

### Sri Lanka

## *No war, but no peace*



Two years ago Sri Lankan government troops finally defeated the rebel Tamil Tiger movement (LTTE). But even though the long lasting civil war is over, the country is still not at peace. Mutual fear and racist prejudice still dominate relations between the Sinhalese majority and the Tamil minority. The political leadership is using these fears and divisions between the people for their own purposes. It is continuing to pursue a strategy of militarisation and exclusion.

President Rajapakse, who was in charge of the hardline military offensive against the LTTE, was re-elected in early 2010. Independent observers noted more than 1,000 “irregularities” during the elections, including acts of intimidation and violence. Immediately after his election victory, the President sent his opponent candidate to prison where he still remains today after a dubious corruption trial.

Trade unionists, journalists and human rights activists in Sri Lanka are still widely being intimidated and incarcerated,

or even kidnapped and killed. Independent unionists are being denounced as traitors, agitators and Tamil sympathisers, financed by foreign powers – a very dangerous accusation in a climate of nationalistic fervour. “Anti-terror” laws aggravate people’s lives and lead to the “elimination” of unpopular oppositional forces.

This state of discord affects workers’ everyday lives



Developing and strengthening links between workers from Asia and Europe, working along the subcontracting chain of garment production, is the main objective of the **ExCHAINS** project. These links are vital to the global fight against the exploitation of workers and for the eradication of poverty.

In the **ExCHAINS** project, TIE (Transnationals Information Exchange) is collaborating with three regional unions:

- ✓ Free Trade Zones and General Services Employees Union (FTZ&GSEU, Sri Lanka) (former Free Trade Zones Workers Union, FTZWU)
- ✓ National Garment Workers Federation (NGWF, Bangladesh)

✓ Vereinte Dienstleistungsgewerkschaft (ver.di, Germany)

We want:

- ✓ to raise awareness concerning the international production chain in the textile, garment and retail sector;
- ✓ to establish concrete solidarity between workers along the supply chain;
- ✓ to support freedom of association and the right to organise;
- ✓ to support concrete campaigns;
- ✓ to pressure big retail companies to name their suppliers and to support the right to organise at their suppliers.

This newsletter is being published regularly in Bangladesh, Sri Lanka and Germany, containing information about working conditions in the respective countries, as well as information about ongoing campaigns. We hope this will provide an opportunity for information exchange and raise awareness about the connections between the different countries and unite workers’ demands.

#### For more information:

Website:

[www.exchains.verdi.de](http://www.exchains.verdi.de)  
[www.tie-germany.org](http://www.tie-germany.org)

E-mail:

[info@tie-germany.org](mailto:info@tie-germany.org)  
[ftzunion@wow.lk](mailto:ftzunion@wow.lk)  
[amin.ngwf@yahoo.com](mailto:amin.ngwf@yahoo.com)

and their freedom to engage in union activities, both in the factories of the coastal Free Trade Zones as well as in the tea plantations in the island's central mountainous region. The tense climate provides a justification for undermining workers' rights. Social unrest is being labelled as terrorism.

Workers who only stand up for their rights become subject to drastic punishments which also function as a deterrent. This serves to reinforce intimidation, fear and oppression. It takes courage in Sri Lanka to organise a union, stand up for your rights as a worker, or support others in doing so.



## GSP+ gone – jobs at risk



Due to the Sri Lankan government's nationalistic policies the country's export factories have lost their privileged access (GSP+) to the European market. In 2008 the government applied to the EU for an extension of this arrangement. However, when a delegation of EU inspectors sought to make an assessment of Sri Lanka's human rights situation, the government flatly dismissed this "interference in Sri Lanka's internal affairs" and did not permit the delegation to enter the country. Sri Lanka's GSP+ status in relation to the EU market has been suspended since August 2010 – until the government is prepared to open up the country to an inspection of working conditions and human rights.



thus to secure workers' jobs in Sri Lanka's export factories. Therefore, they have been branded traitors of the motherland, e.g. by the President himself in a public speech given in December 2010, which was explicitly reported in all local newspapers.

The government demonstrates self-confidence: the Sri Lankan export economy is in good

shape, they say, and has no need for privileged trading conditions with the EU. But contradictorily, it allows the companies to keep wages low by arguing that the national economy is "not competitive globally".

Sri Lanka may experience the same fate concerning the USA: the union federation AFL-CIO has called upon US authorities to hinge the continuation of Sri Lanka's current privileged market access on the labour and human rights situation in the country and to monitor these.

### GSP+

After the devastating tsunami of 2004 the European Commission granted the country so-called "GSP+" status in order to support reconstruction efforts. This means import of products into the EU under very favourable conditions, e.g. no taxes.

However, GSP+ is granted only to countries who are willing to have their respect of human rights, social welfare standards, environmental protection and so-called "good governance" verified: They must be prepared to allow the situation to be checked by independent inspectors.

# Pensions, yes – wage theft, no!



26 trade unions from the public and private sectors who are forming the Joint Trade Union Alliance (JTUA), along with workers' organisations such as the Women's Centre, are currently fighting for a fair pension system in a common campaign. Their resistance is directed against a draft law introduced into parliament by the government on 8 April, 2011. According to this draft, all workers shall be compelled to pay part of their wages into a pension fund without receiving reliable entitlements to draw from it. For example, a worker is only entitled to payments from the fund after a contribution period of 10 years! How much s/he will receive then remains unclear. In the case of the worker's death, the wife/husband and relatives are being left out in the cold: they receive nothing. Minors or disabled children of workers receive 60% of the worker's entitlement. Workers' representatives were not even asked to give their opinion of the draft law.

Most workers feel that this employers' plan is really a theft of part of their wages and have started to put up resistance. In April and May 2011 the alliance that had been formed around the JTUA organised a series of actions, e.g. a public seminar and a work stoppage combined with a rally. The unions handed in a petition to the Supreme Court requesting that the draft law be declared non-compliant with the constitution of Sri Lanka.

Eventually, on 24 May, 2011 a huge strike and protest action took place in the Free Trade Zone Katunayake. A historic number of around 30,000 workers took part (see newspaper cutting). Subsequently the labour minister met with factory union representatives on 28 May in the FTZ

and eventually agreed – not for the first time – to include workers' representatives in the reformulation of the draft law before its presentation to parliament for the next reading.

At the same time, though, forces clearly related to the government pursued a completely different strategy: They put up fake posters calling on workers, in the name of the JTUA union alliance, to agree to the draft law for the planned pension fund. In response to this, the workers again took to the streets of the Katunayake FTZ on 30 May. This time the police response was ruthless. They forcibly entered the Free Trade Zone and the factories there, preventing the wor-

tion to save him;

- ✓ considerable damage was done to property in the factories, though the extent of the damage is still unknown.

The government cautioned four policemen and washed its hands of the matter by trying to explain the events solely as a matter of police misconduct. It withdrew responsibility for establishing "order" in the FTZ Katunayake from the police and passed it to the military. Since then, workers are fearing that they shall be prevented, under "military supervision", from exercising their right to collective action.

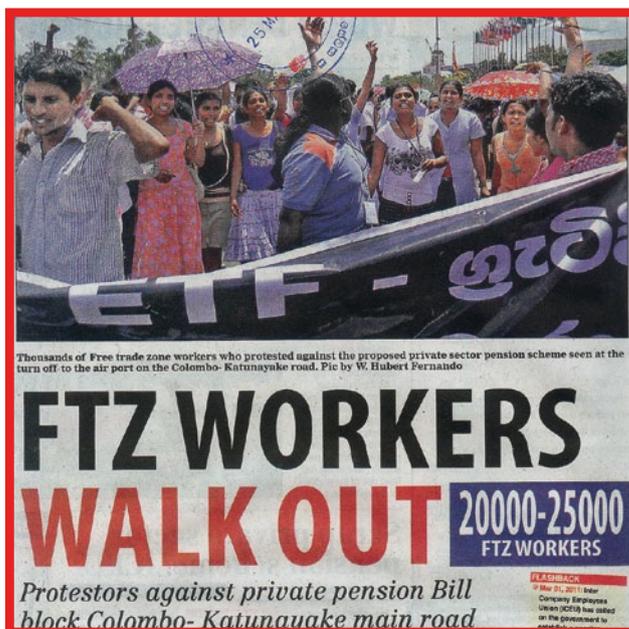
The family of the worker killed was told what kind of ceremonies and speeches were to be allowed at his funeral – and which were not. The family members were observed every step of the way to, during, and after the funeral. Union representatives were denied access to the funeral, and all entrances to the cemetery were guarded by armed military personnel.

Eventually, the government announced the withdrawal of the draft law in its current form and discussions on a new draft. This is good news for the workers' organisations – even if, in view of the

price that has been paid, it is difficult to speak of a "victory".

The trade union alliance JTUA is now demanding two things from the government:

- ✓ regarding the pension fund: let's have deeds rather than just words – make good at last on the promise of worker participation in designing the pension fund;
- ✓ regarding the horrendous consequences of police action against the workers of Katunayake: account,



kers from leaving the workplace even after they had finished work, in order to keep information about the events from spreading.

As a result of this police action:

- ✓ 270 workers and 16 policemen were injured;
- ✓ approx. 60 workers were so severely injured that they had to be admitted to hospital;
- ✓ 22-year-old Roshen Chanaka died from his injuries in hospital on 1 June, despite an emergency opera-

protect, compensate! Conduct an inquiry into the incident and give public account for what occurred; sanction the people who were responsible; safeguard workers' rights in Katunayake; compensate those injured; protect the workers from repression at work in the wake

of the events of 30 May; compensate companies for losses caused by destruction as a result of the police action; prevent acts of repression and revenge by police against the protesters.

Only time will tell whether the govern-

ment is genuinely prepared to allow workers' organisations to participate in decisions that affect their members. The more workers get the opportunity to organise in unions and to become active, the less the government will be able to find ways around including their organisations in decision making.

## *A decent wage for a life in dignity*



Are trade unions permitted to participate in discussions about workers' wages? Year after year the FTZ&GSEU has fought to have its voice heard on the issue of the annual adjustment of minimum wage rates. The union demands a wage rise that keeps up with inflation and safeguards the livelihood of workers in garment and other factories in the Free Trade Zones, enabling them and their families to live a life in dignity.

However, a mechanism for the unions to be included in the decision on wage adjustments does not exist. The government's Board of Investment (BOI) issues a minimum wage recommendation each year for the companies in Sri Lanka's Free Trade Zones. The workers can make a complaint to the BOI if they are paid less. However, the employers have always managed to exert influence on the BOI's decision. Also, the government and the business community are interwoven by a large number of close personal relations. The FTZ&GSEU therefore demands a joint process: decisions on wages should be made with companies AND unions sitting at the table.

The union is pushing for this demand with a long-term campaign which has yielded first success: since 2010 the union has been invited by the BOI to participate in joint discussions on the wage adjustments. Both

the BOI and the labour minister have promised much higher wages since – though this has yet to be implemented. Employers who pay their workers far less face no sanctions – except the fact that they are unable to attract workers. Conditions in the Free Trade Zone factories are so unattractive for workers that there are currently around 15,000 job vacancies. This at least strengthens workers' bargaining power.

The FTZ&GSEU campaign involves various workers' actions on the issue of the BOI minimum wage, including work stoppages and rallies. At one

the German foundation "Stiftung Umverteilen", a series of educational trainings was conducted for a large number of workers in order to expand and strengthen the basis of rank&file activists.

So far, there has been no major breakthrough in the annual haggling over wages. Despite the empty promises of the labour minister, wages in the public sector are still almost twice as high as in the Free Trade Zones. Nonetheless the union, despite the companies' lamentations, has achieved a wage rise year upon year and is now a recognised bargaining

partner in the annual wage adjustment process. These are merely interim steps. But they are victories, too, which even just a few years ago seemed unachievable. They are now within reach thanks to a strong base of active workers who know their rights and are prepared to take action to get them implemented.



protest action, a hundred workers showed up for work in white clothing (see picture). The union organises trainings where workers are informed about their rights and BOI wage levels. In early 2010, with the support of

