

SOCIAL DEVELOPMENT
AND
POVERTY IN THE PLANTATION
IN
SRI LANKA

301.1
Guy
SL1 PR.

S. Guy de Fontgalland

Dedication

This book is dedicated to Mr. S. NADESAN who passed away on the 13th January 2003.

Till the last moment he had been voicing for the Rights of the plantation workers without any fear or favour.

He, an exemplary Trade Union Leader.

**SOCIAL DEVELOPMENT
AND**

poverty

in the plantation

in Sri lanka

1972 - 2002

Fr. S. Guy de Fontgalland

LEO MARGA ASHRAM

*Social Development and
Poverty in the Plantation In Sri Lanka
1972 - 2002*

Author : Fr. S. Guy de Fontgalland
B.PH. B.TH. M.A. (soc.) Belgium.

@ All rights reserved

First published in : 2003
Page : 128
Copies : 1200
Size : Demy

Publishers:

LEO MARGA ASHRAM,
121/1 St. Thomas Road,
Bandarawela.

Book Available:

Maria Service Centre
113, Church Street, Colombo - 2

Cover Design : V. Karunanithy

Printed by : _____

THE PARKAR

293, Ahamed Complex, 2nd Floor
Royapettah High Road, Chennai - 600 014.
Ph: 821 5684, 820 3983, email: theparkar@eth.net

Contents

Forward	07
Preface	09
Part I	11
Social Development and Investment	
1. Plantation & social welfare TRUST (PHSWT)	12
1.1 Plantation companies and the TRUST	13
1.2 TRUST and Self Help Programme	15
1.3 TRUST and Documents	15
1.4 Ten Years of TRUST	16
2. Social Welfare Programmes and TAT	18
2.1 Technical Assistance Team	18
2.2 SWP I	18
2.3 Under SWP II (1992-1998)	18
2.4 Plantation Development Support Programme (PDSP) 1998-2005	19
2.5 National Housing Development Authority	21
3. Problem of Housing in the Plantation (1986-1997)	22
3.1 SWP I (1986-1992)	22
3.2 SWP II (1993-1997)	23

3.3	Four types of Housing Schemes	25
3.4	Analysis	26
3.5	PDSP Mid term Review	28
3.6	Affordable Housing for Plantation Workers	29
4.	Estate Health Development	30
4.1	Social Welfare Staff	31
4.2	Investment on Health	32
5.	Child care and Pre -School	34
6.	The Development of the Sanitation Programme	36
6.1	SWP I 1985-1992	36
6.2	SWP II 1993-1997	36
6.3	PDSP 1998-2005	37
7	Estate Workers Housing Co-operative Society	37
7.1	Institutional Development Package	38
7.2	Analysis	40
8	Social Mobilization	43
9	Social Development and the women in the Plantation	46
9.1	Analysis	48
10.	The Beneficiaries Observation	50
	Conclusion	52

Part II	55
Poverty in the Plantation	
1. Poverty in Sri Lanka	58
2. Causes of Poverty	58
2.1 Inadequate living Wage	59
2.2 Unemployed & Underemployed	60
3. Housing	62
4. Poverty and Education	64
5. Poverty and Health	66
6 Poverty and Family Planning	67
7 Welfare Programme & Poverty	69
8 The Poor in the Estates	72
9. The Companies and the Government must ensure a living wage	74
10. Workers are betrayed again.	81
11. Poverty Reduction Programme in the Estates	85
Conclusion	
Annexure I - The plight of the estate workers (Sunday Leader 2nd June 2002)	89
Annexure II - Payment of Rs 200 as daily plantation wage is possible (Daily News 28th August 2002)	98
Annexure III - Circular No. 633 on housing	104
Annexure IV - By Laws Governing the EWHCSs	107
Annexure V - Habitat II Article 39	108
Annexure VI - Memorandum on Poverty Reduction Strateggy	109
Notes	114
Bibliography	119

Part - I

Tables

1. Contribution to TRUST from PDSP (1998-2005)	16
2. Social Development Programme in 20 private Companies (1993-1999)	20
3. PDSP Investment on Housing 1998-2005	20
4. Expenditure for the TRUST for the year 2002	29
5. Social welfare Staff (1992 and 1997)	31
6. Investment on Health	32
7. PDSP-1998-2005 investment on Health	33
8. Level of Activities in 50 estates	45
9. PDSP Budget for social mobilization (1998-2005)	46

Part - II

Tables

1. Income Distribution per month 1996/1997	59
2. Employment by Sector	61
3. Income measures by Sector	61
4. Housing Stock	62
5. Ownership of House	63
6. Attainment of Education by Sectors	64
7. Literacy Rate	65
8. Basic Health Indicators	66
9. Contraceptive Prevalence	68
10. Welfare Programme in Sri Lanka	71
11. Wage Agreements	82
12. Average Expenditure by Sectors	86

Forward

"Social Development and Poverty in Sri Lankan Plantations" is an important contribution to the socio economic research and analysis of the plantation sector. The author has been a keen student of the lives and times of the plantation Tamil people, over the years. He has documented a large wealth of information and data whilst living in the midst of the struggles and hardships of the plantation workers.

This book is a result of his laborious work in studying, educating and training a leadership from among the workers themselves. In this book he has taken up the challenge of exposing the national figures and statistics by an exercise of sector specific disaggregation. He has demonstrated how Sri Lanka has evolved in social development leaving the plantation areas far behind.

The globalization strategies of neo imperialism have struck down even the meager social justice that was available to the plantations causing serious underemployment and cruel neglect. This process has caused deep and extensive impoverishment across all sectors. This situation has particularly contributed to the tensions between the Sinhala and Tamil communities in the plantation areas. In addition the war which has at its center national question of North/East Tamils directly affects the security of the Tamils in plantations who are in general considered suspects of terrorism by the police and communal hate mongers.

The poverty level, wages and the misery of the living conditions of the plantation workers became focused in international news commentaries in the 70s. The resulting attention of funders helped to earmark resources to the plantation housing and sanitation.

The author has succeeded in illustrating how the hierarchy of bureaucrats and the plantation bosses served themselves with large amounts of these fund, with little or no say for the workers. He has also addressed the landlessness. Tamils who work, live and die in the plantations have no land to cultivate though hundreds of thousands of land acres surround them. Land Reform Commission gave them no lands.

The plantation workers as well as a large population of non workers of the new generation live in the plantation habitats like semi serfs of the feudal times tied down to rules imposed by the plantation bosses. The author has urged in many of his writings that the plantations must be freed and democratized as a pre requisite for social development. He has also been sharply critical of the trade union establishments that lord over the workers. He has urged that the workers should assume their responsibilities with awareness as a necessary condition for their emancipation.

I congratulate Fr. Guy for his dedication. which has given us a valuable book on the subject.

Mr. Vasudeva Nanayakkara
President

United Lanka Estate Workers Union.

Preface

Over three decades Donor support for the upliftment of the plantation sector has been in the forefront from the period of nationalization of the industry. In the early 70s number of foreign groups highlighted the plight of the Plantation Community nationally and internationally. Donor fund covers the basic needs of the plantation sector, such as, health care, housing, water supply, sanitation, child care etc. Since nationalization the social development programme was carried out by the social Development Division of the JEDB/ SLSPC. After privatization from 1992 up to now this programme is carried out by plantation Housing Social Welfare Trust(PHSWT).

This book carries the amount of fund spent for their sector and their achievement. Most of the Statistics that are found in this book were taken from the publication of the TAT and PSG. These Organizations were involved in Providing the necessary technical support.

This information on Social Development Sector is not available to the public in order to make them aware of the present situation in the plantation areas, this book is published carrying the major events pertaining to Social Development and Investment and the

present position of the poverty in the Estate. The beneficiaries position is that they are not achieved the basic needs to their satisfaction, and the poverty of the Estate is on the increase. In future any plan of Social Development must be based on a common policy that will reduce the poverty in the plantation sector.

I do wish to thank all those who support in publishing this book. Specially to Mr. Vasudeva Nanayakara to write the forward to this book. I do sincerely hope that all stakeholders in the plantation sector will take the advantage of this book, in planning future Development programme.

Fr. S. Guy de Fontgalland

Part I

SOCIAL DEVELOPMENT AND INVESTMENT

Social welfare programme for the workers were initiated from the time of the British rule in a very low key at that time, and the owner of the estates were responsible for the workers health, education, housing, child care, water, sanitation etc. Only after nationalization (1972 to 1975) with assistance from the donor agencies and Government of Sri Lanka (GOSL), little improvement was made in the welfare programmes. From 1974 onwards a wide range of donor agencies have funded the sector, among other multilateral agencies, (UNICEF, UNFPA, ILO, ADB and World Bank) by-lateral agencies (NEDA, ILO, ADB, DANIDA, CIDA, GTZ and Indian Government) and international NGO's (CARE, FORUT and labour union related agencies such as (AAFLI) and Friedrich Ebert Stiftung (FES), (NEDA- Netherlands Development Assistance). From these donors from 1978-1998 US\$110 million was spent for the plantation sector, out of this assistance 1/3 by Netherlands. After the Nationalization of the plantation sector from 1975-1992 the social welfare programme was

S. Guy de Fontgalland

carried out by the Social Development Divisions, (SDD), of the JEDB and SLSPC.

1. Plantation Housing & Social Welfare Trust(PHSWT)

Since the privatization of the estate sector, (July 1992) the welfare of the plantation sector was handed over to plantation housing & social welfare TRUST (in short -TRUST), which was registered under the company act on the 18th of September 1992 but it became operative in mid 1993.

The TRUST composed of eleven board members of which **five** from the Companies, **four** from the Ministries and **two** from the Trade Unions. Four of the Ministries concerned are ministry of Housing and Public Utilities, the Ministry of Finance, Ministry of Women Affairs and Health, and Ministry of Plantation Industry. In the year 2002, secretary, of Ministry of Plantation Industry succeeded as the chairman of the TRUST.

This is the first time that the secretary of the Ministry has been appointed as the chairmen of this organization. Mr S. W. A. Jayathilake was nominated by the Ministry of Housing and Plantation Industry to the board in February 2002 with the subject of estate housing being vested to that Ministry. Mr. M Vamadevan, Additional Director General of National Planning was nominated by the

secretary to the treasury Department of Public Finance with effect from March 2002 to the Board of Trust. Two representatives from the Trade Unions are Mr Harry Chandrasekera of CWC and A.W.D. Raja Seneviratna of LJEWU. The Board's decisions are implemented by the Director General Mr. Harin Malwatte up to the year 2002. He is incharge of the head office in Colombo. The new head office with multistoried building is situated at Battaramulla. In this office four directors function in the fields of health and women programmes, housing, engineering and finance administration and information technology. The seven regional office are located in Galle, Kandy, Kegalle, Ratnapura, Hatton, Budulla and Nuwara Eliya. Each regional office is well equipped, working in the areas of engineering, health, housing and finance & information technology. In each of the regional office, co- ordinate activities of five to nine companies ranging between 62 to 78 estate clusters.

1.1 PLANTATION COMPANIES AND THE TRUST

Since privatization and after TRUST has taken over the main social welfare programme, the role of the companies are gradually reduced. Before privatization, the contribution of the estates were 8% of the cost of production for the welfare programme is now reduced to less than 4%. At present just like in the past at the estate level, health and social welfare

staffs are employed by the plantation companies, even-though some hospitals in estates are taken over by the government. The welfare staffs are under the day-to-day management of the superintendent. The companies have agreed to offer about Rs.87 per worker yearly in the estate to TRUST for its operational cost. But the TRUST has become white elephant. Even this allocation is insufficient to pay high salary for the directors, staffs and to maintain the infrastructure and the vehicles. They obtain the financial assistance from the donor agencies to sustain their overheads and the infrastructure. The TRUST Board is controlled by the company. The TRUST is not an independent body to work in an estate without the approval of the company and the superintendent, for example if the company or the superintendent is unwilling to release the land for housing the TRUST has no alternative, but to succumb to their decision.

At present TRUST is controlled by the company and is not a legal body to undertake welfare programme in the estates. It should come under a Government authority just like National Housing Development Authority and 90% of this body should be composed of Tamil speaking people who are really interested in the social development of the estate sector. A monitoring committee is to be appointed with representative from non-

Governmental agencies and stakeholders to evaluate welfare activities every year.

1.2 TRUST AND SELF HELP PROGRAMME

The estate people were involved in number of self help programme before the TRUST entered in to the estate. Even now when the estate workers extend their line room on their own, the Management force the workers to break it or stop them from normal work. Only those receives loans from TRUST are allowed to build and the building work is assigned to the contractors and therefore self help concept is not implemented in the estate. TRUST is forcing them to build houses the act of which disposes to live in debt forever.

1.3 TRUST AND DOCUMENTS

All documents that have been published by TAT, TRUST, , PSG are all in English and based on report given by the TRUST and the estate welfare staffs. There should be an independent body to evaluate the social welfare activities in the estate by the people who are really interested on this community and working with this community. All documents must be in the language that the workers can understand. There are number of discrepancies in their statistical records published by TRUST and PSG. Even their News Letter is in English, titled-"SOCIAL WELFARE UPDATE"

Table - 1		
Contribution to TRUST from PSDP (1998-2005) Rupees in millions		
	Donor	Company
Housing Finance Mechanism		
Support to TRUST Regions	8.75	-
Support to Bank, Short term Assistance, Companies etc.	2.5	-
Support to TRUST		
Company levy as far as directly Related to PSDP	-	105
TRUST Capacity Strengthen/Staff	84.0	-
TRUST Capacity Strengthen/Training and Equipment	25.0	-
Fostering labour Relations through TRUST for 7 years	30	5
Total	150.25	110

(source : PSDP Budget - 1998-2005)

1.4 Ten Years of TRUST

In the year 2002, TRUST celebrated its 1st decade of existence. The celebrations were held in all 7 regions with the help of the social welfare staffs of the estates. In all these celebrations the staff and the superintendents were given importance through entertainment and dinner. In some regions they sold tickets to collect money from the workers to celebrate this event but the workers were not given any prominence in these celebrations. During this period they have carried out number of activities in the plantation sector.

Mainly concentrated on the company estates whereas the estates managed by JEDB, SLSPC & the Private Estates are not given serious attention compared to the company estates.

A novel future that the TRUST experienced on the 28th September 2002 at the 10th year celebration of TRUST was, while they had the programme in Trinty College premises there were about 400 workers outside the premises, on the main road, protesting against some of the activities of the TRUST.

Some of the progressive NGOS and Trade Unions during the last 10 years, through the mass media ,at public meetings, in private workshops and with personal encounter with TRUST officials have been representing the workers grievances. However they did not want to change their position

Therefore the workers with the support of some NGOS, organized this demonstration, carrying number of posters expressing their grievances. The workers from Nuwara-Eliya, Hatton, Badulla, Kandy and Ratnapura participated in this picketing. There is a separate report available on this event.

2.Social Welfare Programme and Technical Assistant Team (TAT)

2.1 Activities of TAT

TAT commenced its operation in 1985 in the Plantation Sector. First it began with the Integrated Rural Development Programme (IRDP) in Nuwara-Eliya with special emphasis being placed on the plantation. The plantation welfare was funded by the Government of Netherlands and Norway, and the technical support was provided by the TAT. Its team leader originated from Netherlands, who worked with the JEDP and SLSPC, responsible for the implementation of the social welfare programme (SWP 1). The first programme was to improve the health condition and social well being of the estate population by investing in health and child care facilities, water schemes, housing, sanitation facilities, training and institutional development. The TAT from its inception gone through three phases TAT I, TAT II, TAT III until 1995.

2.2 Under the SWP I (1985-1992)

573 crèches 157 maternity wards 284 dispensaries / health centers, 29 hospitals and 629 staff houses were built or upgraded. In addition 928 water supplies schemes and 33425 latrines were provided and 11496 workers houses were re-roofed .

2.3 Under the SWP II (1992-1998)

It was involved 101 dispensaries 49 maternity wards, 444 crèches and 53 staff houses, some 83674 families were also

provided with self help latrines and about 6000 houses were newly constructed or upgraded on self help basis.

2.4 Plantation Development Support Programme (PDSP) (1998-2005)

The termination of SWP II in 1998 brought forth PDSP alongside, with the commencement of this new project, Programme Support Group (PSG) designed to be established as successor of TAT. PDSP was to obtain inputs, from the Government of Netherlands and Norway, the plantation company, private Banks and from the plantation community

Donor contribution	- Rs 1,320,150,000/=
Community	- Rs 307,500,000/=
Company	- Rs 154,750 000/=

The Company agreed to offer a sum of Rs 154,750,000, of this 16,250,000 for roofing materials that is for the timber trees available in the estate, but the workers have to pay for cutting and sawing the timber. Rs 105,000,000 to support TRUST, and the balance for health and child care.

Bank institution for housing Rs 670,000,000 (loan to be repaid with interest by the worker),GOSL (through NHDA & ADB) set a side Rs 198,750,000/=for housing. The workers involved have to repay housing loan with interest and also contribute two days salary for water schemes. Even the housing loan approved by the donor agencies workers have to pay the loan with interest such as Rs 30,000 loan in 5 years 10 years and 15 years recovery as follows;

5 @ 750 x 12 = Rs 45,000/=

10 @ 502 x 12 = Rs 60,240/=

15 @ 420 x 12 = Rs 75,600/=

Table - 2		
Social development programme, in 20 private companies 1993- 1999		
Item	Total Units	Average per Company
New Workers Houses	3,030	151
Upgraded Workers Houses	14,793	737
Water supply	1,119	56
Self Help Latrines	42,935	2,147
Crèches	438	22
Health Facilities	203	10
Staff Quarters	425	21
Farm Roads	792	40
Community centers	20	1

(source : Economic and Social Impact of
Privatization of Plantations - PSG)

Table - 3		
1998 - 2005 PDSP Investment on Housing		
NHDA	5000 houses	Rs 230 million
PDSP	2000 houses	Rs 100 million
PDSP & Bank	20000 houses	Rs 1490 million
	10000 houses	
PRP (Roofing)	5000	Rs 160 million
From PDSP to TRUST and Bank		Rs 11.25 million
Total		Rs 1991.25 million

(source : PDSP, 1998-2005)

2.5 National Housing Development Authority

The Sri Lankan Government initiated Housing Programme in 1953 with establishment of the Department of National Housing and National Housing Fund. The Vigorous Housing programme were initiated with establishment of National Housing Development Authority in 1979. From that time onwards upto now number of housing programmes were implemented by the Government.

- Hundred thousand Housing Programme From 1978 to 1983
- Million Housing Programme from 1984 to 1989
- 1.5 Million Housing Programme 1990 to 1994

Under these Housing Programmes 10 sub programmes were initiated. Of this one of the programme is Plantation Housing Sub-Programme. This was introduced under the Million Housing Programme. This Programme was implemented by JEDB and SLSPC upto 1992, for example in 1992, 228 houses were built in the estates. Under this scheme estate housing programme was not given enough importance.

3. Problem of Housing in the Plantation

Housing is one of the crucial problem that the workers are undergoing today. From 1960 onwards, this problem was highlighted number of times. The Colonial Planters till 1975 without any external support were involved in maintaining the existing houses and also constructed few new twin cottages, but due to the rumor that was prevailing at that time that the estates would be taken over by the Government, the new construction was discontinued.

After nationalization construction of the houses came under the preview of SDD'S of SLPC/JEDB. From 1975-86, 15 thousand units of twin cottages were built (Hatton, Nuwara Eliya) with the support of Netherlands Government under IRDP funded by SIDA.

3.1 Housing Programmes from 1978 to 1992

In 1978 the Government initiated action to convert the existing line rooms into twin cottages. 341 cottages built under this scheme. In 1980, 1,600 new cottage type housing programme was introduced with the assistance of World Bank and the Netherlands. However within three years (1978 to 1980) 3,749 new cottages were built.

In 1982 the Government introduced a programme to built 500 new cottage type houses annually with assistance from second World Bank loan under the Tea Rehabilitation and Diversification Project followed by the Social Welfare Programme (1) 1985 - 1992.

Under Medium Term Investment Programme from 1985 to 1989 the Asian Development Bank granted Rs 200 million to SLSPC and JEDB for construction and upgrading. From 1985 the Technical Assistant Team helped in the construction of twin cottage line room upgrading and staff housing. After 1987 to 1992 mostly confine to self Help Pilot Projects in few estates but only the roofing Programme was carried out.

3.2 Social Welfare Programme II 1993 to 1997

This programme was funded by Netherlands Government and NORAD. Their total investment Rs. 1079 million. From 1993 onwards PHSWT continued the programme. In 1995 Rs 50 million was added to SWP - II Programme. Self Help Housing Programme for plantation workers launched by the Ministry of Plantation Industry and Parliamentary Affairs on 16th September 1995. The comment of the Plantation Minister Ratnasiri Wickramanayake at the occasion of the inauguration of the programme titled "200,000 Houses for Plantation workers by the year 2000". Although successive government have implemented a range of programmes geared to improve plantation workers welfare, their social status has not changed much in relative terms. The majority of plantation workers continue to live in dilapidated bar-rack type line rooms in highly over crowded and unhygienic conditions. Although some improvement in health care water supply and sanitation have been realized, the poor housing situation has imposed limits to further improvements in social welfare.

This Government is committed to the goal of creating modern settlements with individually owned housing for all plantation workers families in the near future. The self help housing programme for plantation workers will be the core activity in promoting workers welfare and in developing the industry hand in hand with improve economic efficiency.

After this inauguration the accelerated plantation housing programme was introduced in 1996 under the Ministry of Housing Construction and Public Affairs. This was the continuation of the 1994 programme introduced by the NHDA. Under this 6 year programme the Ministry targets to establish a core settlement in 483 (Estates) Plantation Villages.

The following issues were taken into consideration through this programme;

- Social links with relatives and friends that would be easily established and maintained because of proximity.
- More economics opportunities inside the settlement e.g. shops, home based workshops, and small industries because of economics of scale.
- Accessibility to public transport, which will increase mobility of the people of the settlement, improving to establish social and economic links with people from other areas.
- Possibility to bring the settlement under public administration, to develop the ability of internal social organisation.

3.3 Four type of housing schemes

3.3.1 Re- roofing - The existing roof corroded or rusted are replaced by new roofing sheets especially under PRP and PSDP. This is only a maintenance service that was carried out by the Management (the life of roofing sheets 15 to 20years). This is only a stop gap programme, which never solves the plight of housing in the estates.

3.3.2 Roof + or upgrading - The present line rooms are extended by 10 ft back and forth and the loan provided is inadequate. The roofing materials and other items are provided on grant. This does not change the line room structure. If one of the family member in same line room is not willing to accept this plan will create number of core issues. This creates an extra space but the other problems in the line rooms remain the same.

3.3.3. New individual houses -

This is the ideal plan every one wanted as an alternative to the present housing, but only 3 percent of total requirements have been met upto the Year 2000. This plan also created number of problems, first there was no clear key policy on housing. Workers on their own cannot complete this programme, except 10% of the workers. Some of the houses are incompleated by the workers, due to lack of finance. The total cost for a individual unit required around rupees one hundred & fifty thousand, but Rs. 34,000/= given on grant (roofing materials, water, toilet, cutting the

site and survey) and Rs 30,000 loan. The term is as such workers are bound to find the balance money to complete the houses.

3.3.4. Two storied housing units

This programme was introduced by the Ministry of Housing, following the Urban New Settlement Scheme. Mr. Arumugam Thondaman, the Hon. Minister, stated that the companies are refusing to give lands for housing. Therefore he has to demolish the existing line rooms and construct the new up-stair houses. A pilot project was initiated by the PDSP in the Nuwara Eliya District at Sanquire Estate Upper Division. NHDA has passed 4 billion rupees to construct two storied building in the estates. At present two such schemes are in progress, one at Lindulla, Henfold Estate, Calidonia Division with 200 units and at Dickoya Wannaraja Estate 203 units. Each unit consists of an entrance hall, a kitchen and two small rooms in the first floor. total upto 510 Sq. ft with space in rare for toilets. At the first site, some of the workers are delighted to obtain the new houses, but in the long run, workers are the losers for the following reasons;

3.4 Analysis

- They are losing 10 perches of land, available under the independent Housing schemes.
- Most of the housing materials are pre-fabricated, in Colombo and transported to the site.

- The construction work has been given to the contractor, and the beneficiaries are nothing to do in the planning and the construction of their houses.
- Beneficiaries don't know the total cost of their units, but it has been published in the papers that the cost per unit rupees two hundred and three thousand and this is financed by NHDA and PDSP
- They have been instructed to pay Rs. 350/= per month for 60 years. The workers cannot afford such an expenditure even though they are granted long term payment.
- After the settlement of the amount only, they have the right to become the owner of the houses.
- They were told that it was the low cost Technology Houses, but in reality it was the cheapest technology and doubt arises regarding the duration of the houses.
- The lack of space to rear animals or for home gardens, even to plant a banana tree.
- Workers are compelled to live in temporary shed, till the construction is over.
- It looks like another two storied line rooms.
- Workers who are in urgent need of houses are not benefited in such housing schemes.
- This scheme, even though looks very attractive, it does not serve the needs of the workers, except, an extra space available, But the social cultural pattern of workers will be disturbed. Such programme will help the New Settlements in over crowded areas in the cities

3.5 PDSP mid term review

The first three and a half years activities of PDSP was reviewed by the mid term review mission of the PDSP which took place in September 2001 after that revised budget was submitted and the donor has accepted to contribute an additional fund of Rs123.10 million which will be utilized for water supply system and self help latrines. The TAT and then PSG which was managed by a team leader from Netherlands, was phased out from Dec 2001.

During this period, they besides rendering technical and other forms of assistance, the experts have over the years, reared a reservoir of documentation on social welfare, the more important publication by TAT and PSG during the period 1985 to 2001 are on the following headings.

Child Care 14, Gender 13, Health 34, Housing 28, Sanitation 07, Drinking Water 17, Wood Stores 08, Mobilization 13, Social Economy Studies and Research 12. All these valuable documents are preserved as key reference inputs to contemporary deliberation on social development.

In future the PSG programme will be carried out by TRUST. At the annual donor review meeting, the donors also approved Rs.245/= million for the plan presented by the TRUST with regard to year 2002. However donor express their concern on the unclear policy environment on plantation housing and advise the TRUST not to progress on new housing project which was marked for 2002. The over all programme of TRUST for the year 2002 is as follows.

Table ⁴ - 4	
Expenditure by the TRUST for the year 2002	
Rupees in million	
1. Housing	93.75
Water supply facilities	36.49
Self help latrines	42.17
2. Health facilities & quarters	25.95
Health programmes & training	4.50
Motor cycle for estate health staff	1.00
3. Crèches	13.36
Child care training	1.50
4. Labour relations	0.50
5. Capacity Strengthening	19.50
6. Mobilisation activities	6.00
7. Research / studies & management audit	2.80
Total	247.52

(source : Social welfare update
vol - 08, No. 1, June 2002.)

Poverty Reduction Strategy

3.6 Affordable Housing for Plantation Workers

The following statement was taken from Sri Lankas Poverty Reduction Strategy April 2002 "Over the next five to seven years, some 200,000 housing units will be provided in cluster townships for the 300,000 workers engaged in the plantation sector. Each housing beneficiaries will obtain housing loans against their EPF and ETF balance and may opt to purchase their houses at the end of the repayment period. Under the plantation Development Support Programme (PDSP), there is a new housing and an upgrading package. Under the new housing package a

maximum of Rs 64,400 is granted to an estate sector employee to built a house. Under the upgrading package maximum of Rs 31,000 is granted per family. PDSP also supplies water and sanitation facilities, health and welfare facilities and other supporting services for existing settlement.

4. Estate Health Development

Estate health services were established during the colonial period by the plantation management and became regulated in 1912 through the Medical Wants Ordinance is still in force, officially MOH is still responsible for estate health and welfare. From that time onwards there were number of changes in health services. Since the privatization, take over of the health service was discussed several times but the recent experiences have shown that the Ministry Budget is constrained leaves little flexibility to extend the services fully to the sector, only few hospitals have taken over, but the staff are maintained by the management.

A Health Bill is in preparation providing a legal frame work for the company's obligation in the area of health. The companies have to contribute 25% of the cost for new construction and upgrading also 50% for upgrading not requiring major structural repairs. (Health Building include dispensaries, maternity wards and staff quarters).

Companies have to employ qualified personals and adequate staff. Under SWP-I, SWP-II and PDSP number of new and upgraded

buildings have been constructed. But there is a shortage of qualified personals, drugs, and ambulances and still the same lorry is used to transport both the green leaves and the patients to the Government hospitals and for the family planning clinics.

4.1 Social welfare Staff

Table - 5					
	1992	1997		1992	1997
Resident Population	838,518	867,084	Population per		
AMP/RMP	57	76	AMP	4607	5041
EMA	125	96	RMP/EMA }		
Pharmacist	194	185	Phar/	4322	4687
App/Pharm			App/Pharm }		
Midwives	322	297	MW	2604	2919
Family welfare	402	371	FWS	2086	2337
Creche	1576	1482	CA	53	56
Attendants					

(source : Health Bulletin, Estate Sector,
1992 - 1994 and 1995 - 1997)

The above chart is so clear that after privatization, the health staff have been reduced while the population is increased, The untrained staff are still continued and 80% of these health staff are non Tamil speaking people, with the support of the donor agencies, buildings have been put up but the health staff are not improved at all. Today it is become a public issue that in the plantation permanent

sterilization (Male/ Female) is a very common practice and this is done by UNFPA, SLPPS, with the particular team arriving from Colombo to the estates to carry out this sterilization programme. This has been introduced to the plantation sector in order to reduce poverty in the plantation areas. This programme is initiated in the estates since 1978, under this programme 60% of the eligible couple are permanently sterilized and the child birth rate is reduced to half.

The fertility rate of the eligible couple has been minimized to 1.9% but Sri Lanka fertility rate is 2.61%. At present a batch of 42 trainee, Midwives are Trained at the Nurses Training school Badulla which started during the month of April 2002. The training period will be of 18 months duration and PDSP is to pay the monthly allowance to the trainees but the question mark is how many trainees are selected from the Estate sector.

4.2 Investment on Health

Table - 6			
Source of Funding	1995	1996	1997
		Rupees in million	
Min. of Health			
Regular grant	3.364	7.974	3.629
Special grant		10.000	
UNICEF	10.600	8.204	11.219
UNFPA		0.313	0.300
SWPII from 1993-1997	11.404		

(source : Health bulletin, estate sector 1995-1997)

TRUST also receives support for the welfare activities from the multilateral agencies and the GOSL. The plantation sector receives annual grant from the Government in the form of drug allocation for purchase of necessary drugs from State Medical Supply Division of the Ministry of Health. By a cabinet decision the annual drug allocation increased from Rs. 2 million to 6 million in 1996. An additional allocation of Rs 10 million has also been granted by the GOSL in 1996, for purchase of drugs, equipment and furniture for health institutions. In addition TRUST receives regular financial assistance from UNICEF, UNFPA, SWPII and for drugs and medical equipment.

Table - 7		
PDSP- 1998-2005 Investment on Health Rupees in Millions		
	Donor	Companies
Health infrastructure and staff Training Upgrading new		
Dispensaries & Maternity wards	22.5	7.5
Hospitals	10.0	—
Health staff quarters upgrading & new	15.0	5.0
Health staff Training	10.0	—
20 Ambulance & Motor bike loans (without interest)	20.0	5.0
Support & participatory Health programmes productivity related		
Health programmes and HIV/ AIDS	9.0	1.0
Integration Prov. Ministry of Health	2.5	—
Child care Infrastructure Upg. & new	30.0	10.0
Training (Creche attendant)	15.0	—
Total	134.0	28.5

(source : PSDP 1998 - 2005)

5. Child Care and Pre- School

TRUST claims that they are only organization interested in the welfare of the estate children. They claim that the crèche and the pre-school programme can be conducted in the same building with the same staff. The pre- school programme was introduced in the estate long before the TRUST was involved. On account of the pre-school programme introduced by the NGO many children did not attend the crèche. In 1992 only 15% of the total children of 83,136 attended to the crèche. The crèche was initiated during the British period in order to allow the parents to come for work. At that time from 3 months old baby to 5 years till they enter the estate school, they were kept at crèche and the same system is prevailing even today. But most of the parents do not send the children to crèche for various reasons.

The crèche attendants who were trained after 1975 by UNICEF of whom eighty percent were non Tamil speaking people. Today 50 % of those trained are unable to adjust to the new requirement of early childhood development programme. The main function of the crèche attendant is to maintain records that are requested by the TRUST and the management. They cannot run the pre-school due to different language, religion and culture, and not trained to run a pre- school.

If a crèche attendant is to be paid, there should be a minimum of 15 children. If not she will be bound to lose the job. Therefore the, welfare officers and some estate management discourage to run an independent pre- school in the estate, but in-spite of this, today, NGOs, Religious Organizations, some individuals and the community with greater struggle running about 300 pre- schools. Whereas the actual needs of pre- school in the estate sector is 2000. Let the TRUST take charge of children under 3 years for those who attend crèche and allow other children to participate in the pre-school programme. It is an urgent need and a cry of the community, to have the pre-schools in each division for the better future of younger generation of this community. Therefore management should be loyal to support pre- school programme and be requested to pay for the teacher. Those children who attend the pre-schools conducted outside the crèche are the children who attend the primary school regularly. Some of these children have passed the year five scholarship examination and no dropouts among these children. The primary school teachers find it very easy to conduct their programmes for these children. Therefore if TRUST is seriously interested in the welfare of the children they should respect the rights of the children to attend pre-school and not to have one or two model pre-school and deceive every one.

6. The Development of the Sanitation Programme

Before the privatization of the estate through the Health Programme of the Planters Association provided assistance to its member estates in respect of their sanitation programme. By early 90s the respective SDD's begun to obtain assistance from UNICEF for improving sanitation and water supply for estates. The support was both of a financial and technical nature. At the beginning of the programme communal type of latrines were offered. But this was not sustainable. Subsequently the UNICEF programme was modified to provide fully contractor built latrines at the rate of one latrine for house hold upto 1985.

6.1 SWP-I 1985-1992

UNICEF support with respect to sanitation extended to SWP-I. This was funded by the Governments of Norway and the Netherlands, implemented through the SDD of JEDB and SLSPC. This involved a total expenditure of Rs 175.4 million being incurred on sanitation for 22,820 individual house hold latrines were constructed and upgraded accounting to 2% of the latrines built. The cost of per latrines by 1992 was Rs 7000/=

6.2 SWP-II 1993-1997

This was implemented by TRUST, the development of worker housing including

water and sanitation facilities was entrusted to EWHCS's. Self - help latrines 42467 were built, of this 6% were upgraded latrines.

6.3 PDSP-1998-2005 and Plantation Reform Project 1997-2001

Total number of latrines need in the privatized twenty one plantation companies were 180,500. Under PDSP from 1998 on words, 4500 latrines were built. At the same time every year 4000 latrines out of non self programmes (48, 500) will become unusable every year. At the end of the year 2002, 85350 new toilets have to be constructed.

7 Estate Workers Housing Cooperative Society (EWHCS)

This was introduced in 1993, so that the land and other benefits are not to be given to the individual workers but to be owned by the co-operative society. This decision was taken by Mr. S. Thondaman. At the early stage, it was forced on the workers to join these by deducting Rs 250/= from the check-roll within one year. This was introduced as an initial measure providing full transfer of ownership of houses located in estates to individual household later.

The expectation is that a contented workforce with improved welfare facilities will be regular at work and willing to contribute

towards improved productivity. EWHCS should be able to respond to the immediate short term and long term welfare needs of the member workers and co-operate / collaborate with the estate management to achieve the objectives of PDSP.

7.1 Institutional Development Package

36 residential training programmes were conducted to train 326 Secretaries and 335 Treasurers of the co-operative Development Societies. Initial Financial Assistance of Rs.1000/ per society was given. Additional stationary requirement were supplied to this society. Assistance was offered by setting of revolving funds as part of the Institutional Development Support. By-laws and guidelines were prepared in Sinhala and Tamil on operation and accounting of the society. Number of manuals issued to the field staff of TRUST to enable them to assist the co-operative society.

The co-operative societies were encouraged to commence complementary activities such as individual saving, thrift and credit programme, prevention of consumer abuse, granting of rotating loans and financial relief for families in distress. The TRUST deployed regional social mobilizers and project implementation officers to plan this complementary activities pending the commencement later of self-help housing and settlement development by co-operative societies. EWHCS, are

statutory bodies modeled in the principle of local authorities. They were created by an Act of Parliament and are made up of all registered workers living in an estate. According to the instruction given by the Ministry of Plantation Industries (My No; (MPI/6/R/16/(A6)) states that "Workers housing will be vested in Workers Housing Societies. These properties will accordingly be collectively owned by the workers on a condominium basis." The Act vests the virtual ownership, control and care of the estate worker housing stock in each EWHCS. At present 466 estate co-operative societies have been registered. The more active 25% co-operative societies of which 80% of the total work force are its members. These societies were linked up with water committees and housing committees. The housing development programmes were supported by the NHDA and some of the commercial banks such as State Mortgage Bank, Rural Development Bank.

Individual estate Co-operative Society can obtain funds from Revolving Capital Fund from their own recoveries to improve their dwellings.. Another 35% of the societies are at an intermediate level. They lack the ability to walk out of their comfortable domain and plunge into more risky areas such as Micro financing, Self-help Housing and Settlement Development. The balance 40% of the co-operative societies are operational but not functioning well. In future it should be possible

for the co-operative societies to develop capabilities for the following purposes.

- 1 Continuing welfare activities already commenced on a priority basis.
- 2 Generating new welfare programmes by way of responding to on-going needs and implementing them to ensure benefits to members.
- 3 Planning and implementing housing and settlement development programmes.
- 4 Maintaining a reasonable commercial viability to undertake income generating economic activities.
- 5 Sustaining a live coordination/relationship and lasting partnership with other stakeholders.
- 6 Maintaining physical assets already acquired subject to periodic maintenance schedules.

7.2 Analysis

The co-operative principle is not something new to the estate sector. It had been there prior to nationalization period. After nationalization the existed cooperative shops were reduced or handed over to outsiders.

The present estate workers housing cooperative societies were initiated with the sole purpose of not to hand over land and vegetable plots to the individuals but to own by a society. This concept was thrust on

them from the top. The key position in these societies are manned by the company staff and not by the members. Only these staff are given training on the co-operative principle but not the members. Also there is a big language barrier between these people and the members. The members are not adequately motivated or trained to maintain the records of the co-operative system.

All societies will not get adequate 'Revolving Capital Fund' since money borrowed from NHDA and from the Banks has to be paid to these bodies with interest. Only the money received from the donor agencies will be deposited to that particular society with interest. Therefore all the societies will not be able to function in the way as perceived by the estate social development programmes.

In order to strengthen these societies in the future, regular ongoing mobilization programmes should be conducted for the members by the people who can understand their culture and language.

- Company staff must keep away from these societies.
- As planned land and vegetable plots should be handed over to the people as early as possible. There is no need for the societies to own the land and the vegetable plots.

- Self-help programmes must be strengthened and stop giving on contract basis to outsiders.
- Assistance is to be given to the people who are living below the poverty line in a priority basis.
- The non working residents in the estates also to be recruited to these societies.
- Make arrangements to withdraw a part of EPF to build houses instead of giving loans with interest.
- Engage NGOS to mobilize the workers to strengthen the co-operative societies.
- There should be one resident mobilizer for every ten societies.
- Do not make these societies another Yes-Men to the management or to the TRUST.
- An evaluation should be done each year on the functioning of these societies by an independent group to over come the weakness of the societies.
- The members of this society are only registered resident and non resident workers , what about resident non registered workers and the youth in the plantation?
- What will be the benefits once the present members by retirement become unregistered workers?

- We hear the new Director of Plantation Human Resource Development TRUST, (from November 2002, earlier it was known as Plantation Housing Social Welfare TRUST) wants to strengthen these societies for future estate development programmes. He must take the above points into consideration

8. Social Mobilization

The term "Social Mobilization " is generally understood to mean a process for enabling a community to initiate group action leading toward its overoll development and empowering its members with enhanced knowledge, skills, attitudes and better Social and Economic stance. The Historical analysis of social and economic conditions prevailing in the plantation from its inception is very antithesis of mobilization considering the fact that the working population in the estate served as a captive labour force under control of their masters. They adopted a paternalistic attitude towards the workers creating a dependency syndrome among the plantation communities. With the passage of time, the young workers through education and politicization have become aware of the present state of affairs . They are now share holders in the estate and they are supposed to participate in the management and they are no longer workers

but produces, playing an important role in the plantation industry. There are some workers who are not "yes men" but ready to question the management on the rights of the workers.

The TRUST's main approach to community is capacity building and seeks to motivate people to obtain the benefits through the intervention of "Estate Social Development and investment programme" by the donor agencies. Through these innovation they have established number of programmes and committees in the estates. They are the following.

1. Health Volunteers Programme (HVP).
2. Crèche Committees (CC)
3. Housing Committees (HC)
4. Water Committees (WC)
5. Estate Workers Housing Co-operative Societies. (EWHCS)

These structures are created to answer the major issues faced by the plantation sector. After the end of the year 2000 the Programme Support Group (PSG) sponsored a field survey to take of the progress made in the participation and the mobilization of the estate sector. The survey was based on ten estates selected from the seven PHSWT regions

Table - 8						
Level of Activities in 50 Estates						
	HVP	CC	HC	WC	EWHC	TOTAL
Level of activity	NO %	NO %	NO %	NO %	NO %	NO %
Non existent	6 12	0 0	37 74	19 38	6 12	68 31.6
Inactive	8 16	9 18	6 12	14 28	24 48	61 28.3
Average	24 48	9 18	3 6	8 16	8 16	52 24.1
Good	10 2	25 50	1 2	4 8	8 16	13 6.0
Very good	1 2	7 14	1 2	0 0	1 2	10 4.6
No Data	1 2	0 0	2 4	5 0	3 6	11 5.4
Total	50 100	50 100	50 100	50 100	50 100	215 100

(source : Human perspectives in the plantation sector
Ed. by H.S.B Kamphuis and B. Sivaram PSG 2001.)

From the above table 60% are non - existent or inactive. This is due to lack of proper mobilization programmes. Lack of trained mobilizers from the Community who understand their language and culture. Before these committee was formed there are number of committees functioning in the estates initiated by the workers. The formation of the committees is not something new to the plantation sector.

The weakness of the mobilization programme is due to the dependency on the management and the staff. The training too was given to the staff using large amount of funds. The staff spend most of their time for their office work and no time to mobilize the workers.

TRUST mobilisers are few and non residents in the estates and many of them do not understand estate workers' language, culture and religion.

Table - 9		
PDSP - Budget 1998-2005 for Social Mobilization		
Rupees in millions		
	Schemes	Donor Contribution
A2	Housing Scheme (80)	8.0
A3	Hosing Scheme (500)	50.0
A4	Housing upgrading (100)	5.0
B	Water Schemes (250)	20.0
	Total	83.00

(source : PDSP 1998-2005)

The mobilisation programme can be carried out more efficiently by the NGOS actively involved in the plantation sector since the animators are trained and are residents in the estates. At the rate of one mobilizer for five estates will be able to carry out the mobilization programme successfully but for the reason that is unknown to us TRUST does not willing to engage the NGO'S in any of their activities

9. Social Development and the Women in the Plantation

Female labour force has been the major contributor to Sri Lanka's economy throughout its modern History. In Sri Lanka the biggest foreign exchange earners are women whether

in the plantation industry or foreign employment or in the garment industry and 53% population are women.

In the privatized Plantation management companies (PMCs) approximately 233,600 of them are employed on the Plantation of which about 53% are women yet the unemployment rate among the estate female labourers (7.9%) is higher than that of male workers (6.1%). (Source: PSG2000). However they remain at the bottom of the ladder compared to women in the other sectors. Although "equal" wages are paid to both women and men on the plantation, the women put in more working hours than their male counter parts. According to the ILO Convention they should paid more than the men since the present earning are not necessarily commensurate with their work load and also upward mobility or incentives in term of employment opportunities for women workers within the estate itself is virtually non existence.

The multiple role of the women in the plantation is severe burden on them. Hardly any time for recreation and leisure, has a negative impact upon their physical and mental health. There are also reported instances of child labour (mostly girls) being used for domestic services particularly in the cities. Lack of relative freedom from household responsibilities prevent them to

S. Guy de Fontgalland

participate in social, political, trade union and other organizations.

The TAT has put out number of publication on gender related issues in the plantation identifying the practical gender needs and strategic gender needs. We have seen the practical gender needs, such as food, housing, health etc. In order to answer the strategic gender needs such as consciousness raising, increasing self confidence, education, strengthening women organization's, political mobilization etc. a Gender Task Force was established by the TRUST undertaken by the Project Implemented Officer (PIO) and health managers of the TRUST. The TRUST claims they have implemented at least 50% of the women participated on the estate committees and to make the wage payment to the worker herself.

Further TRUST claims number of programmes implemented for the women in the plantation such as The Safe Motherhood Programme, Participatory Nutrition Improvement Project, Adolescent Girls, Health and Nutrition Project, Crèche Focus Initiative, Alcohol and Drug Demand Reduction Project.

9.1 Analysis:

- The women workers (Mothers) do not encourage their daughters to work in the estates because of the suffering they have undergone while working in the estates such as abuse language of the male

supervisors, sexual exploitation in the working place and no proper working suit to work in the estates to resist heavy cold, rain, leach and snake bite:

- They prefer their daughters to work in the cities or to sent them to middle east or to search for alternative employment in the garment factories.
- They do not want their daughters to cover with gunny bags or coloured polythene and work under adverse climatic condition.
- With a heavy load on their head most of the women do not want their daughters to suffer the consequences.
- After permanent sterilization most of the mothers find difficult to run and to work in the sloppy mountains.
- The male dominated plantation system from top to down and the traditional cultural religious structures prevailing in the estate do not permit the women to voice their grievances.
- The management is very particular that eligible couple should undergo permanent sterilization so that they can save enough money for the company, if a child is born in the estate the management spent Rs. 50,000 upto the age of 10.

- Since the TRUST and the management are concerned regarding the registered women workers, these women from October to May in every year, are forced to work on Sundays and holidays with the incentive of one and a half days pay according to that increase the intake of plucked green leaves does not permit any of this women participate in that programme, TRUST is supposed to implement
- If the management is really concern of the women in the plantation they should given at least one day rest in a week and not over burden them .

10. The Beneficiaries observation

It is true that all must be concerned with the Social Development of the Plantation Sector whose interest has been neglected for a longer period. Even-though TRUST has to be complemented for its activities for the last 10 years. It was able to improve the welfare of the workers, but there are number of things that has to be reorganized according to the needs of the workers. In order to give the maximum benefit to the beneficiaries, for eg. after so many years in dealing with the housing project in plantation the donor have remarked that they have no clear policy on housing, is a clear indication that re-orientation should take place in all the social development programmes carried out by the TRUST.

- The beneficiaries of this programme, more than 90% is Tamil people, most marginalised sector in Sri Lanka.
- Since 1975 up to now welfare staff in the estates more than 80% is unable to speak their language and understand their welfare and are non-resident. If so how can they deliver real service to plantation sector. In the same way the 90% of the TRUST composed of non Tamil speaking people. This is one of the biggest hindrance for the welfare of the worker since welfare activities need regular communication with beneficiaries. It looks like that the plantation welfare programme is created to give employment for the non Tamil speaking people and not for the genuine service to the sector
- The composition and the function of the TRUST looks like another white elephant, function like a company with high operational cost even levy from the company is not sufficient to maintain the TRUST. Presently they are supported by the donor to run their office for eg; Institutional support under the SWP2 and PDSP. Can the TRUST continue its welfare programme once the external support ends? In the case of PRP, TRUST has been contracted for the management of the social investment on a percentage basis of each investment. The

UNFPA and UNICEF Support the TRUST, like PDSP for its activities by providing technical assistance and investment support.

Conclusion

The Estate Social Development and Investment started with the channeling of large amount of funds to the Estate totalling approximately US \$ 110 million within a 21 year period(1978-1998) and from 1998-2005 Rs 1,320,150,000/= (1.32 billion rupees) from the donor agencies. Besides the community contribution, the companies, the Government, International, National, and Local NGO's too have financed for number of programmes in the estates.

The tangible out puts and the reduction of poverty in the estates through these programmes are not clearly evident in the Estate sector. There are five types of programmes implemented from 1978 as follows;

- 1978-1985 Social Development Department
- 1985-1988 Mid Term Investment Programme
- 1985-1992 Social Welfare Programme - 1
- 1993-1998 Social Welfare Programme - 2
- 1998-2005 Plantation Development Support Programme

In-spite of all these Programmes, there is no National Policy on Social Development where the core elements governing, is the commitment

to eradicate poverty and to offer equal development option and economic opportunity to every Citizens of the Country. Since the Government is the golden share holder of the Plantation Management Companies, it has the full responsibility to be concerned of the people of Sri Lanka and also the most marginalized Plantation sector.

There should be a specific policy for the Social Development of the Plantation sector because of the specific status of the Plantation workers and the recent development regarding the restructuring of the Plantation Industry. (Privatization). We were told that these companies are local owned and not linked to any Multi National Company. These Companies have not invested a capital to run efficiently instead of that they have borrowed enough money with high interest from ADB to run the Industry. Some of the companies claim that they are running at a lost and they have not paid statutory benefits of the workers.

The key stakeholders in the Plantation are the Companies, the Government, Workers, Trade Unions and relevant NGOs have a shared responsibility in the Social Development and Investment in the Plantation sector. The major stakeholders are represented by TRUST (Company, Government and Trade Union). TRUST is controlled by the Companies

since they pay levy to maintain the TRUST. Therefore the function of the TRUST is to carry out the mission of the Companies and not much concerned with the actual needs of the workers.

Mission of the companies is to make the maximum profit and not geared to answer the needs of the workers. The private Companies were given number of concession by the Government but workers are not received any tangible benefit from the Government. The TRUST answering the needs of the companies wants to maintain the traditional Plantation system where the management and the workers cannot be separated. The captive labour system where the workers are under the management for 24 hours of the day, is maintained for strengthening "Planters Raj." Likewise in the past superintendent is responsible to issue birth Certificate, Identity card etc. The workers eagerly waiting for the day to be out of the control of the management throughout the day. The failure of this privatization is clearly shown by the Tea Small Holders, where less acreage and with less capital, produce better and more Tea per hectares. Companies! what have you got to say?

Part II

Poverty in the Plantation

Poverty in the Plantation

Poverty is the inability of the workers to acquire their basic needs. They need three meals a day with basic nutritious value to sustain a healthy life, need shelter with the basic comforts, must have access to basic education and health services. If one does not have this standard of living he is considered to be poor.

More than 50 years of so called development aid, loans and grants, conditionalities etc and surfeit of western-originated strategies such as trickle down, basic needs, bottom up, poverty alleviation, poverty nets, what is the net result? Current level of world poverty reduction programme, the political support for foreign aid is very weak in the US and other rich countries. In the effectiveness of the International Monetary Fund (IMF), WB, WTO and other Multinational Agencies depend critically on who is at the helm of these institution. Today US and other 1st world countries, ready to finance on war on terrorism but not to reduce poverty in the third world countries. Infact poverty allevation has become a way of living for the NGOS most of which are being 'owned' by urban elites.

1. Poverty in Sri Lanka

Like other third world countries in Sri Lanka every person is in debt amounting Rs.83,000 (in the year 2002). This indeed has been increased specially after 1980 with the introduction of privatization. Two third of the revenue of Sri Lanka is spent on debt servicing and thus reducing the amount spent on social services. To spend on more external debt than on social services, is not only morally wrong, but it is also poor economics. Debt servicing for the year 2001, would be in the region of 295 billion rupees. Repayment component Rs185 billion, interest component Rs110 billion.

1.1 Plantation Sector

In the UNDP hosted 2 day conference on poverty reduction strategy from 22nd and 23rd in October 2001 in Colombo, identifying the cause of poverty in plantation sector, states thus " alcoholism, rising indebtedness and inadequate access to education were revealed as the main issues related to poverty in the plantation areas". According to the objective of the conference was to listen to the voices of the poor, but this statement came from the Elite and TRUST official.

2. Causes of Poverty

According to all sources both nationally and internationally it has been accepted, the level of human poverty in Sri Lanka is the highest

in the Estate Sector, taking into account of all social indicators in comparison with other sectors

2.1 Inadequate living wage

From the time of privatization of the state eventhough officially they increase their daily wage for every 2 years, this increment is not par with the cost of living in Sri Lanka. Of the wage they receive even spending 80% of the wages for their food, they are unable to have 3 proper meals a day. At present their daily wage is US \$ 1.25 only (2003).

Table - 1					
Income Distribution per month -1996/1997					
	Mean		Median		Gini
	Nominal	Real(1)	Nominal	Real	Coefficient
	Rs		Rs		
Urban	9,491	2,924	5,563	1,717	0.5369
Rural	5,406	1,666	3,940	1,214	0.4494
Estate	2,579	795	2,243	691	0.291
All Sectors	5,760	1,775	3,878	1,195	0.4790

(1) Computed by deflation nominal income by the Colombo consumers' Price index.

(source : Consumer Finances and Economical Survey 1996/1997(part 1 page72)

The Estate sector has the lowest mean and median that is mean income urban sector 1.8 times, the rural mean 3.7 times more than the

S. Guy de Fontgalland

estate mean. The estate sector with the Gini coefficient of 0.29 had the least inequality, since most of the income receivers are estate labourers with fixed wages and don't have any other income generating sources. In real term, per capital income for one month rose in both urban and rural sector, but dropped in the estate sector, this could be attributed to a decline in the number of income receivers in the estate sector.

2.2 Unemployed and underemployed

In 1980, total number of people employed were 541,971. In year 2000 total employed were 293,322. During the 20 years period 248,649- composed of employees have been reduced. Of this 293,322, the workers are 278,357 and staff 14,965.

(source : Plantation Sector Statistical Pocket Book 2001)

In the plantation sector, the female and male unemployed stood up at 65% and 52% respectively. The age group of 14 to 33 constituted 95% of the unemployed. The dependants on plantation workers, from 2.35 has increased to 2.68 (1996/1997)

(source : World University Service of Canada on Plantation and Community Report)

The plantation youth are eliminated from getting employment because of their low academic and vocational qualification, also

at estate level, they are eliminated for number of reason such as language and social stigma.

Table - 2				
Employment by Sector -1996/1997				
	Urban	rural	Estate	total
Central Government	11.7	9.2	1.4	9.0
Local Government	2.4	1.4	0.2	1.4
Corporation & Board	4.7	2.2	7.2	2.8
Cooperatives	0.6	0.7	0.1	0.7
Private Sector Orgs.	29.1	10.8	72.5	16.2
Private & unorganized	58.5	75.7	18.6	69.9

From the above table it is clear that in the first 4 categories, Urban 21.4, Rural 13.5 and in the Estates 8.9 . Even in the estate sector who are in the Corporation and Board are the outsiders working in the category in the plantation areas and plantation related industries.

Table - 3				
Income Receivers by Sector(1996/1997)				
Year	Urban	Rural	Estate	All Sectors
1981/1982	1.64	1.45	2.46	1.56
1986/1987	1.78	1.51	2.29	1.64
1996/1997	1.80	1.59	2.06	1.64

The income receivers in the plantation areas are gradually reduced while the other

sector is on the increase. The impact of privatization has mostly affected this sector in reducing the workers to the minimum level. In the year 2000, 1.7% per household are employed in the estate sector. And the dependant rate household has increased. This is one of the root cause of increase of poverty among the plantation workers.

3. Housing

The country's houses stock consists of wide array of residential types which include single units, attached houses annexes, flats etc. The residential type was a single unit type houses. But in the estates families are living in line rooms that are now called attached houses.

Table - 4				
Housing Stock 1996/1997				
Type of Dwelling	Urban	Rural	Estate	All Sectors
Single Units	70.3	96.4	10.2	88.5
Attached Houses	22.8	2.6	83.0	9.4
Annex	1.0	0.2	-	0.3
Flats	4.3	0.4	-	0.9
Shanties	1.7	0.1	0.2	0.3
Others	0.7	0.2	6.6	0.6

According to the table 83% of the estate people are living in attached line rooms. The total estate families are around 250,000

requiring same amount of houses. The present housing stock is over crowded and the floor area is also very small. In the other sectors, floor area per person is 14.7 square metres and person per room is 1.1, but in the estate sector over crowded and the floor area is also very much restricted. More than 80% of the housing stock has to be reconstructed, lack of proper housing, ventilation and other facilities increase the poverty level of the estate sector.

Table - 5				
Ownership of House				
Type of Ownership	Urban	Rural	Estate	All sectors
Self Owned	84.5	95.5	10.2	89.5
Govt.& Employer Owned	1.9	0.4	74.7	2.5
Lease or Rent	9.1	1.6	1.2	2.5
Rent Free	3.6	2.1	13.2	2.9
Other	0.4	0.4	0.7	0.5

In terms of ownership around 90% of the houses were owned houses in the country. According 1986/1987 survey only 1.7 % houses owned by estate sector. The present increase of 10.7% is due to 206,000 villages were given land under tea small holders programme but none of the Tamil estate workers were in this group. At present the members are living in the line rooms that are owned by the companies or by the JEDB/SLSPC. Ownership of the houses and land is an essential requisites to reduce

poverty through home garden and self employment scheme.

4. Poverty and Education

The incidence of poverty in house hold whose principal income earner has no schooling (58%). Those with the primary schooling accounts for 35%, lower secondary schooling 26%. Almost the 90% of the total poor comes from house- hold whose principal income earner has left the school, at some age prior to GCE(O/L). Education is an important way out of consumption poverty.

Table - 6				
Attainment of Education by Sectors (1996/1997)				
	Primary & Above	Secondary & above	Post Secondary	Education attainment Index
Estate	76.1	20.2	2.1	3.14
Rural	92.1	56.9	20.5	6.03
Urban	94.1	66.7	29.6	6.91
All Sectors	91.4	56.2	20.7	5.98

In the past it was not a plantation culture as far as workers are concerned as education was neither necessary nor did it has any occupational value. For last two decades, since plantation could not taken, new recruits for employment and the Government taking over the schools and renovated by donor agencies, most of the youth opted to

enter to the educational field, but still compare to other sector plantation schools mostly catering to primary education.

The following statistics illustrate the position of the plantation schools. Out of 835 schools, 272 schools are in dilapidated condition. 637 schools (76%) has facilities only for primary level. 132 schools (16%) type 2 facilities. 42 schools (5%) type c schools. 24 schools (3%) only have type ii-AB. National teachers people ratio 1:22 in the plantation sector, 1:44. Thus there were shortage of 4,000 teachers in the plantation schools. In order to reduce people teaches ratio. They have appointed people who do not speak Tamil Language. Poverty and Literacy are Complementary in the Estate Sector

Table - 7			
Literacy Rate 1996/1997			
	Male	Female	Total
Estate	87.3	67.3	79.9
Rural	94.5	90.4	92.3
Urban	96.1	93.0	91.8
All Sector	94.3	89.4	91.8

(source : Socio-Economic Survey, Central Bank Report-1996/97, p.38)

The plantation community in Sri Lanka which has the lowest literacy rate than their urban and rural counter parts has been caught in the 'deprivation trap' of poverty, illiteracy,

ill-health, isolation and powerlessness. Achieving universal education in the plantation community is held as most pre-requisite for achieving equality in Sri Lanka.

5. Poverty and Health

According to the number of health services carried out, a higher prevalence of under nutritious in the estate areas, was noted. Comparing the estate sector with the health situation of the country, we see the vast difference of the estate sector. A recent study by Marga Institute(1998) identified poor caring and feeding practices, high mobility and poorly related factors such as lack of access to adequate food, adequate housing, clean water and safe sanitation and maternal under nutritious of the key causes of child malnutrition.

Table - 8		
Basic Health Indicators - 2000		
	Sri Lanka	Estate Sector
Housing using iodinate salt	87.4	79.5
Safe Drinking water	79.4	24.8
Mean age at marriage	24.6	23.4
Still Births	3.5	8.5
Female sterilization	30.0	60.0
Male Sterilization	3.0	7.0
Children under 5 immunized	81.5	71.4
Children under 5 (4-59 months breast fed)	50.8	37.3

	Sri Lanka	Estate Sector
Mean no. of breast feeding months	25.6	21.6
Received antinatal care	98.4	94.3
Received assistance at delivery from Dr/Nurse/Midwife	96.6	84.7
Children weight for height (wasted)	14.0	11.8
Under weight 3-59 months (weight for age)	29.4	44.1
Chronic under nutrition in the estates	34.0	
Low birth weight	16.6	18.6
Have heard of Aids	90.3	39.7

(source : Sri Lanka Democratic & Health Survey 2000)

6 Poverty and Family Planning

The Family Planning method was introduced in Sri Lanka to reduce the poverty level of the people. In 1978 when the Rice Coupon was stopped the estate sector was not given any alternatives since they were not considered below poverty level. From 1978 special programmes were introduced in the plantation to reduce the fertility rate and number of infants. In China among the minority communities, reducing the number of members in the families is not practiced. But in Sri Lanka

family control programme is implemented with full vigor among the least ,minority, the plantation sector. No one will be against the child spacing out method. But definitely this society is worried about the permanent sterilization that is openly done with inducement and not fostering the temporary methods that are available.

Table - 9				
Contraceptive Prevalence				
Method	1981 (FHIS)	1993 (DHS)	1995 (AHR)	1997 (AHR)
Permanent Methods	29.6%	44.4%	56.1%	56.9%
Temporary Modern Methods	1.8%	3.1%	9.7%	10.0%
Traditional Methods	0.8%	7.0%	3.6%	3.6%
All Methods	32.2%	54.5%	69.4%	70.5%

(source : Health Bulletin - Estate Society
1995-1997 (PHSWT))

The Family Health Impact Survey of 1981/82 (FHIS) reveals that the current use of Family Planning was 32.2% in the Plantation. However the current use has increased to 54. 5% in 1993 as reported in the Democratic and Health Survey of 1993(DHS). According to Annual Health Return (AHR) it has increased to 70.5% in 1997. Sterilization was the most

common Family Planning method implemented in the plantations which more than 80% of the current uses induced to either tubectomy or vasectomy. This method is cheaper and easier to be implemented and the management is very particular the people go through this method in order to save the money spent for maternity benefits and the child care. Total Fertility Rate (TFR) in 1997 was 1.9 live births per women is comparatively lower than the national rate of 2.1 in 1997. In spite of all these vigorous Family Planning method they have not reduced poverty in the estates. More than 60% of the eligible couples are sterilized and the number of new born children are drastically reduced.

7. Welfare Programme and Poverty in the Estate

Government efforts to find solution to the problem of poverty introduced number of programmes from 1930 onwards.

- 1 State land allocation to the people from 1931.
- 2 The Ten Year Plan presented in the decade of 1950s.
- 3 Five Year Plan presented in the decade of 1970s.
- 4 Land Reform Commission 1972-1975
- 5 Food Stamp 1978

- 6 The Integrated Rural Development Programmes initiated in 1980s.
- 7 Janasaviya Programme in 1991.
- 8 Samurthi Programme in 1995.

Samurthi relief assistance is provided for the families whose monthly income is less than rupees one thousand five hundred up to the year 2002 October. Later increased to rupees two thousand. It has planned to introduce income generating avenues among two hundred thousand low income families in the year 2003 to alleviate poverty through Sri Lanka Samurthi Authority(SLSA). SLSA intends to uplift 2.5million low income families which accounts 52% of the total population.

SLSA have identified three types of families.

- Red Families-who can never be strengthened
- Yellow Families-who can be alleviated from their poverty.
- Green Families-who have reached the income generating level by alleviating poverty.

Table - 10					
Welfare Programmes in Sri Lanka Rupees in Millions					
Type of Assistance	1994	1995	1996	1997P	1998E
1. Samurthi	00	2336	7400	8755	8644
2. Janasaviya	4017	2818	1257	522	0
3. Public assistance	401	475	2886	4314	2857
4. Food Stamps	2057	1362	0	0	0
5. Kerosene Stamps	633	437	112	0	0
6. Infant milk subsidy	121	34	446	125	75
7. Triposha	180	169	145	81	300
8. Emergency food	2425	2325	3305	2958	1819
9. Wheat flour subsidy	0	5000	5500	1000	0
10. Poverty Alleviation	602	2375	3625	3357	1931
11. Fertilizer subsidy	630	1345	1500	1895	1500
12. Free health subsidy	9185	10951	11913	12135	14537
13. Free public service	17713	8908	20402	22349	27813
14. IRDB programme	728	1026	1056	1446	1619

(source : Central Bank Report -1999)

None of these programmes are extended to the plantation sector. The plantation system does not permit the National plans to be implemented. The Management and the TRUST is entirely responsible for the welfare of the workers. The resident non worker does not receive any benefits from the management or the TRUST.

The welfare system that was prevailing in the country such as dry rice ration coupon was stopped in 1978 in the plantation and no substitute was provided to them. The earlier practice of giving infant milk powder packet (Age 0-1) per month (1Kg) or rupees equalant to that is not practiced in many estates at present. Supply of 1.5kg wheat flour (Age 2-10) per month is also not a common practice in many estates. Eventhough this has been stated in the Estate Accounts. Triposha is supplied to the children in the estates by donor agencies are only given to the children who attend the creche and not for the other children living in the estate.

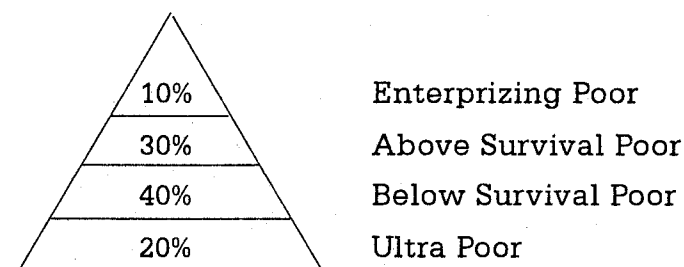
Very recently Samurdthi Programme was introduced to the plantation sector, but only very few people have access to this programme. In-spite of all these programmes, poverty level is always on the increase and not decreased. In Sri Lanka in 1973 the low income group which constitute 40% of the population is recorded to an income of 19.3% of the country's total income in 1991 it has reduced by 14.8% and today the low income group is increased upto 52%.

8. The Poor in the Estates

The plantation workers for the last seven generations are living in indebtedness. The mean size of a loan by a plantation worker is 1996/1997 being Rs.2089. Borrowing for

consumption (73.7%) continues to be the main purpose ,the bulk of it goes for ceremonial/ ritual occasions and loans for settlement of previous debt account for the highest value. Money lenders dominate in the estate sector providing 32.6% of the total number of loans and 22.9% of their value. (B. Sivaram - 2000)

The poor in the estates are unable to fulfill the basic needs which are vital for their living and the inability to secure social justice. The needs of the poor vary according to where they are located in the poverty pyramid.



All the people in the plantation sector to have become poor as they disown any inherited property or wealth during the last seven generations. At present one can divide four categories of poor among this sector.

The enterprising poor comprise roughly 10% of the Top end of the poverty pyramid based on three or more people are employed and also involved in self employment schemes and/or employed in public sector.

Above survival poor are the second of the poverty pyramid based on two to three people

are employed and not engaged in other income generating activities but have small vegetable plots.

Below survival poor are those in the families only one or two are employed and have no access to even for a plot of land for vegetable cultivation.

The ultra poor, the last in the pyramid compose for more than 20% are those do not even a single person permanently employed. Casual labourers, seasonal workers dependant on intermittent work. They work for long hours for very low wages. Among this about 10 % have become poor due to the old age for not able to save their earnings in-order to support their children at marriage or education. Therefore there was no way to save their poor earnings wisely and methodically. There is another category among this group to be poor for being disabled person where most of them are permanently sick both internal and external.

9. The Companies and the government must ensure a living wage

Up to 1992 wages to the plantation sector was decided by the Wage Board and agreed upon by the Tripartite Agreements. (Government, Management & Workers' Representatives). With the introduction of Globalization in the Third World countries with the slogan that the private sector is the engine of growth the

Governments with the advice of the World Bank, IMF for all purposes handed over the economic development of the country and the workers' demand for a living wage and other benefits in the hands of the private sector (Multinational Companies)

When the tea estates were privatized except for a few small trade union, some intellectuals and NGOs the major unions supported the privatization of the estates. The condition that was laid by CWC were as follows:

- This would change the position of captive labour.
- The unemployment will be reduced because the private sector would invest more and increase the yield per hectare through better management of the field.
- Privatization will not affect the social aspects such as accommodation, the right to have vegetable plots, the right to access to cultivable lands adjacent to the lines and the right to the places of worship.
- The administration of these aspects will be vested in an authority on a cooperative basis. Further we have discussed a list of 10 to 12 points. It is on such an agreement we support privatization. (Voice of the voiceless No.5 July 1992, p.3, The statement of the President of CWC, Mr.S.Thondaman)

The above conditions have been more violated than implemented on the question of wages employment etc. They promised to increase the salary of the workers by Rs.20/= after signing agreement and to stop the cost of living allowance(COLA) but they increased only Rs.12/= and Rs.8/= was never given. The Rs.400/= allowance given on the year 2000 and Rs.1,200/= in the year 2001 allowance that were given to the public and private sector by a gazette notification was denied to the plantation sector. After privatization money wage was increased but real wage was decreased.

Prior to privatization, in March 1992 the cost of living index was 1260.6 but the cost of living index for the month of July 2002 was 3265.1(Island Aug.2nd 2002) ; an increase of 2000 points. For an increase of one point 4 cts was added to the daily wage. If this 4 cts per point was given their present wage would have been increased by Rs.80/= ($2000 \times 4 = \text{Rs.}80/=$) with the basic wage ($101 + 80 = 181/=$). At present the lowest COLA given by some private sector and some public sector was Rs.3.50 per point per month. If that is the case you divide Rs.3.50 by 25 you will get 14 cts a day. Therefore with the present basic wage of Rs.121/= and if they were to give the COLA to the plantation workers they will receive a substantial increment monthly.

The cost of living index for July 2001 was 2946.8. The cost of living index for 2002 July was 3265.1, an increase of 318.7 for an year. That is 26.6 points per month.

According to the above statistics if we take the average of 25 points increase per month at the rate of 14 cts. per point(they will get) Rs.3.50 will be added to their wage per month. For a year or for 12 months (3.50×12) they would get Rs.42/=. If the companies were to increase the wages according to cost of living index, there is no need for new agreements renewing every two years peoples demonstrations and loss for the estate management.

In the year 2001 the SRI LANKAN President appointed a three member commission led by Tissa Devendra to prepare a report on wage increment according to the present economic situation of the country. This commission submitted a report that the minimum wage for the lowest sector should not be less than 6000/= per month. Therefore today it is the ardent duty of the government irrespective of any other consideration should fix the minimum wage for the workers. If that is the case and if 25 days of work was given to the plantation sector ($6000/25 = 240/=$). Their daily wage would be Rs.240/=

Responsible Government

Ceylon as it was called before 1972 came to be known to the world because of the plantation sector. It was this sector which was the backbone of Sri Lankan economy. Even now this sector is responsible for bringing in foreign exchange into the country. Before privatization Government got the revenue through different taxes ,revenue through ad voloram tax, export duty and cess rate. In order to attract the foreign investors with the introduction of privatization the tax was exempted in order to build up the economy of the country, create more employment and increase productivity. This concession is important in order to build the industry at the initial stage but to give this concession for more that 10 years Government loses its revenue and enriches the rich multinationals at the expense of the people of the country and specially the workers. Therefore it is high time that the government considered if this concession be continued fore-ever. From September 1995 to January 1998 the government has earned 7 billion rupees through privatization of the estates

(source : Annual Report 2000,
Central Bank of Ceylon; table 74).

Further yearly they get revenue through lease. Government still holds the golden share of 19% and what was privatized was the commercial section and not the workers,

their vegetable plots, their school etc. These people today are part and partial of the nation and most of their welfare work are gradually taken by the government . Earlier 8% of the total investment went for the welfare of the workers. Now this has been reduced. Therefore it is the duty of the Government to look after the interest of the people and pressurize the companies to pay the workers a living wage if they are not captive labourers.

Regulatory Authority

The government has to take steps to appoint a Regulatory Authority pertaining to the plantation companies especially given our long history of concentrating on stop-gap solutions and taking decision according to the whims and fancies of ministers. etc. Further policy in black and white always has the advantage of being a legal document on which basis the workers can, if necessary, seek redress through the courts. From 1975-1992 the State had a virtual monopoly of the plantation sector. After privatization the workers, the shareholders and the public are not aware of the efficiency of plantation sector and also how much they are transparent. The activities of plantation company must be subject supervision of an independent Regulatory Authority. The function of the Regulatory Authority are ;

- Authority to dissolve disputes between and among State Organizations, Private Enterprises and workers.
- To motivate to increase the capital input of private companies, according to the annual report of companies they have taken big loans with very high interest to invest on field and factory development. This increases the cost of production. That hinders payment of workers.
- To monitor the welfare programme that has been carried out by the management and the Trust.
- To make sure of the transparency of the annual report and statement of accounts.
- To check the recruitment of labour and the situation of casual labour in order to undo the myth of shortage of labour.
- How far the mechanization of the plantation industry will affect the workers in the plantation sector and what is the alternative plan for the unemployed in this sector. Secondly more than 80% of the youth (18-25) are unemployed in the estates.
- To verify all the facts and figures that have been published by TRUST and PSG.
- By December 2002, the TRUST is completing 10 years of activity, it is better an independent regulatory commission to be appointed to evaluate the work actually implemented in the estates.

Tea small holders

- During the last 2 decades (1980-2000) 7% fall (land) in the extend of tea 9% of the total extend in the tea has withered away. The public sector record a loss of 25 %, while small holders has a record growth rate of 23%.
- Mature tea coverage according to year 2000, 188,172 hectares, of which 56% is under company management 104, 602 hectares -44 % is under the management of private sector, dominated by small holders 76,570 hectares are cultivated by 206,652 tea growers
- Tea small holders are 172,522 holding less than 1 acre,
23,336-1-2 acres
169 over 50 acres
Tea small holders account for 58 % of the national production.

10. Workers are Betrayed Again

This agreement is no doubt it is a temporary victory for Employers Federation, but if the workers are forced to live in poverty with this wage they have no choice but to go out in search of better employment. This will effect the tea industry at present but may be in the long run through mechanization of the industry they can reduced this problem.

According to this agreement the basic salary will be Rs.121 for tea and for rubber 109 with all statutory benefits other allowances such as price share supplements Rs.14 for tea and nothing for rubber sector. and the attendant bonus Rs.12 for tea and rubber Rs.22 only about 50% of the people will be able to enjoy the attendance bonus. Therefore tea workers will get maximum of Rs.147 and rubber Rs.131. The impact of globalization is clearly reflected that companies make maximum profit and the workers are forced to live in poverty. Even if one were to link productivity with wages with all information given, in earlier articles ,wages can be easily increased to Rs.200/=. Therefore it is not necessary that all agree to this agreement but all the progressive process must join together to strengthen proletariat to achieve the target.

Tabel - 11				
Wage Agreements				
	Agreement 15.5.01		Agreement 04.9.02	
	Tea	Rubber	Tea	Rubber
Basic Wage	101	98	121	109
Price share				
Supplement	15	-	14	-
Attendance				
Bonus + 75%	05	14	12	22
Total	121	112	147	131

They increased only the attendant incentive and not the price share supplement knowing that all will not be able to attend 75% of the work offered. In their pay list companies do not indicate the number of days work offered leaving the holidays each month. This creates problem for the workers to check whether they got the attendant bonus.

According to this agreement the minister Mr.Arumugam Thondaman says that if there is a change in the economy the agreement can be reconsidered This looks like that it refer to the increase of price of tea and rubber but not the increase of the cost of living index. According to his statement given to Veerakesary,6.9.02, still there is a possibility for negotiation.

Some other people who have sign the agreement proudly says that it is the first time an increment of Rs.26/= was reached, but the actual increment of Rs.20/= in real wage is less than what they received in the past . For example the cost of living index in the year 2000, was 2539.8, for the year 1998 it was 2284, an increase of 254.9 only but the cost of living index in July 2002 was 3264.1 . Thus the cost of living index was increased by 725 .Almost three times more than the earlier period.

The rupee was devalued 3 times in the year 2000. If you take this in to consideration as Mr.Raja Seneviratna saying that the present salary increased 20% but have no impact in real wage increment, even now every month the cost of living index increases by an average 25 points. Still we hold that without any of these agreement, cost of living allowance should be given to the workers.

The companies' opinion is that they have nothing to do with the cost of living index but the cost of input such as chemical fertilizer and other inputs are increased , they will go ahead to purchase without any difficulties,. According to Raja Seneviratne (LJEWU) this salary increase and other statutory benefits for this extra payment will reach 20 million for 21 companies. But if you really calculate it is only an extra of 6 million for a month. (ie; 260,000 workers x 20 =Rs. 5 , 200, 000 for the 20 rupees increase and the statutory benefits of 15% will be Rs. 780,000/= only).

Out of the people who have signed this agreement except CWC all others were justifying a salary increase of Rs.180 but now they have signed this agreement . Even CWC said that they would not agree to anything less than Rs 151 but finally given into the agreement of the Employers Federation.

In the meeting that was held in the Parliament on the 14th and in the subsequent press meeting it was told that Trade Unions have asked the Minister of Plantation Industry and the Labour to intervene in this matter . He promised within two weeks he would be able to organize a meeting with the Employers Federation and Trade Union representatives. Before this was done the agreement was signed without giving some time to see the outcome of the meeting with the Employers Federation.

This clearly shows that there is an underhand operation and also to bring about sharp division within the trade union movement itself. By this agreement no one is affected except the poor workers.

Are the Unions for the Workers or for the Management ?

11. Poverty Reduction Programme

Poverty Reduction Strategies in the Estates

Household income and expenditure survey in 1995/1996 outlines two conditions for categorizing a household as 'poor '.

- Household belongs to per lowest per capita expenditure
- Household which spends more than 50% of their household expenditure on food as 'poor household'.

According to the classification almost all the households in the estates are considered as poor.

Table - 12

Average Expenditure for One Month per Person by Sectors

Item	Expenditure(Rs)			Percentage		
	Urban	Rural	Estate	Urban	Rural	Estate
1.Food	1,189.35	942.29	947.55	37.5	50.4	67.0
2.Non-Durables	1,736.46	750.91	427.25	54.7	40.2	30.2
Clothing & Apparel	169.21	119.49	125.83	5.3	6.4	8.9
Housing	627.37	164.57	32.88	19.8	8.8	2.3
Medical	76.92	44.90	18.32	2.4	2.4	1.3
Education	95.95	40.22	17.26	3.0	2.2	1.2
Transport & Cmmunication	225.57	92.77	34.84	7.1	5.0	2.5
Fuel &Light	116.71	72.56	64.73	3.7	3.9	4.6
Social Expenses	132.69	82.77	54.66	4.2	4.4	3.9
Personal Expenses	67.64	45.34	32.60	2.1	2.4	2.3
Recreation	48.42	26.66	13.78	1.5	1.4	1.0
Others	176.00	61.63	32.35	5.5	3.3	2.3
3. Consumer Durables	150.84	139.02	31.56	4.8	7.4	2.2
4. Interest on Debt	96.01	36.94	7.95	3.0	2.0	0.6
Total	3,172.66	1,869.15	1,414.31	100.0	100.0	100.0

(source : Consumer Finance and
Socio - Economic Survey 1996-97 part one.)

According to the above table it is very clear that the estate sector spend more than 67% on food in the year 96/97. At present they spent more than 70% on food. Therefore the following points have to be taken into consideration to reduce poverty in the Plan-tation sector

- A basic wage of Rs 200/ to be fixed for the workers or a monthly salary of Rs 6000/
- Ownership of Land and house
- Facilities for self employment and group employment should be made available for example, grazing land for animals, and grass cultivation space for cattle etc.
- Casual workers must be made permanent - for the present cash pluckers paying Rs. 6 /- per kg (new pluckers) must be stopped and they should be made permanent.
- Educated youth must be employed at the staff level. Uniform for workers must be given free of charges.
- The workers must be considered as share holders and producers not as labourers.
- There should be some sort of balance between the salary of the producers and the management.
- Each worker should be allotted with one hectare of tea land so that he/she is

responsible for supplying green leaves to the factory like the tea small holders.

- Present plantation system of captive labour must be abolished and they should be part of the main stream like other sectors in the country.
- All government welfare facilities should be introduced to the plantation sector.
- The closed down factories should be turn into vocational training centres.
- Individual housing facilities and all other infrastructures like library, community halls, play grounds, supermarkets etc must be make available in the plantation sector.

Annexure - I

The Plight of the Estate Workers Sunday Leader 2nd June 2002

At the Press Conference that was held recently in Colombo, the Chairman of the Planters Association, Mr. Mahendra Amarasekera said that over one billion is spent on Social Development in the Plantation thus improving workers quality of life after privatization. This report has appeared in Sunday Leader, Island of 5th May 2002 and in Sunday Observer on 12th May 2002.

It is true the management is responsible for the welfare of the workers. This Press Conference was held at the time of dialogue going on wage agreement that is to be revised before the end of June this year. It is better to have a short analysis on Social Investment in the Plantation Sector after Privatization.

From 1993 to 1999 the investment of the 20 plantation companies is as follows. The total capital investment during this period is nearly Rs.11 Billion including foreign donor contribution and grants. The break ups of the overoll investment is given below.

Field Development	6,840m(62%)
Factory Development	2,036m(19%)
Transport Vehicles	958m(9%)
Social Development	898m (8%)
Office Improvement	190m(2%)

From the above statistics it is clear that the investment on social infrastructure has been disproportionately low. An average company estates spent Rs.800,000 per year. Out of this 46% goes for staffing. Supplies and transport 43% and the PHSWT levy 11%. Therefore funds set aside for worker housing ,water supply and sanitation is very minimal. The PHSWT levy is calculated on the basis of Rs. 97/= per worker per year. This amounts to roughly 20 million for 200,000 workers. Even this allocation has to go for the maintenance and running of the PHSWT (officers and staffs)

From 1998 to 2005 under the Plantation Development support Programme the total budget for Plantation Social Infrastructure is 2,651,151,000.

Donor	1, 320 m (49.8%)
Companies	155 m (5.8%)
Community	308 m (11.6%)
Banking Institutions	670 m (25.3%)
Government	198 m (7.5%)
Total	2,651 m

This budget includes housing, water, sanitation, health, childcare, fostering labour relations, support to PHSWT and mobilization programmes by the PHSWT. One of the component of this budget is the Plantation Reform Project supported through ADB for 5,000 families, roofing materials to be supplied. This was cancelled due to a controversial contract made between Planters Association of Ceylon and the Indian Firm. This tea strategy Contract was signed by the Chairman of Planters Association Mr. Mahendra Amarasooriya and the Director A.T.Kearney Ltd. (As reported on Sunday Leader on 30.12.2001.)

Up to now no response to this article has been published. From the press conference it was not clear who spent the 1000 million rupees and over but period of time according to the statistics given the workers' contribution is more than the contribution made by the companies as well as the Government. The loans given to the workers are recovered through the check roll with interest.

For example there are 4 types of housing schemes implemented through the TRUST where Rs.30,000 loan is given for a period of 15 years with 16% interest and the repayment would be Rs.75,000/= at the end of this period. Even for water schemes the community has

S. Guy de Fontgalland

to contribute 2 days wage same as with the construction of toilets in the future. If the salary is not increased at least to Rs.200 per day with all these liabilities, they will have to die of starvation. Furthermore, 30-40% is deducted from their pay slip. Out of this estate charges are;

Parade Slip	-	50 cts.
Name Card	-	50 cts.
Pay Slip	-	1.75 to 3.50
Stamps	-	1.75 to 7.00
Other Deductions Rs. 10-15		

These form a part of the revenue of the companies

Since the number of workers have been reduced today the dependants have increased. By the year 2005 the average worker per family will be 0.5 while the dependants will be 4.5. If the individual worker does not get minimum 2 US\$ per day the whole family will live below the poverty line.

According to the report on wage increment submitted by Tissa Devendra Commission the minimum monthly salary should be Rs.6,000/=. According to this if the workers are offered 25 days work per month they are to be paid Rs.240/= per day.

At the moment there is a myth created by the companies that there is a shortage of labour and out migration. But in all the estates labourers were kept on casual basis for more than one year without making them permanent.

Machination process that has been started in the estates is another advantage for the companies to reduce more workers in the future. By year 2010 there will be less than 100,000 workers. What will happen to the rest of the workers?

Through this privatization programme, up to 1998 Government has earned more than 7 billion And companies making an average of 10 million per month. Besides as management agent fee varies to companies to company from 27 million to 98 million per company per year for which no rationale is given.

A company's spending on welfare is minimal. Today the role of the company is like an agency house that was there before nationalization.

It is the duty of the company and the Government to set aside sufficient fund for the development programmes of the plantation workers and not to tax the workers any further if they are really interested in the workers' welfare

Amarasooriya should agree to meet representatives of a cross section of the workers of the plantation companies, in order to hear from the horses mouth the actual degeneration of the facilities that used to be provided for the workers by the management, prior to privatisation.

The management companies have now left that responsibilities in the hands of voluntary welfare organisation and foreign donations which have no regular flow.

Amarasooriya's plea that the plantation workers are better off than their village counterparts (rural workers) is a vulgar generalisation. He forgets that no plantation workers are entitled to most of the welfare available in the rural sector such as Samurdhi. The health department reports that malnutrition of children in plantation in general has worsened corresponding to the general conditions of the country.

Company Benefits

Since privatization companies have reaped a number of benefits for the advantage of the company. Value Added Tax(VAT) and Export Duty were abolished with effect from 22.12.1992. In 1990 estate contribution to the Government by these two taxes was 1,536.1 million from tea, rubber in 1990 was 747.4 million.

The CESS Tax on rubber was abolished from 8.5.98. In 1990 Revenue from CESS collection from rubber was 334.2 million. From this it is clear for each year company save more than 2 billion. Donated to them from the public funds by the Government.

In 1991 the labour force in JEDB & SLSPC was 368,458. Up to year 2001, 193,000 labourers have been reduced by the companies on different accounts. The same way staff too has been reduced by the management companies. This is an advantage for the companies by means of cutting down the salary bill.

Increase of Production

Eventhough the labour force is reduced the production of tea is increased.

Year	Average Auction Price/ Kg	Production Kg Million	Export Value Rs.Million
1990	91.82	233.1	19,797.0
2000	181.20	305.8	50,988.7

Thus they have increased the rate of production while reducing the workers. This shows clearly the benefits that the companies have gained after privatization.

The Estate Social Development, covers a number of aspects such as a living wage, opportunity for self employment, security in employment, a decent housing, water, sanitation, electricity, health etc. At this time of new wage agreement to be finalized by the company management and the workers' representatives the companies must willingly increase the salary keeping with other sector in Sri Lanka. At the same time money spent on welfare development programmes by the companies is gradually reduced and the workers have to depend on donor agencies which is not a regular phenomina.

The companies have their own understanding of increasing the salary by 11% in every two years without any agreements. From 1998 - 1999 the basic salary for tea worker was Rs.95/=. From 2000-2002 June 101/=. So during these 4 years they are given only an increment of Rs.6/=. But if they have to increase 11% every 2 years they should have given more than this. If the companies are really interested in the Social Welfare of the workers they should give the cost of living allowance (COLA) as the companies in other sectors so that the workers could reduce their level of poverty.

Year	Exchange Rate	Wage	CCPI
1992	43.83	61.84	1,260.0
2002 Feb	96.11	101.00	3,084.8

(According to the increased CCPI, if the cost of living allowance was continued the wage should stand at Rs 229/ =)

(President, United Lanka Estate Workers Union, Mr. Vasudeva Nanayakkara and Fr.S.Guy de fontgaland, Leo Marga Ashram, Bandarawela)

Annexure II

Payment of Rs 200 as daily Plantation wage is possible

Daily News 28th August 2002

The plantation wages issue has taken an interesting turn. Not only the trade Unions, NGOs, general public even the ordinary plantation workers show much interest and express their views on the matter openly. But on the other hand the prolonging of the talks for more than two months has caused frustration among plantation workers, and the issue has become a tussle of prestige among the plantation leadership.

In the meantime the Employer's Federation has said that they could offer only 142 (121 as basic salary and 21 as other allowances). The Federation has stated that if they were to increase wages even up to Rs.142 they would run at a loss. This contradicts the common sense of the Federation. If one carefully reviews the large increase of revenue brought about after privatisation of the plantations it should be seen that paying Rs.200 as daily wages is quite feasible and reasonable.

Taxes

Before privatisation the plantation sector was one of the biggest tax payer to the Government. On 21st December 1992 the value added tax and the export duties were removed for this sector. In the year 1990 the Government has earned as much as Rs.1536.1 million from tea and Rs.747 million from rubber totaling to Rs.2283.1 million in respect of these taxes. If these taxes were not removed the Government would have earned 5 billion rupees, in the year 2002. But due to concessions given to the companies these taxes were not paid to the government.

At present only the "Cess" tax is levied for tea. On 8.5.1998 the Cess tax on Rubber was removed. In the year 1997 the Government earned Rs.344.4 million from Rubber as on this account. If this tax was continued to be paid the Government would have earned Rs.500 million, in the year 2002. Since all these taxes have been removed. The above stated amounts have remained as profit with the companies. These companies are exempted from the payment of GST-NSL tax even the Value added Tax payable under the budget 2002 is recoverable in 3 months. In these circumstance of most favourable tax exemption that has continued for the last 10 years there can be no reason why these companies cannot allocated Rs 5 billion for the extra wages at

the rate of Rs. 200 per month. It is also to be noted that in the year 2000 the tea sold at Colombo Auctions reaches Rs 50 billion.

The number of persons retrenched after privatisation was 194,000. This includes workers and staff. The number of working factories have also been reduced. But on the other hand the production has increased. For example the production has increased to 308.8million kilos in the year 2000 as against 178,9 million kilos in1992. Further the 7 billion rupees payable as wages to the retrenched workers numbering to 194,000 has been saved by the companies. If one calculates the EPF and ETF payments payable to these retrenched workers a further on billion has been saved. Accordingly in this particular period along the companies have saved as much as 8 billion on this account, and added to their profits.

Management fees

Before privatization Rs.3.50was charged as management fees per kilo of tea. But after privatisation this amount was raised to maximum of Rs 37.50 and this amount is added to the cost of production. In the year 2002 one company has received Rs.98.8 million as management fees while another company has received Rs 70.9 million and still another company Rs 27.3 million. If the 21 companies reduce these irrational

management charges the production cost could be brought down considerably. Further it has to be noted that these management agents are none other than affiliated companies. The managing companies are on the other hand major share holders of the plantation. In this back drop of the management charges are rationalised the wages hike will not make an adverse impact on the profits of the companies.

In the pay slip issued to the workers the number of days work offered is not mentioned. Therefore it would be difficult for the workers to calculate the amount payable as incentive payment. The amount deducted from the pay slip as name card and other charged for preparing the pay slip etc are added to the profit of the company in an amount of around Rs.10 per worker per month, by means of other charges.

Additional Income

The plantation sector companies earn not only by the production of tea and rubber but also through other sources such as timber felling, crop diversification and sub leasing of lands ect. But these amounts are not taken into consideration in reflecting the profit or in working out the wage hike.

In the tea auction in the year 1991 Rs.19,797 million was earned while this amount increased to 50,988.7 million in the year 2000.

The companies have agreed to raise the wages of the workers by 11% annually according to their annual reports. If the wages of the workers were increased in a regular manner on this basis then the difficulty in spending a large amount on the wage hike in the present instance would not have arisen. According to available information the companies were prepared to pay Rs. 135 at the time of the collective agreement signed in year 2000 but the plantation trade unions were not able to substantiate their demand.

If Rs.60 is to be increased to the present daily wage the amount needed would be 4.7 billion (260,000 workers x 60 x 25 days x 12 months). Which amount could be easily met on the basis of the figures stated above.

*The Minister of Labour speaking at a function in Hatton on 4.5.2002 stated that he and the Prime Minister are aware that it would difficult for the plantation workers to live with the wages they receive now. But although everyone is aware that this is the plight of the plantation workers no concrete action is being taken to rectify the situation.

If the plantation companies do not come forward to change the situation the plantation workers would be plunged into worse poverty level in the future. The position taken up by companies regarding cost of production and expenditure items require verification and transparency in the interests of all share-

holders including the Government trasury and the workers. This can be realised by setting up a Regulatory Authority.

The Rs.142 hike proposed by the companies is not acceptable at all because in real terms the wages would remain the same.

On the basis of the facts stated above the following recommendations are made.

- Rs.200 would be the reasonable daily wage and is an amount the companies could well afford to pay, in view of what has been set out above.
- Or Rs.121 should be paid as basic salary with a cost of living allowance of Rs.3.50 per every point of increase in cost of living index be paid(the least amount of cost of living allowance paid in the private sector is Rs.3.50)
- The wages paid for extra kilos of harvest and for cash plucking (Tea) should be increased to Rs.10 per kilo as the present rates of Rs.3.75 to 5.50 is grossly inadequate.
- (The source of the statistics given are as follows - Plantation Pocket Book of Statistics, Tea Trade 2000; Central Bank Report 2000; Annual Report of Companies)

(President, United Lanka Estate Workers Union, Mr. Vasudeva Nanayakkara and Fr.S.Guy de fontgaland, Leo Marga Ashram, Bandarawela)

Annexure III

SRI LANKA STATE Plantations Corporation

CIRCULAR No. 633

12 - Aug. 1987

Article 3, 4, 5

Addressed to all Superintendents

3. Repairs to Labour Accommodation:

Notwithstanding the changes in the housing policy, repairs to existing housing should continue to make such housing habitable. In order to create an awareness amongst the workers about the allocation of funds for the upkeep of their accommodation, it was agreed to provide to the Estate Committee the following information:

- (a) The total financial provision for the repairs to accommodation and other construction provided in the plantation budget.
- (b) The physical programme identifying each and every building that will be repaired during the year.
- (c) The name/s of the contractor / contractors to whom awards have been made to complete the physical work and the value of each contract.

4. New Housing Policy:

The new housing policy which involves construction of houses on the periphery of the estate was explained and the important features of the new policy are given below:

- (a) Each family desiring to construct a house will be allotted 10 perches of land on a 30 years lease at a nominal lease rent;
- (b) Each family will be given a loan Rs. 20,000/- at 9% interest repayable within a period of 15 years.
- (c) A Housing Committee comprising the Chairman of the respective Regional Board, District Manager of the National Housing Development Authority, G.A. of the District, A.G.A's, of the ares, a representative each of the major unions and the Asst. Commissioner of Local Govt., will be formed for each Regional Board.
- (d) The families for the allocation of land in the housing scheme should be selected on a voluntary basis and selections should be made on a 'first come first served' basis.
- (e) The infra - structure facilities such as roads and water will be provided by the Management. Electricity is to be obtained from the local authority. The cost of wiring and the supply of meters should be borne by the owners of the houses.

- (f) Initially each Regional Board will set up three pilot projects.

5. Unauthorised Sheds:

The concensus was not to permit unauthorised housing on the plantations. However, it was decided to permit sheds already constructed by the workers, subject to the condition that they will be demolished when permanent accommodation is provided to those living in such sheds. The same principle should be applied if there are unauthorised extensions to the cottages built by the Corporation. Those who have constructed such sheds should apply in writing to the superintendent for regularisation.

New temporary accommodation too may be allowed if an application is made in writing to the superintendent and the superintendent consider it necessary until permanent housing is made available.

Annexure IV

By laws Governing the Estate Worker Housing Co-operatives Societies

- 1.5. Powers
 - 1.5.2 To act as the custodian of members' dwellings / houses and garden lots.
 - 1.5.5. To support housing development programmes by providing building plans, survey plans and suitable building materials under aided or selfhelp schemes.
 - 1.5.6. To sell, lease or otherwise transfer dwellings to members under rent purchase, lease purchase or loan schemes.
- 6.1.2 Housing and Membership
 - (A) Only a member of the society will be eligible to co-own worker house or dwelling.
 - (B) On registration of the society, appropriate steps shall be taken to transfer the ownership of all worker houses and dwellings inclusive of house and garden lots to the society.

Annexure V

**Article 39 of Habitat Addenda,
adopted by the second United Nations Conference
on Settlement (Habitat II) at Istanbul,
Turkey on June 1996 States:**

We reaffirm our commitment to the full and progressive realization of the right to adequate housing, as provided for in international instruments. In this context, we recognize an obligation by Government to enable people to obtain shelter and to protect and improve dwellings and neighborhoods. We commit ourselves to the goal of improving living and working conditions on an equitable and sustainable basis, so that everyone will have adequate shelter that is healthy, safe, secure, accessible and affordable and that includes basic services, facilities and amenities, and will enjoy freedom from discrimination in housing and equal security of tenure. We shall implement and promote this objective in a manner fully consistent with human right standards.

Annexure VI

Memorandum on Poverty Reduction Strategy

**The Alliance for the Protection of National
Resources and Human Rights**

Her Excellency the President Chandrika
Bandaranayake Kumaramathunge

Hon Prime Minister Ranil Wikramasinghe

Resident Representative of the
World Bank in Sri Lanka

Country Representative. IMF

Country Representative.
Asian Development Bank

Director. UNDP

Your Excellency. Hon Sirs

Poverty Reduction Strategy

We are writing on behalf of the "Alliance for the Protection of National Resources and Human Rights." It comprises of over a hundred people's organisations including major trade unions and organisations of farmers, fisheries workers, plantation workers, human rights activists, environmental activists, internally displaced persons and those threatened

with displacement, women, youth, students, intellectuals and religious leaders. This is the broadest alliance of civil society organisations formed in recent times.

We are deeply concerned about the likely impact of the government's poverty reduction strategy as outlined in the PRSP (Poverty Reduction Strategy Paper) We are of the view that the proposed strategy will lead to much enhanced levels of poverty and deprivation.

The main areas of concern are:

1. The increased levels of national indebtedness and consequent loss of sovereignty.¹
2. The failure of current policies (both in terms of achieving growth and in the distribution of the rewards of growth) and their continuation under the PRSP.²
3. The lack of public consultation in the preparation of the PRSP and the lack of appreciation of the effects of rejection of the proposals by the people.

We note that the World Bank and the IMF have stated that the PRSP should be developed in a participatory manner; that it be nationally owned; and that it lays out a policy framework and agenda for tackling poverty. However, they also expect it to be no different from the programmes previously developed

on their initiative. The (even though nominal) insistence on public participation has arisen from their experience that unpopular programmes cannot be carried through unless there is at least a minimal sense of ownership by the people.³

We categorically state that the Government of Sri Lanka has failed to carry out even this minimal consultation with the people, and that the proposals have been worked out in total isolation. It would mean that they cannot be implemented, except through a process of violent suppression of public protest.

We, acting on behalf of the people, totally reject the proposals contained in the PRSP.

The proposals for the privatisation of state owned enterprises (banks, insurance etc.) including services (postal, electricity supply, transport, health, education, water supply etc.) and the proposed reforms in labour laws, land titling, land use policies, and the utilisation of natural resources including forests, fisheries, minerals etc. will lead to increased incidence of poverty not its reduction. We are particularly concerned about the effects of the proposed mass migration of people from the rural to the urban sector. This will lead not only to a

vast increase in suffering and misery, but also to increased crime and lawlessness.

Infrastructure development projects such as super highways, ports, air ports and road networks etc. should be debated as to whether and how they would reduce poverty. whether the huge borrowing made for such investments can or should be done without a definite assurance that they would bring the desired or projected benefits to the poor.

We will be very happy to organise and participate in public fora to debate these issues.

We do not agree with the claim made by WB/IMF that they are not responsible for these plans. Their role in formulating these proposals and the pressure brought upon the Government of Sri Lanka (in the guise of recommendations tied to loans) to adopt them should be honestly accepted. We demand that such institutions participate in public dialogue and debate to defend their positions. It is necessary that the real decision makers and proponents of these policies should participate in such a debate.

The Alliance for the Protection of National Resources and Human Rights expects quick responses to this communication from

each of the parties to which it is addressed.
We represent the poor, who, in our view, are the most important stakeholders in any programme for poverty reduction.

Yours sincerely,

signed by

Ven Mahamaankadawala Piyaratana Thero
Deputy Sangha Nayaka of North Central Province,
Sri Lanka Convener

Ven Keeranthidiya Pannasekara Thero.

Prof H Shriyananda

M.R Shah

Ceylon Bank Employees' Union

Bala Tampoe

Ceylon Mercantile Union

Linus Jayathilake

United Federation of Labour

Suranjan Kodithuwakku

Green Movement of Sri Lanka

Sarath Fernando

Movement for National Land and
Agricultural Reform

Notes

1 The PRSP discussed and agreed upon in June 2002 titled "Connecting to Growth: Sri Lanka's Poverty Reduction Strategy" which formed the basis of agreement reached between the government of Sri Lanka and the creditor agencies such as WB, IMF, ADB and creditor countries indicates that a total external loan amounting to US Dollars 6.095 million (equivalent to Rs. 588, 167.5 million at current exchange rate of US \$ = Rs. 96.50) is expected to be taken during the period of 4 years 2002 to 2005. This total external loan if divided by the present population of 18.5m would add another 31, 795 to the already existing debt of Rs 83, 000 per person as stated recently by the Prime Minister. This very large loan is to be taken for a series of projects, which according to the PRSP are a comprehensive package to achieve the overall strategy designed for poverty reduction.

The PRSP admits that nearly 40% of the people live below the poverty line. The figures according to the government Poverty Alleviation Programme is even higher with 2.1 million families earning less than Rs. 1,500 per month (0.5 US\$ per day). This is about 1/2 the standard poverty line of 1 US\$ per day.

2. The new strategy and proposals are based on the same old assumption that, "Connecting to Growth is the only way to reduce poverty" - as stated in the very title of the PRSP, June 2002. "One of the central objectives of the government is to "restore economic growth and thereby effectively eliminate poverty in Sri Lanka." PRSP says: "It is clear that much higher rates of economic growth will be needed to government has set a target growth rate of 10 percent. This will be necessary to effectively reduce poverty and to ensure a permanent end to the conflicts in the North and East." (Extracts from "Introduction" to PRSP).

When examining the main agreement and the main strategy thrust of the PRSP and the individual projects designed, they are almost all aimed at achieving growth and not very much concerned about how this growth, if achieved, would trickle down to reduce poverty. It is well known that this same strategy has been adopted consistently over the last 24 years, PRSP says that, the over all growth achieved in this long period of 24 years is far below the desired and targeted growth rates. At the end of this period too, it is admitted that whatever benefits gained have not trickled down to the poor (PRSP says on page 9, that "A comparison of the two surveys suggests

that absolute poverty increased significantly between 1990/91 and 1995/96 from 33 to 39 percent according to the higher poverty line (Rs. 1,500/m) and from 20 to 25 percent according to the lower poverty line (Rs. 1000/m). Data is not available for later half of 1990s. - Page 9). It makes the conclusion that "on the basis of the 1995/96 DCS survey chronic poverty affects around 25% of the population and that chronic and transitory poverty combined affects around 40% of the population.

Regarding the achievements measured for the decade of 1990s the PRSP makes the following conclusions. "A major cause of poverty is slow economic growth. GDP growth averaged 5.1 percent while per capita GDP growth averaged 3.9 percent" A higher economic growth rate (of 8-10 percent per annum) without significant income redistribution could sometimes have the same impact on poverty as a lower growth rate with substantial income redistribution. But neither of these two scenarios appears to fit the Sri Lankan case in the 1990's where a modest growth rate has been accompanied by little or no income redistribution.

It is clear therefore that neither the GDP growth rate nor its distributive effects were sufficient to bring about a marked reduction in the poverty level in this

country. In other words, the benefits of economic growth have not automatically trickled down to the poor."

3. The only explanation that seems to be given by the proponents of this strategy of growth dependent poverty reduction for the failure of the last 25 years application of this strategy is that civil conflicts caused shrinking of the economy in addition to the tremendous human and social cost. PRSP says, "The size of the overall economy of Northern Province shrank from US\$ 350 to US\$ 250 million between 1990 and 1995. Corresponding to a negative annual average GDP growth of 6.2 percent per annum. The Central Bank Reports say that the conflict is likely to have reduced Sri Lanka GDP growth by about 2 - 3 percentage points a year" (page 10). The PRSP goes into much more details about the human, social and economic losses of war, civil conflicts and civil unrest.

Therefore, it is very clear that in deciding on strategies for poverty reduction and economic growth it is necessary to take into account the socio - political consequences. Such consequences were seen not only in the Northern war but also in the Southern conflicts - the insurrection of 1988 - 90 was a clear and a very severe experience.

The strategy proposed in the June 2002 PRSP and the process currently adopted in very rapidly establishing all the legal framework, which does not give sufficient opportunities and time for people to know, understand and express their views has already led to widespread and strong protest by all sections of society that are likely to be affected. These protests in our view are likely to become much stronger as people come to know of the consequences on the poor.

Serious attention should be given to the experiences in the recent past where such undemocratic implementation and their consequences resulted in strong rebellion (Youth Insurrection in 1988 - 90 resulted in 60,000 disappearances). Farmer suicides have continued and increased during the last 15 years.

Some of the proposed measures such as displacing millions of rural poor and small farmers (as envisaged in the proposals referring to massive exodus of the rural poor into urban areas) loss of land and loss of free access to water etc. could cause far more violent socio - political unrest and even repeated rebellion and suppression.

Bibliography

Arunatilaka Risha

Effectiveness of Welfare
Programmes in Improving
Estate Performance in Sri Lanka,
Institute of Policy Studies,
Sri Lanka., 2000.

Bastian Sunil

The Tea Industry since
Nationalization, Centre for
Society and Religion,
Quest 67
Sri Lanka 1981

Bond Edith M

The State of Tea ,
War on Want, London 1974.

Casnersz Paul and Others

The Privatization of the
Plantation, Satyodaya Centre-
1995, Sri Lanka.

Dunham David and Others

The labour situation on Sri Lanka
Tea Estates - A view to 2005,
Institute of Policy Studies,
Sri Lanka, 1997.

Gunawardena Lalitha, Ed

- Time use Studies, In Plantation, Agriculture, For Norad 1993.

Fr. Guy de Fontgalland

- Plantation Workers Ownership of House and Property, Leo Marga Ashram, Sri Lanka, 1994 (Tamil)

Kamphuis H.E.B

And Sivaram B. Ed

- Human Perspectives in The Plantation Sector, Programme Support Group, Sri Lanka, 2001.

Lakshman W.D

- Income Distribution and Poverty, Samurdhi Authority Sri Lanka, 2000.

Lancaster Osbert

- The story of Tea, Tea Centre Publications, London S.W.I, 1947.

Nayar Nina and

Gunatilaka, R. Ed

- Sri Lanka's Micro finance Sector, Environment Policies and Practices, Ministry of Samurdhi Youth Affairs and Sports, Sri Lanka, 2000.

Perera R.S.

- Living Condition of the Plantation Workers 1995. Unpublished.
- Sri Lanka Labour Gazette, Ministry of Labour, Sri Lanka, Vol 52, 2001.

Sachithanandam

Shanthi A.

- Needs Analysis of Women in the Plantation Sector in Sri Lanka , Phase I, 1992. Technical Assistance Team, Sri Lanka, 1992.

Maunaguru, S.

- Phase III. 1993.

Shanmugaratnam N.

- Privatization of Tea Plantation, Social Scientists Association, 1997 Sri Lanka.

Tudawe Indra

- Review of Poverty Related DATA and Data Sources in Sri Lanka, Institute of Policy Studies, Sri Lanka, 2000.

Sivaram B. Ed

- Plantation Management in the new millennium, National Institute of Management, 2000 Sri Lanka.

Sivaram, B and
Herath D.P.B.

Labour Economics in Tea,
Tea Research Institute of
Sri Lanka, 1996

Dr. Weeramunda J.

- Report on Sample survey on
Non-Governmental Organisations
Programme Support Group,
Sri Lanka, 2001.

Tea, Marga Institute Quarterly
Journal
Vol 3, NO4, 1976 Sri Lanka

Ceremonial Inauguration of the
Self Help Housing Programme
for Plantation Workers, 1995
Sri Lanka.

Status of Worker Housing in
Privatized Plantations,
Programme Support Group,
2001 Sri Lanka.

Tea Bulletin, The Tea Research
Institute Vol. 16 1999
Sri Lanka.

Social Investment of Options
Plantation Housing and
Social welfare Trust, 2000

Voice of The Voiceless
CSPA

Report on the Survey of the
Female Workers in Estates and
Garments Factories in a selected
Region, Programme Support
Group. 2001, Sri Lanka.

Report on Pilot Settlement
Development Projects
Programme Support Group 2001,
Sri Lanka.

Plantation Development Support
Programme, Ministry of public
Administration Home Affairs and
Plantation Industries 1998 - 2000,
Sri Lanka.

Economic and Social Impact of
Privatization of Plantations,
Programme Support Group,
2000, Sri Lanka.

-
- Samurdhi, National Programme for Poverty Alleviation, Sumurdhi Authority Sri Lanka, 1998.

-
- Statistical Report and Analysis of Social Development. Sri Lanka State Plantation Corporation, 1991.

-
- Tea Review, Mercantile Produce Brokers (Pvt) Ltd., 2000, Sri Lanka.

-
- Sri Lankan demographic and health survey 2000 ministry of Finance and planning 2001 Sri Lanka.

-
- Human Development Report 2001, United National Development programme, 2001, England.

-
- Report on consumer Finances and socio economic survey Sri Lanka, Central Bank of Sri Lanka 1999.

-
- Plantation Management in transition, The Nation 1975, Sri Lanka.

-
- Selected Regional Level Socio Economic Indication, Programme Support Group 2001, Sri Lanka.

-
- Nuwara Eliya District, Tea Development Plan, Tea Research Institute of Sri Lanka 1997.

-
- Sri Lanka Tea Estates, Her Majesty 's Stationery Office, London, 1975.

-
- Plantation sector statistical pocket Book, Planning & Development Division Ministry of Public Administration, Home Affairs and Plantation Industries 2000 and 2001, Sri Lanka.

-
- Annual Report 2000, Tea Research Institute of Sri Lanka.

-
- The Role of Women in the Plantation Economy, Sri Lanka Foundation Institute, 1979, Sri Lanka.

Social Welfare Programme
11,1993-1998 Plantation Housing
and Social Welfare Trust and
PSG-1999 Sri Lanka.

Health Bulletin, Estate sector
1995-1997 Plantation Housing
and Social Welfare Trust Sri Lanka.

Health Bulletin of the Estate
Sector 1992-1994 Plantation
Housing and Social Welfare Trust,
Sri Lanka

Health Bulletin 1987 to 1991
Janatha Estate Development
Board, Sri Lanka

A Bitter Taste of Tea, Sri Lanka
Estate and Plantation workers
Educational Trust, Sri Lanka.

Socio - economic Profile of Estate
House Holders, Programme
Support Group, 2000
Sri Lanka

Hand Book on Contraceptive
Technology, Family Health Bureau.
Ministry of Health, 1962 Sri Lanka.

Managing Social Change in
Plantation 's National Institute
of Plantation Management 1995,
Sri Lanka.

Estate Social Development
Index, Programme Support
Group -2001, Sri Lanka.

Labour Force Survey, Lanka Jathika
Estate Workers Union, Sri Lanka.

Social Welfare Update -PHSWT-
Vol 8, 2002

Education of Plantation Children
I S D, Kandy, 1997

Journal of the National Institute of
Plantation Management Vol 17 2001

○○○

**United Nations Human Rights
Declaration Article 25 states;**

Every one has the rights to a standard of living adequate for the health and well being of himself and his family including food clothing, housing, medical care and other necessary social services, and the right to security in the event of employment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

"After a century of suffering, the labourer has come to realize that selfhelp alone can save him..... He has found from sad experience that none can help him in the way which he wishes to be helped."

- K. Natesa Aiyar (1931)