

# **The Challenges of Recent Displacement of Labours from Sri Lankan Tea Industry: The Evidence from Estates of Sudhuwella GND in Kandy District**

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## **ABSTRACT**

The tea industry one of the major supportive sector in Sri Lankan economy. Within the industry, the plantation sector is considered as a highly labour intensive sector which requires a regular supply of labour throughout the year and the requirement is not only for the field operation but also for the manufacturing purpose. However, the registered labour are moving from the estates over one million upcountry Sri Lankans are employed in the tea industry. The industry of tea contributes 12.6% of Sri Lanka's GDP and 32% of the employments. Displacement of labours from the Sri Lankan tea sector to other sectors in search of new employment is a major challenge in the Sri Lankan context. Accordingly, present study the challenges of recent displacement of labours from the Sri Lankan tea industry is evidenced from Sudhuwella GND (Hythe Land Estate, Sudhuwella estate, Green land estate, and Littlelevelly estate) in Kandy District. The study based on primary data collection method through the structured questionnaire survey and Focus Group Discussions (FGD) was used to obtain qualitative and quantitative information. Based on the stratified random sampling technique, 100 questionnaires distributed within displaced labours families and FGD was held within the selected group (Management level) in Sudhuwella GND. The results clearly showed that 85 percentage of tea plantation labours from the sample of the study, were displaced due to the ownership changes, decline the interest from tea industry, low monthly income, the challenge of labour security, poverty, lack of education, expectations of high lifestyle. The evidence from the study area identified challenges that low daily wage system, Estate ownerships changes, Cost of living, Lack of facility, Poverty, Poor health care system, Increased demand for skilled labours, Personal & social factors, and Lack of labour security. Therefore this study recommended some proper strategical suggestions for reducing the recent displacement and there challenges from the Sri Lankan tea industry and reconstruct the tea industry sustainably.

**Keyword:** challenges, recent displacement, labors, tea industry, Sri Lanka

## **1. INTRODUCTION**

Sri Lanka has secured an eminent place in the tea production and export in the world among the tea producing countries. Presently, Sri Lanka is the second world exporter of tea and maintaining distinguished image among the country markets. Sri Lanka exports 94 percent of its tea production to the world markets. Further, it generates more than one million employments in the country directly and indirectly. The tea industry contributes 15 percent to the foreign exchange earning of the country.

Although it is having considerable foreign exchange earnings, the country will have economic benefits when the industry is maintaining a sustainable way of tea production (Hilal & Mubarak, 2016). Tea is pre-eminent among Sri Lanka's plantation crops and it is one of the most important industries in the country in terms of employment and foreign exchange earnings. Sri Lanka is having a considerable amount of income and employment generation from the tea industry.

In Sri Lanka, over one million upcountry Sri Lankans were employed belong with the tea industry. Within the industry, a large proportion of the workforce is young women and men, most of the women are tea pluckers and men are doing other factory and management works. The tea plantation is the highly labour intensive sector and also it is being poorest industry in Sri Lanka. In the present period Displacement of tea plantation labour is a new upcoming trend. Tea plantation labours experiencing lots of challenges related to socio-economic. Low monthly income, settlement problems, lack of labour security, climate condition, high expectation of lifestyle are major key players of labours Displacement within the tea industry due to these problems tea industry workers are migrating from estate to other place or another sector of employment. Although Sri Lanka is the leading tea exporter in the world, the local tea industry has been facing severe problems during the last two decades. Some of these problems are declining production and productivity, increasing cost of production, fall in export prices and a reduced share of the world market (Nursalam, 2016 & Fallis, 2013).

Considerable changes have taken place in the estate sector since independence as a result of direct, targeted policies and as a response to national changes. The importance of plantation crops in the national economy has fallen, ownership has moved from foreign companies to national, the labour force has been granted Sri Lankan citizenship, and the rigidity of the estate structure has been eroded. The latest statistics on poverty show that on the estates there is increasing consumption poverty alongside improving human development indicators. This contradiction or 'puzzle' forms the basis of the research questions for this study. It aims to unravel factors that contribute to poverty, to inform policy. This sector is socially important as these resident workers have been geographically and socially isolated from the other sectors of the economy for over 150 years (Jayawardena, 1984).

According to the statistical information on plantation crops (SIPC) of the ministry of plantation industry, the number of registered labours in the large scale tea estates was 497, 995 in 1988 and it had declined to 405, 304 in 1990 and as of 2011 it has further declined to 207, 235 it is a 58% of the decline in the last two decades through this report it is possible to know about the displacement of workers. Outgoing labours of the tea industry is mainly held by the educated younger generation. Their migrated from estate to urban areas and other industry. Tea plantation workers lost their interest in working within the tea sector. The thing above mentioned is a nationwide phenomenon (Plantation Human Development Trust, 2005). The problem is that related to labour displacement highly experiencing within the study area context. There are many causes contributed to this labour displacement as well as tea labours facing lots of socio-economic challenges.

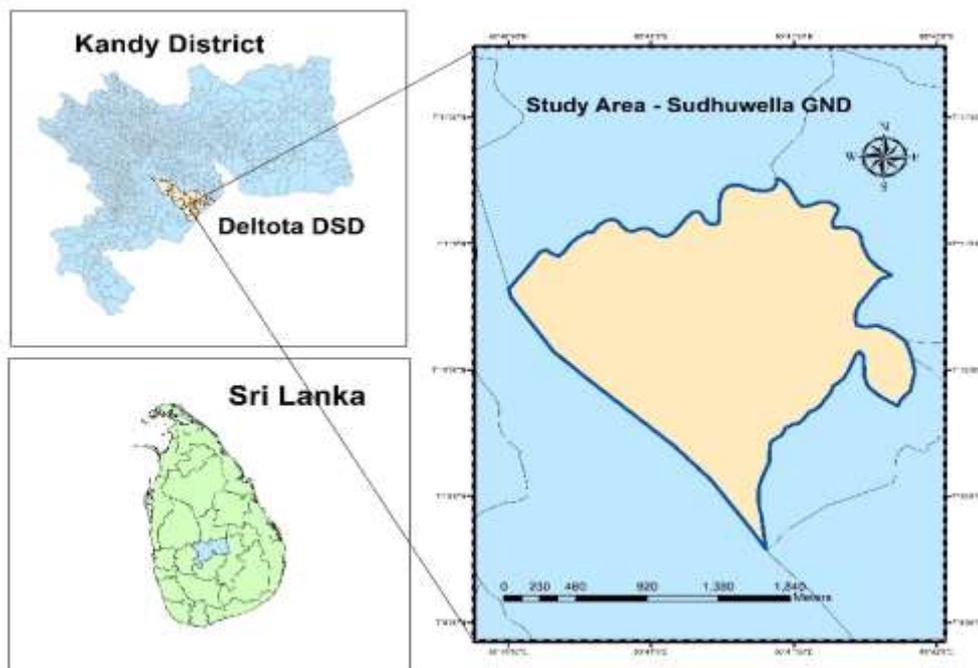
The displacement of tea labours and their challenges are the main issues for the tea industry, particularly tea productivity mostly decline in Hythe estate. Many challenges influence on the displacement of tea labours in national wide. Sudhuwella GN division has 4 estates and all these estates had one main tea factory and that was closed in 1992. In Sudhuwella GN division some tea plantation lands are owned by private owners. From 1978 to 1992 tea industry is managed by government departments such as the Janatha Estate Development Board (JEDB) and Sri Lanka state plantation corporation (SLSPC). After 1995 Sudhuwella GN division tea plantation industry hand over to private tea plantation companies. After that, the private owners are not interested in tea industry so their leaves tea industry and sales the lands to newcomers. Therefor tea plantation workers move from

the estate to other estates to find works. Other reasons for labours are displaced due to the ownership changes, decline the interest from tea industry, low monthly income or low daily wage, the challenge of labour security, poverty, lack of education, expectations of high lifestyle. The evidence from the study area identified that following challenges are low wage incomes, lack of facilities & housing conditions, unemployment, difficult to get primary education for the younger generation, high depression, and significantly transformed the socio-economic conditions of the estate labours. Although, the objective of this paper is to identify the challenges of displacement of labours from the tea industry. As well as to suggest the proper strategical recommendations to reduce the challenge and reconstruct the Sri Lankan tea industry sustainably.

## 2. MATERIAL AND METHODS

### 2.1 Study Site selection

Sudhuwella GND is located in the east latitude  $7^{\circ} 11' 10''N$  and north longitude of  $80^{\circ} 40' 48''E$  in Deltota DSD, in Kandy district and its, belongs to the central province of Sri Lanka. Sudhuwella GND contains four estates Sudhuwella, Hythe, Green land, Littlelevelly. Sudhuwella area is under the middle wet zone. Precipitation of this region is about 2083mm per year. The average annual temperature is from  $24.5^{\circ}C$  ( $76^{\circ}F$ ). Mostly the tea plantation area covered by vegetation and which are tea plantation, agriculture land, and forest area. Tea has grown an elevation of 2000 – 4000 ft. in this region. The study area is the very nearest place to the birthplace of Ceylon tea, the area called “Loolecondera” is birth place of Sri Lankan tea.



**Figure 1: The Spatial location of the Study Area**

Sudhuwella GND consists 620.5 hectares and it 6 km<sup>2</sup> within this 6 hectares Paddy field and 159 hectares consists of tea plantation and other 9 hectares are agriculture land. Around 202 hectares are government land, balance is households and the population is 4321 within this 2108 females and 2123 males. In this population 52 people are farmers and 49 people are government servants, only 159

people are tea plantation workers. Most of the people doing small self-business, such as grocery shops, small hotels and moles, hardware. Generally, 75% of women are housewives in the total population. Additionally, through this study, a large number of school leavers identified within this study area.

## 2.2 Description of data collection

The study based on the primary data collection method through the structured questionnaire survey and Focus Group Discussions (FGD) were used to obtain qualitative and quantitative information. Based on the stratified random sampling technique, 100 questionnaires distributed within displaced labours families and FGD was held within the selected group (Managerial level) in Sudhuwella GND.

**Questionnaires survey:** The study used a qualitative methodological approach and employed stratified random sampling technique within 4231 study population 100 questionnaires distributed to obtain the basic information of the study. Based on the survey collected Socio-economic information of the study population.

**Focus Group Discussions (FGD):** to identify the challenges of the labours, their perception on the tea industry, identify opportunities from community, estate and country level.

To identify the management level perception and explore the challenges and opportunities from the Sri Lankan tea industry.

## 3. RESULTS AND DISCUSSION

According to the primary data collection, the study found that 85% of displaced labours which shows, the productivity of tea highly declines in this region. And also non – estate workers are living in Sudhuwella GN division. In the large family, the average working persons are 1- 2 who are fall under the poverty line. According to the Samurthi officer’s report, 350 families are getting Samurthi benefits. Therefore 456 labours are under low-income workers as well as 1341 persons are getting government concessions. Within the total displaced labours, about 50% of displaced workers are men and age of highly displaced workers between 25-45 years. The total study population most of the female young estate labours were displaced to Middle East countries for house-made vacancies. From the survey show that 2019 there are only 56 peoples are engaged with tea plantation works and they working at another tea estates or other works.

**Table 1:** Socio-economic characteristics of the study population

Socio-economic details	Characteristics	Percentage (%)
Gender	Male	60%
	female	40%
Age	<25	7%
	25-45	57%
	45-65	24%
	>65	12%
Education level	Without formal education	4%
	primary level	76%
	secondary level	17%
	tertiary level	3%

Response by estate	Sudhuwella estate	15%
	Hythe estate	33%
	Green land estate	34%
	Little valley estate	18%
Displacement type	Internal displacement	72%
	External displacement	28%
Experience within the Tea industry (year)	<5	6%
	5-10	52%
	10-25	40%
	>25	2%

### 3.1 Overview of estate people’s livelihood from the study area

Displaced tea plantation workers are again doing daily wage works, mostly the educated people are not engaged with estate works. They're doing permanent or government jobs and own businesses. But based on this study more than population (76%) completed the primary education level because they don't have proper fertility to continue their study. Accordingly, they engaged within this industry but mostly they don't satisfy with the wage system and also the tea plantation estate development process, ownership changing are main pull factors for this displacement. In sudhuwella GN division, many tea plantation lands have been sold to newcomers for housing and building construction purpose. When the tea estates are sold, tea plantation workers lose their jobs, accommodations and other sources of income. Therefore they displace to the near urban areas to find daily wage and other small works. Such as hotel and building construction helpers, and the salesman and other industrial works in the private sector.

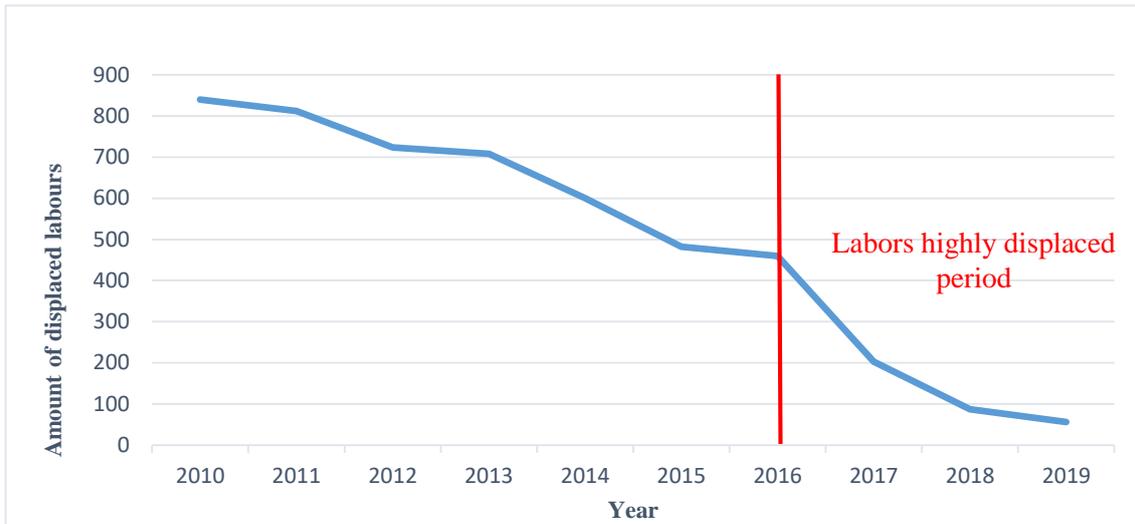
**Table 2:** Livelihood details of Sudhuwella GND population

Livelihoods	Female	Male
Tea plantation workers	40	16
Agriculture	25	27
Government jobs	15	27
Carpenter	-	21
electrician	-	07
Labours	21	33
Daily Wage workes	51	326
Masonry	-	37
Retailer	-	28
Foreign employment	52	14
Animal husbandry	06	19
Other jobs	29	33

Source: Economic development office (Deltota divisional secretariat, 2019)

Table 2 shows that the livelihood details of Sudhuwella GND through the details high amounts of tea population 326 engaged with daily wage workers and some other works that are done by displaced tea plantation workers. Therefore only 56 tea plantation workers balance peoples are engaged with other small cottage works and daily wage, own business.

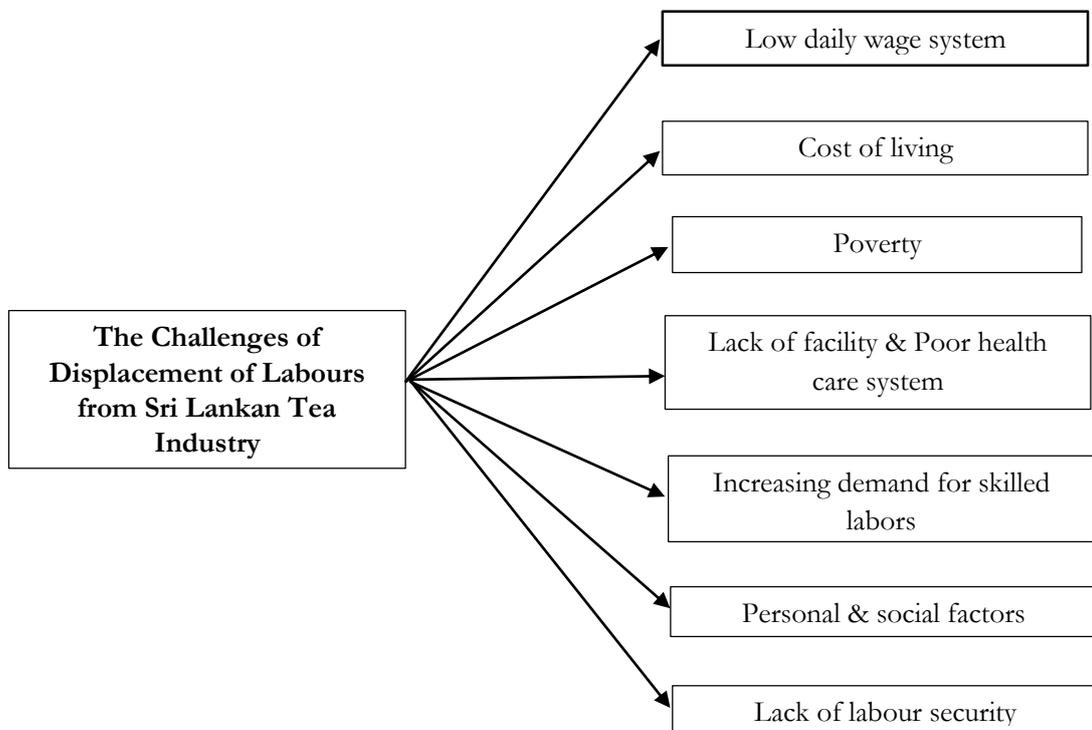
### 3.2 The trend of recent labour displacement between 2010 - 2019



**Figure 2:** Shows the trend of recent labour displacement between 2010 - 2019

Figure 2 shows the trend of recent labour displacement between 2010 - 2019, accordingly 2010 there were 840 tea plantation workers worked in tea estates but in 2019 there were only 56 tea plantation workers identifiable from the recent displacement of tea industry workers. After 2016 most of the labours displaced from the study area. Therefore the amount of displacement increasing highly annually. Through this bellow figure, the recent displacement over the last ten years gradually increasing.

### 3.2 The Challenges of Displacement of Labours from Sri Lankan Tea Industry



**Figure 3:** The Challenges of Displacement of Labours from Sri Lankan Tea Industry

**a. Low daily wage System**

Displaced Labours were mainly affected by low daily wage system. The need for greater cash income was the most common reason for seeking employment outside, often in combination with other factors. However, the cost of external employment could outweigh the earnings. Their working at out of the estate so the transport and accommodation, food and other expenses are very expensive. So the daily wage is not enough for their family. For instance, some male workers are working as a hotel helpers they getting LKR.1000 per day so they want to manage all family expenses from this LKR.1000 They are buying foods and grocery items daily. The access to or availability of work, increase in productivity requirements the slow increase in wage rates were all seen as factors which retarded earning capacity.

**b. Cost of living**

For the estate labours sample, the incessant rise in the cost of living and the fact that wage increases do not match this pace was the strongest factor in preventing upward movement and creating stagnation at low levels of wellbeing. The high percentage of household spending on food was identified as aggravating the impact of the rising cost of living. At the community level, the general condition of estate housing (particularly line rooms) is seen to be a contributory factor to poverty. However, at the household level, the stock of housing is seen to have improved predominantly due to people's efforts, although some acknowledge support from the management. Nevertheless, the residents felt that they were entitled to better housing and greater access to land.

**c. Poverty**

The nature of poverty in Sri Lanka is characterised by the dichotomy of high consumption poverty (affecting approximately 25% of the population) coupled with the attainment of high Human Development Indicators. Aggregated national figures, however, hide large regional and sectoral differences, and mask the situation in the estate sector (Department of Census and Statistics,2006).

At the community level, the general condition of estate housing (particularly line rooms) is seen to be a contributing factor to poverty. Understanding what the different groups of estate workers mean when they are discussing poverty is a finding in its own right as well as vital to understanding the upward and downward movements. The concept of relativity is critical in the characterization of poverty by estate households. Poverty was perceived in absolute terms only by the chronically poor. All the others viewed their standard of living in comparison to another group as well as within the frame conditions of the estate sector or in most cases even more narrowly focused on the particular estate in which they lived and worked. The most consistent feature in the characterization of poverty and wellbeing is its multi-dimensional view. Even though income aspects and consumption, (e.g. wages, household expenditure), are at the core of the characterization of poverty, other elements such as health and personal attributes were very strongly articulated.

**d. Lack of facility & Poor health care system**

The poor quality of the health services available on the estate which leads to high expenditure to obtain alternatives was seen as a factor contributing to the deterioration of the community. While the buildings themselves remained, the availability of trained staff, drugs and functioning equipment were considered to have worsened. The level of dissatisfaction with access to health care was far greater in the tea sector than the rubber sector. The residents saw a direct link between changes brought about by privatization and deterioration of health facilities.

The deterioration of roads was linked to the difficulties in renting transport to convey patients in the absence of an ambulance that belonged to the estate. The lack of an ambulance was highlighted since some estates do provide this service to patients.

The female focus groups were particularly critical of the changes which directly affected children and women, such as the halting of free provision of nutritional supplements to children and changes in maternity-related care. These were linked to new productivity standards and other rules introduced by the privatized management in recent years and articulated by the workers in an extreme form.

**e. Increasing demand for skilled labours**

At the household level, the cost of education was identified as a downward driver although the need for education was not disputed. There was a strong feeling that better education was an upward driver, but the lack of evidence created some doubt about the real role of education. Accessing better quality education within the estate schools or in the region's towns was seen as having a positive impact on the community. However, in present days many jobs need high labour skills its mean high-income jobs need high skilled labour force. This increased demand for high labour skills in jobs is a big barrier for estate workers to find and get high-income jobs. Through the study, female estate workers have only tea plucking and tea factory works experience and skill so after displacement they suffering from finding new jobs, for this reason, they choosing foreign employments.

**f. Personal & social factors**

Under these Personal & social factors challenges, tea plantation estate was sold by the land master so workers stated displacement, this situation creates many un employments that's leads to income problems for the reason in a family mother enter the work. Children also affected by this problem due to the low income they leave their schooling. In many families youngsters are loss their married life, few of divorced couples are living in our study area. Female doing very hard works. Single parent children are lost their education and other qualities. Relatively low income and poverty families don't always support their children's continuing education.

Personal factors such as hard work, money management and planning, were discussed as upward drivers. Though not discussed as much at the household level, the focus group discussions identified negative personal attributes such as laziness and lack of initiative as causing households to remain in poverty. The personal attribute most often discussed and seen to have an all-pervasive negative effect was alcohol consumption. Alcoholism was seen as a hindering factor in a range of issues, affecting households' income earning capacity and expenditure, obstructing educational attainment of children, creating intra-household conflict, and disrupting community life.

**g. Lack of labour security**

High human development factors such as quality education and training, proper health and nutrition, safety and security, and quality housing, are considered to be the elements of a high living condition. However, socio-economic statistics on estate sector and empirical findings of the study present evidence that the prevailing living conditions of the tea estate community are not up to standard. Low quality houses with poor sanitary facilities and insufficient space have created adverse health effects on estate workers. Tea plantation workers get free accommodation but after the estate closed some of them lost their accommodation. Most of the old estate workers are living in rental houses. They sold their own houses to others because of their suffering with low income.

#### **4. CONCLUSION & RECOMMENDATIONS**

Attempts to accelerate the process of displacement of labours from the tea industry great major challenge for future Sri Lankan economy & estate based workers demand. The study concludes by suggesting that recommendations to the challenges of displacement in the tea sector can be sought using different strategies:

**Strengthening the Estate system within tea industry:** Within the system, solutions to address wage system and poverty should focus on increased access to work and to methods of coping with the high cost of living, increasing access to and quality of health and education, improving housing and access to land, and better communication among all stakeholders.

**Integration and networks:** Networks is the most critical facilitator for moving out of the sector. While it is seen most frequently in operation in securing employment it is also important in accessing better education. While the more isolated communities had less access to opportunities, to a large extent networks overrode the constraints that could be created by isolation.

**Greater positive thought within estate people:** A positive approach would be to accept change within the labour force. This would include both encouraging the factors that have a positive impact on labours as well as those that minimize risks, through facilitating displacement; encouraging self-employment; developing alternative skills; and expanding the provision of state welfare services. Developing a positive image of the sector as labour is key in attracting labour to the estates as well as giving dignity to estate employment in the eyes of the larger socio-economy.

**Developing a positive attitude towards the sector:** Within the industry, particularly in tea, the advantages of positive associations of the brand ‘Ceylon Tea’ are well known and accepted. In the current scenario of changing markets, the industry has the potential to market a positive image based on quality. However, it is not only at the end of the production line that a positive image of the sector has to be built up. The negative image of the estate sector as an employer and the low status of estate labour is also an important area to focus on. It is critical for 64 Tensions and changes in the tea in Sri Lanka the industry to overcome the very negative image of estate labour and develop a sense of self-worth and dignity within the sector. This will go a long way towards aiding households to move out of poverty, as well as assisting the industry to overcome labour shortages.

**Facilitating mobility and migration:** Mobility is greatly facilitated by increased security and possession of citizenship and identification documents. Besides, mobility can be actively encouraged by improving transport services and focusing on the factors that facilitate external employment such as education, exposure to life outside the estates, employable skills and language skills. Other options include setting up centers to provide information and links to employment opportunities. This would give workers greater access than they have when relying exclusively on their networks.

**Encouraging self-employment, alternative skills development:** A few projects are currently in operation to encourage self-employment. It is essential to expand such initiatives, targeting not just youth but also those households which are at a critical period in their lifecycle. Particular attention needs to be paid to developing skills which enable more secure and higher-income employment.

**Expanding the provision of estate welfare:** State welfare programs that target the poor are rather limited in this sector. As well as improving state provision of services, there is a need to target the chronically poor, the chronically sick and the elderly. Programs should ideally be built to reflect the fluctuating fortunes of households during the life cycle.

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