

LABOUR STANDARDS

Courtesy Centre for Poverty Analysis (CEPA)

Following independence, Sri Lanka's tea industry has seen the application of protective labour legislation, trade union action, collective bargaining, and welfare projects and industry standards with a view to improving conditions of the labour force at the bottom of the value chain.

While there have been some improvements, the tea estate workforce remains the most marginalised labour group in the formal sector. This article draws from literature on how Fairtrade certification can improve labour conditions.

Originally, Fairtrade certification was designed to address the plight of peasant farmers as they sold their produce only through non-commercial outlets. But today, the certification is a voluntary mechanism with market-based incentives for participation. And it was extended in 1994 to large-scale tea plantations in Sri Lanka with the rationale being to include landless labourers who are poorer than disadvantaged farmers and small producers.

Fairtrade certification prescribes a set of social, labour, environmental and trade standards for large-scale tea estates. Its objectives are based on establishing better worker conditions and rights that are rewarded with a premium price on the sale of a Fairtrade certified product.

Moreover, a percentage of the revenue from such sales is channelled to a 'Premium Fund,' which is utilised to improve the wellbeing of the labour force. This ethos seems positioned to provide workers with tools and conditions for self-determination.

Among others, the labour standards under Fairtrade concepts emphasise the need for freedom of association, decent wages and collective bargaining. And the ability to join unions and access dispute redressal mechanisms are in place in formal estates. These requirements are primarily covered in formal tea industries through national labour laws and tripartite collective bargaining agreements (CBAs).

Of course, wages and the ability to negotiate a decent wage are among the main labour rights. The battle for better wages continued to rage in tea estates while the debate on whether they can be considered a living wage remains open.

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DIVIDENDS FROM FAIRTRADE

Can compliance lead to better working conditions for Sri Lankan workers?

Reviewed studies that compare certified with uncertified tea estates in India and Sri Lanka have identified only minor differences in wages. And since such wages are determined by tripartite agreements, how can Fairtrade influence this segment of the labour force to earn a living wage?

As for working conditions, certification (not only Fairtrade but others as well) has seemingly made a difference to occupational health and the safety of workers especially in factories and procedures for using chemicals.

Unfortunately, the same degree of uniform impact isn't seen in the fields where rest areas and sanitation facilities are lacking, and plucking baskets need to be upgraded. As a majority of those who work in the field are women, this affects females more than men.

The Premium Fund that Fairtrade provides for each unit of certified tea is a unique feature (i.e. compared to other certification processes), which offers direct benefits to the workers. It is managed by a premium committee that comprises workers – both men and women – chosen by the workforce. The management plays an advisory role and a Fairtrade Officer oversees the work as stipulated in the Fairtrade Social Standards.

Moreover, it has provided workers with a space to develop decision-making skills. The fund is used for improving conditions on estates that range from purchasing flasks and CFL bulbs, to providing loans, livelihood training, educational support, facilities for leisure activities and transport. And it is highly valued by the workers.

The Premium Committee and Premium Fund have become the face of Fairtrade among workers, management and the organisation's support network. Much of the emphasis in Fairtrade activities is placed on this fund; and in comparison, the objective of upholding and improving workers' rights is not a recognised aspect of Fairtrade's support.

Overall, Fairtrade offers incremental benefits that it appropriates on estates that have high standards in the first place.

So can a voluntary process reach workers who are more disadvantaged? In addition, the ambitions of certification to create a better environment for establishing a living wage will also require greater efforts and engagement.

– Compiled by Karin Fernando and Karin Astrid Siegmann