

Sri Lanka: Free Trade Zone unions mount bogus wage campaign

By Nihal Geekiyanage and Somasiri Wathugedara
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The trade unions in Sri Lanka's Free Trade Zones (FTZ) have organised a phoney protest campaign in a bid to head off mounting demands among workers for a wage rise amid sharply rising prices for food and other basic items.

Since November, workers have been told to wear yellow wrist bands during working hours with the words, "Bigger Pay, Bigger Profit with BOI". This is nothing but a corporatist appeal to employers to increase wages in return for higher productivity and bigger profits. The BOI, or Board of Investment, is the government agency that manages the FTZs.

The campaign is led by a union front consisting of the Free Trade Zone and General Service Employees Union (FTZ&GSEU), Progressive Union of Free Trade Zone Workers (PUFTZW) and Apparel-Industry Labour Rights Movement (AILRM). Their demand is for a monthly wage rise of around 2,500 rupees (\$US23) or 30 percent. Average monthly pay at present is about 8,500 rupees (\$US77).

FTZ workers have not received a wage rise for years. In 2009, an allowance of just 500 rupees was added to wages in order to defuse unrest. The index of real wages fell from 78.5 in December 2008 to 74.2 at the end of 2009 and would have dropped again last year because prices rose sharply.

Anton Marcus, leader of the FTZ&GSEU, told the WSWS that as a result of the yellow band campaign, Basil Rajapakse, the minister of economic development and brother of President Rajapakse, had promised to call a meeting of the National Labour Advisory Council (NLAC). No date has been set for the meeting. Even if called, such a meeting would not resolve the concerns of FTZ workers.

The NLAC is a corporatist body consisting of representatives of employers, government and the trade

unions. After not meeting for years, it was convened in 2008 as the global financial crisis hit Sri Lankan exports. In 2009, these union leaders, including Marcus, agreed through the NLAC to maintain the profits of FTZ companies by laying off tens of thousands of workers and cutting their benefits.

Workers have reluctantly joined the yellow band campaign. Lakmini, who is working at an artificial flower producing company in Katunayake FTZ, expressed disgust with the trade unions' role. "Workers are frustrated over Marcus's union," he said. "I am a member and participating in the protest. In the past too, we were called on to participate in various protests to pressurise the government and companies. We were unable to get anything."

Trade unions are barred in the FTZs but operate indirectly through their representatives on advisory councils—bodies established through management-run elections to advise on the concerns of workers. Because of their links to advisory council representatives, the unions have been accorded some recognition and take part in NLAC discussions.

Speaking to the WSWS, Marcus adamantly declared that the unions never initiate industrial action. "We don't call strikes," he said. "If workers engage in strikes we might support them." In reality, the unions have moved to suppress struggles wherever they have emerged in the FTZs, and other sectors too.

At a workshop organised last year by the International Labour Organisation, Mahinda Madihahewa, the government's labour relations and manpower ministry secretary, boasted that the number of strikes in Sri Lanka's private sector, including the FTZs, was less than other countries in the region.

Employers in the garment sector have already ruled out any significant pay increase. Rohan Masakorala,

the secretary of the Joint Apparel Association Forum, told the *Daily FT* last December: “It [wages] should be based on demand and supply. Salary hikes cannot happen randomly, there must be a mechanism to ensure that it happens in a sustainable manner.” Masakorala added that problems in Bangladesh and rising labour costs in China were potentially beneficial for the Sri Lankan garment industry.

Sri Lankan garment producers and their counterparts in Bangladesh, Vietnam, China and Cambodia are engaged in cut-throat competition to increase their share of a dwindling international market, with each vying to provide the cheapest labour for investors. When Bangladeshi workers—the lowest paid in the international garment industry—went on strike to demand an increased minimum wage last December, the Awami League government deployed police, who shot dead four workers.

The unions internationally function as the industrial police for finance capital and have worked to divide workers on a nationalist basis against one another. Workers in Sri Lanka are told that they have to make sacrifices to remain internationally competitive with workers in countries like Cambodia and Bangladesh.

The attempts by unions to put an international face on their campaigns are a sham. Marcus told the WSWS that the FTZ trade union front would “broaden the campaign by taking the matter up internationally with buyers, consumers and global unions, to pressurise the BOI”. But the “global unions” operate in the same way as the Sri Lankan ones—to divert the anger of workers into futile appeals to the major garment corporations such as Mark and Spencer, Tesco, The Gap, Wal-Mart, Carrefour and Levi Strauss.

The preoccupation of these companies is to maximise profits while trying to ensure their brands are not too closely identified with sweatshop labour. In this regard, the international unions, consumer groups and non-government organisations mount various campaigns against the worst excesses of garment sweatshops, while ensuring the exploitative system as a whole continues unimpeded.

FTZ workers require a new strategy, uniting their struggles with their class brothers and sisters in other countries. As an initial step, workers must reject the unions and their corporatist methods, and build their own independent action committees to fight for their

interests. Above all, a new socialist and internationalist political perspective is necessary to combat the offensive of international capital now underway. That is what the Socialist Equality Party in Sri Lanka fights for.

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