.3	86	- 76
1980	239	- 42	318.2	75	- 24
1981	229	- 63	375.4	61	- 17
1982	285	- 79	417.1	68	- 51

Source: Statistical Abstracts, Department of Census and Statistics.

union sources, they made several representations and also held discussions with the management since the beginning of 1982 to obtain a reasonable wage increase for their membership but these efforts met with failure owing to the intransigent attitude of the management and the government. This is clear from a statement made by one of the trade union leaders just before the strike "... we argued, agitated and did everything from within the government" to improve the conditions of the plantation workers. But "when this was found impossible we did not hesitate to call a strike, which is the ultimate weapon available to the workers....." (S. Thondaman). A week prior to the scheduled date of the strike, government came forward to implement the proposal for a wage increase made in January 1984 by the Janatha Estates Development Board (JEDB), one of the two Plantation Corporations. This proposal had been made by the (JEDB), in consultation with Messrs. Ernest & Whinney, Management Consultants. The offer made was as follows:

	Male	Female	Children
Tea	20.51	20.51	17.10
Rubber	20.76	20.76	17.10
Coconut	17.90	17.90	14.90

The resulting wage increases would have been as follows:

	Male	Female	Children
Tea	2.73	5.30	2.45
Rubber	2.73	3.65	2.57
Coconut	1.99	4.31	1.88

It is evident from the above that this wage increase also included the equalisation of male and female wages. In addition, six day's work per week was also promised. By offering these, it seems, that the government expected to avoid direct negotiations with the trade unions and perhaps also hoped that the unions would abandon their threat to strike. But the unions were not prepared to accept this offer since the proposed wage increases fell far below their minimum expectations. The failure, deliberate or otherwise, on the part of the government to directly negotiate with the unions could have been a supplementary reason for their refusal to accept it. The unions demanded the removal of all anomalies and disparities that existed between the wages of plantation workers and those in other sectors. The removal of these anomalies and disparities meant an increase of the daily wages to over Rs. 35-00.

Just before the strike was scheduled to take place, the government announced a further increase of Rupee 1-00 in the wages that had already been announced. This too, was rejected by the unions, partly because this offer was made after negotiating with the only union that did not take part in the strike, namely the LJEWU. Again it seems that the government tried its best to prevent the strike and at the same time avoid negotiating with the unions. But no sooner did the government realise that it was futile to attempt to stop the strike, it came forward to negotiate with the unions. Negotiations began under the chairmanship of the Minister of Plantation Industries and the following compromise formula was worked out at these discussions for the unions to call-off the strike. Immediate implementation of:

- (i) the Wage Board decision of February 1983 to pay 6 cents per day for every point increase in the Cost of Living Index;
- (ii) the defreezing of the PWS and the grant of the supplement in the manner suggested by the Consultants, Messrs. Ernest & Whinney. That is the payment of Rs. 2-70 for tea workers as at prices prevailing in January 1984 and thereafter operating on the sliding scale. In the case of rubber workers the existing collecting agreement to continue; and

- (iii) the setting - up of a tripartite committee to examine the wages and related matters and for this committee to report within a specified period of time.

Perhaps at this stage the government believed that the strike would fizzle out and therefore instead of implementing the compromise formula, it called upon the workers to return to work unconditionally. However, the unexpected success of the strike, the mounting losses to the economy (at the time when the industry was booming) and the disturbing developments in the troubled areas of the North of the Island forced the government to alter its stand of no discussions till the strike was called-off. In the ensuing negotiations a settlement was arrived at to pay Rs. 2-00 as an interim increase over and above what the government had already offered. In addition, it was promised that the Presidential Sub-Committee that was to be set-up would be required to submit its report by the end of May. The strike was called-off on the tenth of April 1988, after nine days.

#### Outcome of the Strike

Government tried various tactics to prevent the strike from taking place and to break it after it started. The ruling party even resorted to the use of its own trade union arm for this purpose. However, it could not use open strike-breaking methods because it could have been easily turned into communal rioting by interested parties since the overwhelming majority of the striking workers were Tamils. Frustrated by these circumstances, the government found no alternative but to negotiate with the strikers, which it did. The strike resulted in the following gains to the workers:

(i) An interim wage increase

- male wages went up from Rs. 18-28 per day to Rs. 23-78, 22% increase;
- female wages went up from Rs. 15-26 per day to Rs. 23-78, a 56% increase.

The new wage rate according to the SLSPC was made up as follows: (4)

	Rs.	Cts
Consolidated wage	—	12 - 46 <sup>(5)</sup>
Special Allowance (C. O. L. Allowance)	—	8 - 47
Price - Wage Supplement	—	2 - 85
<b>TOTAL</b>	<b>—</b>	<b>23 - 78</b>

This wage increase also included as can be seen, the equalisation of male and female wages.

- (ii) Six days work per week for all registered workers. This was based on the principles of Section 6 of Estate Labour (Indian) Ordinance which specified that "where wages are payable at a daily rate, the monthly wages shall be computed according to the number of days on which the labourer was able and willing to work and actually demanded employment, whether the employer was or was not able to provide him with work".
- (iii) The setting up of a Presidential Sub - Committee to inquire into wages and related matters of plantation workers.

The Sub - Committee that was set - up in accordance with this, after many sittings, reached agreement on the following,

- (i) The interim wage of Rs. 23 - 78 was to be retained as the irreducible minimum wage and that the C. O. L. Allowance and the PWS should be added to this.
- (ii) The C. O. L. Allowance was to be paid at 3 cents per point increase in the C. O. L. index with arrears for the period 01-04-1984 to 31-03-1985 during which wages remained unvaried at Rs. 23-78 per day.
- (iii) No agreement had yet been reached on the PWS.

4. Circular No. 255, SLSPC dated 26th April 1984.

5. This consisted of the following:

	Rs.	Cts.
Basic wage	4	51
Consolidated Special Allowance	5	15
PWS (Frozen)	—	30
Supplementary Allowance	2	50



## Implementation of the Agreement.

The increased wage of Rs. 23-78 per day was paid from the beginning of April 1984, but since the Sub-Committee set-up to report on wages and related matters took a long time to make its recommendations, the payment of COL Allowance and the PWS was delayed. The Committee after prolonged discussions agreed to make the interim wage of Rs. 23-78 the irreducible minimum wage and further negotiations took place on the rate of payment for COL Allowance and the PWS. It took almost one year to reach agreement on the former and arrears were paid in October 1985. Further discussions on the PWS were going on at the time of writing this paper.

The overkilo (6) and overtime rates had been increased in November 1983 and at the time these were increased the plantation corporations informed the estate superintendents that in view of the substantial increases in these rates, they should exercise the greatest care in fixing the variable norms. After the wage increases were granted in April 1984, it was alleged by trade unions that the superintendents raised the norms to such a high level that pluckers were finding it difficult to pluck any extra kilos which made the increased overkilo payments meaningless (See The Sun, May 8, 1984). It was also alleged that many estates failed to give six days of work per week as agreed. These caused some difficulties in implementing the agreement. But, on the whole, the agreement has been implemented in good faith.

## Conclusions

The April 1984 strike of the plantation workers that involved a large segment of these workers was politically and economically a significant event in the history of working class struggle in Sri Lanka. Its political significance derives from the fact that the unions concerned were able to stage a successful strike in an environment that was hostile to trade union activity. The government has been pursuing a belligerent policy and attitude towards trade unions. The economic strategy of the post-1977 government which is crucially dependent on foreign capital flows for its survival necessitated the containment of trade union agitation so as to project to prospective overseas investors a facade of industrial peace and harmony in the country. This was loudly manifested in the ruthless suppression of the General Strike of July 1980, when over 40,000

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(6) Tea pluckers are required to pluck a daily norm (or standard poundage) of a given quantity for a day's wage. Anything in excess of that norm is "overkilo" and is paid at a basic rate.

striking workers (official estimate) were sacked from their posts. Unofficial estimates put the number of workers sacked at around 70 to 75 thousand in the public sector and between 10 - 15 thousand in the private sector (Fernando 1983 :18). Furthermore, the government also had enacted the Essential Public Services Act in the same year. Under this act, the President was empowered to declare certain services such as public corporations, local authorities, co-operative societies, health services, water, electricity, transport, post and so on as essential service - provided that he was satisfied that these were likely to be impeded or interrupted and that their maintenance was essential for the life of the community. The Act also provided for severe penalties for offenders. These naturally led to a general lull in trade union activities in the country. For instance, the private sector in the post-1977 period experienced the lowest incidence of strikes since 1948. The number of man-days lost as shown in Table I was also minimal compared to the previous periods. In such an environment the April strike of the plantation workers came as a surprise and that too from a completely unexpected quarter. The strike took place despite the fact that the two major unions in the plantations, the CWC and the LJEWU were led by two senior Cabinet Ministers, though one of them did not support the strike. The strike, therefore, created an embarrassing situation for the Government.

The social and economic importance of the strike arises from the fact that it was staged by a section of the the working class that was long considered to be docile and submissive. These workers brought from South India to work in the plantations of Sri Lanka have through the years suffered all the evils of private enterprise and the fate of displaced labour anywhere. They were not only deprived of a decent living but also stripped of their civic rights after the country gained independence. In recent years, and particularly after nationalisation of plantations, they also became the target of physical violence whose frequency and intensity have tended to increase since the change of government in 1977. They have silently suffered all these except for engaging occasionally in trade union struggle and that too mostly on petty issues. In April 1984, they came out on strike demanding a wage increase that was equivalent to what had already been granted since 1980 to other workers in the country but denied to them. Despite various attempts by the government from inside and outside their own ranks to break the strike by threats and intimidation they went ahead with the strike until the government came down from its stand of "no discussion till the strike was called-off" (CDN, April 9, 1984). This clearly demonstrated the determination of these workers to win their demands and to face any challenge whatever quarter it came from. This perhaps marks a new phase in their struggle.

The strike itself was supported by all trade unions in the Plantation sector, irrespective of their political affiliations and ideological sympathies. The strike was led by the CWC. The other unions quickly responded to the strike call made by the CWC, the major exception being the LJEWU. It is interesting to note, however, that the LJEWU was one of the first unions to welcome the decision taken by the CWC to go on strike and that they even had suggested a token strike only to withdraw from strike action two days before the strike commenced (CDN, March 30, 1984.)

The strike was a great success for the unions that were involved in it and particularly to the CWC which led the strike. The CWC, it is claimed was able to substantially increase its membership after the strike and in the wake of the success of the strike many Sinhala workers too enrolled themselves as members of the CWC. The CWC the largest, oldest and perhaps the most stable union in the plantations has been an exclusively Tamil organization. The present trend where Sinhala workers too are joining the CWC is particularly welcome in the context of the current ethnic tension in the country. There is no doubt that it is only the trade union movement that can cut across ethnic and religious barriers and unite all workers for a common struggle to improve their living and working conditions.

With the wage increase granted to the workers, the monthly union membership subscription too was raised more than three-fold from Rs. 3-00 to Rs. 10-00. This has markedly improved the financial resources of the unions and thereby widened the scope of their activities. The ultimate benefit to the workers would, however, depend on how the unions utilise these increased resources.

The strike became a success not only because of the timing, the efficient organization, astute leadership and unity among the unions involved but also because of some extraneous factors. Firstly, CWC the union that led the strike had extended its unqualified support to the government since its leader joined the government as a Member of the Cabinet in 1977 and this support had helped the government to counter charges made against it to the effect that the Tamils had no role in running the government. The government just could not risk losing this support by not coming to a compromise with the striking unions. Secondly, the deteriorating ethnic situation in the North of the Island and the fear that the strike could be turned into communal rioting against Tamils may also have urged the government to accommodate the unions. Lastly, the realization that some of the foreign aid donors on whom the government was

so heavily dependent for financial support for its major economic ventures, would not have supported hardline measures against the plantation workers who had earned a fair amount of sympathy from them, could be yet another reason that influenced the government. But whatever the reasons for this may be, the success of the strike did certainly have significant implications for working class struggles in the country.

The strike demonstrated that the plantation workers could not anymore be considered docile and submissive as in the past. This was yet again proved at the beginning of 1986 when they threatened to go on prayer sessions for half a day in the mornings for a period of three months, what was in effect a strike, if their major grievance - the citizenship issue - was not settled immediately. With the grant of citizenship to them, they will be drawn into the mainstream of national life and, therefore, it is inevitable that they play a major role in future working class struggles in the country. Plantation workers are the real proletariat of the country who have nothing but their chains to lose and the urban working class cannot simply afford to ignore them anymore.

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#### APPENDIX I

#### Extra Rates Payable to Sundry Workers

	Rs. Cts.
<b>Pruners</b>	
Cycle of less than 2 years	0 . 70
Cycle of 2 years and less than 3 years	1 . 05
Cycle of 3 years and less than 4 years	1 . 40
Cycle of 4 years or more.	1 . 75
<b>Sprayers</b>	
Hand and Knaysack Sprayers	1 . 05
Motor Sprayers.	1 . 40

**Sweepers**

Sweepers 3 . 50

**Factory Workers**

Rolling Room. 0 . 35

Drier Workers. 1 . 05

Spreading and Withering. 0 . 35

Sifting Room 0 . 70

(Source: Circular No. 230 to Superintendents, November 1983.)

*APPENDIX II*

**Allowances to Plantation Workers from 1967.**

**1. Interim Dévaluation Allowance (IDA)**

1-12-1967 30 cents / day.  
M F C

**2. Plantation Workers**

Additional Special Allowance (PWASA) 18 cents 12 cents  
1-11-1972. per day per day

**3. Private Sector Special Allowance (PSSA)**

1-10-1973 10 per cent of wage or Rs. 20-00  
whichever was less

**4. Private Sector Additional Special Allowance (PSASA)**

1-12-1975. 10 per cent of wage or Rs. 25-00  
whichever was less but frozen at  
January 1975 levels.

5. Budgetary Relief Allowance  
(BRA - I) 1-12-1977.

25 per cent of wage or Rs. 50-00  
whichever was less.

6. Budgetary Relief Allowance  
(BRA - II).

6 per cent of wage or Rs. 15-00  
whichever was less.

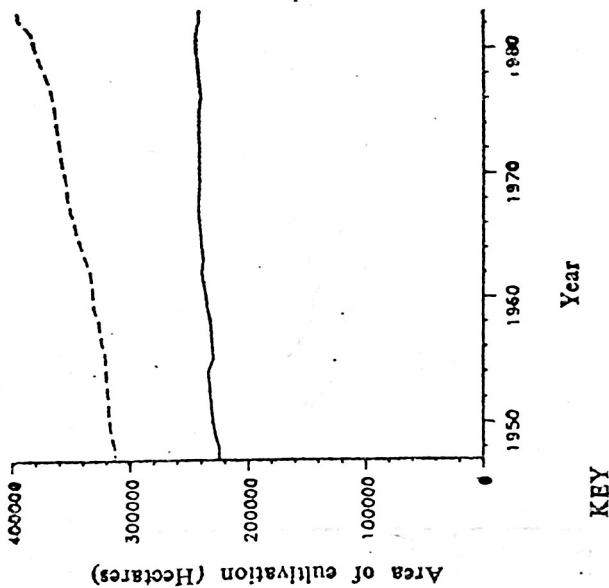
7. Supplementary Allowance  
(SA) 1-9-1979.

Rs. 2-50 per day or Rs. 55-00  
per month whichever was less.

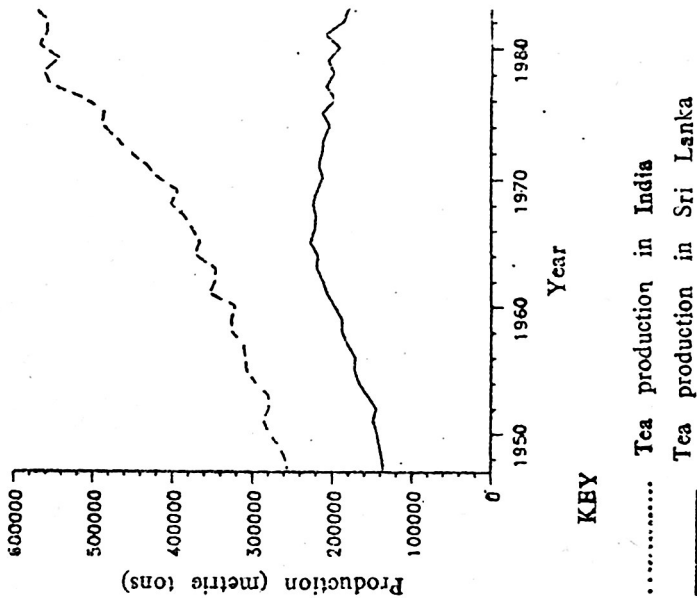


APPENDIX 3 Figures

Area of tea cultivation in India and Sri Lanka  
1947 to 1983



Tea production in India and Sri Lanka  
1947 to 1983.



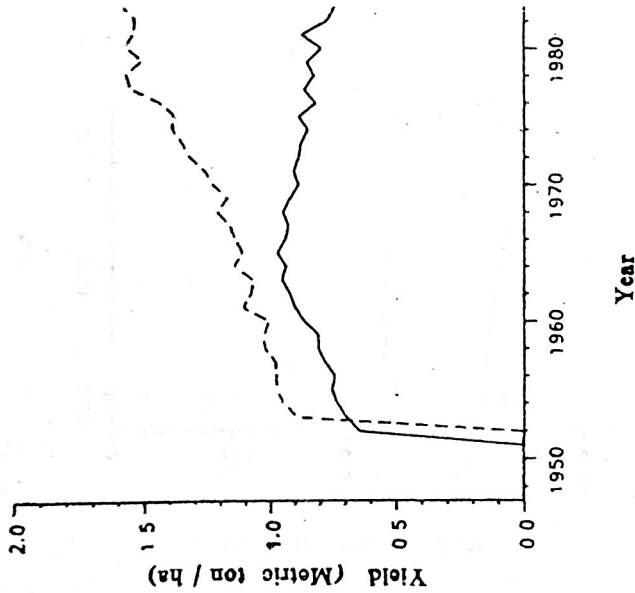
..... Area of tea cultivation in India  
 \_\_\_\_\_ Area of tea cultivation in Sri Lanka

..... Tea production in India  
 \_\_\_\_\_ Tea production in Sri Lanka



### Yield of tea in India and Sri Lanka

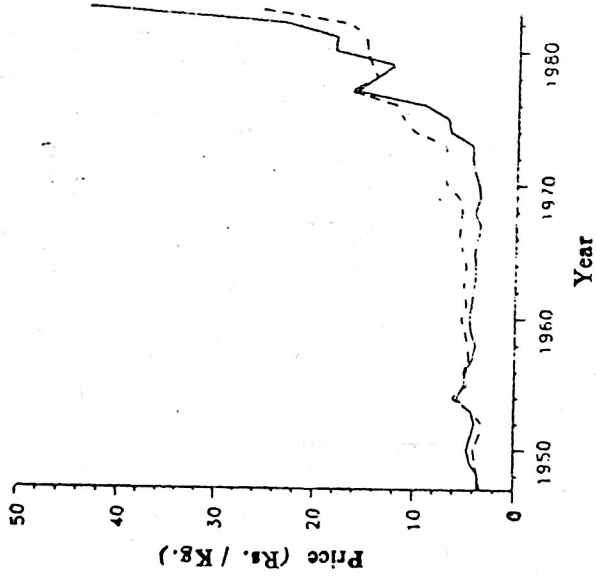
1947 to 1983



KEY  
- - - Yield of tea in India  
— Yield of tea in Sri Lanka

### Price of tea in India and Sri Lanka

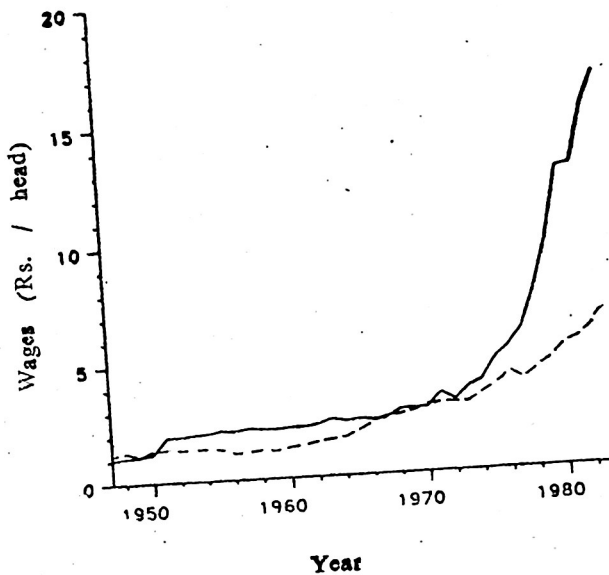
1947 to 1983



KEY  
- - - Price of tea in India  
— Price of tea in Sri Lanka

# Wages in the tea industry in India and Sri Lanka

1947 to 1983



KEY

--- Wages in India

— Wages in Sri Lanka