

Moving Out of Poverty in the Estate Sector in Sri Lanka:
Understanding Growth and Freedom from the Bottom Up

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Acronyms

ADB	Asian Development Bank
CBSL	Central Bank of Sri Lanka
CBR	Crude Birth Rate
CDR	Crude Death Rate
CEPA	Centre for Poverty Analysis
CIDA	Canadian International Development Agency
CSE	Colombo Stock Exchange
CTL	Community Time Line
CWC	Ceylon Workers' Congress
DCS	Department of Census and Statistics in Sri Lanka
DSD	Divisional Secretariat Division
EPF/ ETF	Employees' Provident Fund/ Employees' Trust Fund
EWCS	Estate Worker Co- operative Society
FGD	Focus Group Discussion
GAQ	General Arts Qualifying Exam
HIES	Household Income Expenditure Survey
IFI	International Finance Institution
INGO	International Non – Governmental Organisation
IRDp	Integrated Rural Development Programme
JBIC	Japan Bank for International Cooperation
JEDB	Janatha Estates Development Board
JVP	Janatha Vimukthi Peramuna
LOL	Ladder of Life
LRC	Land Reform Commission
MA	Managing Agent
MDG	Millennium Development Goals
MOP	Moving Out of Poverty
NGO	Non Governmental Organisation
OBI	Office Based Information
PDSP	Plantation Development Support Programme
PHDT	Plantation Housing Development Trust
PHSWT	Plantation Housing and Social Welfare Trust
PRP	Plantation Reform Project
PSG	Programme Support Group
PSTP	Plantation Schools Training Programme
RPC	Regional Plantation Company
SDD	Social Development Divisions
SLPA	Sri Lanka Poverty Assessment
SLSPC	Sri Lanka State Plantations Corporation
SPC	State Plantations Corporation
SWP	Social Welfare Programme
TCI	The Competitiveness Initiative
TOR	Terms of Reference
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United State Agency for International Development
WUSC	World University Service Canada

Executive summary

Introduction and scope of study

1. This study seeks to inform two World Bank studies relating to poverty: the Sri Lanka Poverty Assessment (SLPA) and the global study on Moving out of Poverty: Understanding Growth and Freedom from the Bottom Up (MOP)¹.
2. The Department of Census and Statistics' release of the official poverty lines and poverty measures together with a large data set relevant to poverty in Sri Lanka motivated the World Bank to carry out a Sri Lanka Poverty Assessment study. The SLPA's² focus was drawn to the estate sector due to the fact that national poverty statistics highlighted an increase in the head count index of poverty in the sector over the last 15 years, in contrast to the national trend of gradually reducing poverty.
3. The MOP study is a global initiative by the Poverty Reduction Economic Management Unit of the World Bank which "aims to select 10-16 countries on the basis of four characteristics which are deemed to be especially important as determinants of the extent of poverty transitions and the way in which these transitions occur."
4. This leads to the two core research questions of the study:
 - Why has the estate sector shown increasing levels of poverty?
 - Why and how do some poor people move out of poverty and stay out of poverty while others fall into poverty or remain trapped in chronic poverty?
5. As this study was to a large extent motivated by an attempt to understand the rising poverty levels indicated by the Department of Census, it uses the same definition of the 'estate sector' used by the DCS: 'Plantation areas, which are more than 20 acres in extent and having not less than 10 residential labourers'

The context of the estate sector in Sri Lanka

6. Large plantations growing tea, rubber and coconut came into being during the British colonial period. The sector was set up as self-sufficient enclave structure with very little integration into the national socio-economy. Capital, labour and management were all imported and land was the sole local resource. All services required for profitable commercial functioning were built into the system.
7. Labour was imported from South India to work on the plantations and they were confined within the structure, thus creating 'residential labour' which was totally dependent on the management for all aspects of their life.
8. Considerable changes have taken place in the sector since Independence. The importance of plantation crops in the national economy has fallen, ownership has moved from foreign to national, the labour force have become Sri Lankan citizens, and the rigidity of the estate structure has reduced. Changes have been a result of direct, targeted policies as well as a response to national changes.

¹ TOR / CEPA action plan December 2004.

² Poverty Assessment for Sri Lanka: Concept Note, September 2004. South Asia Region, World Bank.

9. The subject of this study is poverty among residents of the estate sector. Latest statistics on poverty show increasing consumption poverty alongside improving human development indicators. The estate sector still remains out of step with the national trends.

Study Findings

Characterising poverty in the estate sector

10. The characterisation of poverty and well-being highlighted a number of pertinent issues in relation to how the estate sector perceives poverty:

- Poverty was perceived in absolute terms only by the chronically poor. All others, both at focus group discussions and in individual life stories, viewed their own standard of living in relative terms. Except in a few instances, as in the case of the more dynamic youth discussions, the understanding, perceptions and explanations of poverty by respondents were restricted to the framework of the estate sector.
- The characterisation of poverty and well-being is multi-dimensional. While income and consumption (in terms of wages, household expenditure) are at the core of understanding poverty, other elements such as health and personal attributes are also very strongly articulated.
- The homogeneity of the estate sector is reflected in the very marginal differentiation in the characterisation of poverty between the main sample categories of crop, district and management type. This was particularly true of the characteristics of the 'bottom' or the chronic poor.

11. Based on the Ladder of Life method, the characteristics of households at different levels were identified:

Self-assessment of characteristics of household categories

'Bottom' level households	'Middle' level households	'Top' level households
Priority characteristics		
<ul style="list-style-type: none"> • <i>Adverse ratio of income earners to dependents</i> • <i>An unstable / limited source of income.</i> • <i>High incidence of illness, chronically ill income earners</i> 	<ul style="list-style-type: none"> • <i>Higher number of income earners, multiple sources</i> • <i>Employment by a member of the household in non-estate sectors, particularly overseas</i> • <i>Demographics of the household</i> 	<ul style="list-style-type: none"> • <i>Stable high-end income derived from multiple sources.</i> • <i>Regular overseas remittances</i> • <i>Productive networks and social capital</i> • <i>Investments in household and productive assets</i> • <i>Access to loans</i> • <i>Ability to counteract negative variables with positive ones</i>
Frequently mentioned characteristics		
<ul style="list-style-type: none"> • <i>Dilapidated houses with limited access to utilities</i> • <i>Alcoholism</i> 	<ul style="list-style-type: none"> • <i>Prioritisation of education</i> • <i>Controllable debt cycle</i> 	<ul style="list-style-type: none"> • <i>Improved housing and utilities</i> • <i>Investments and credit for</i>

		<i>productive purposes.</i> <ul style="list-style-type: none"> • <i>Higher value of education</i> • <i>Positive demography of households/ dependency ratio</i>
Other characteristics		
<ul style="list-style-type: none"> • <i>Low spending on education</i> • <i>Negative personal attributes and negative outlook/approach</i> • <i>Limited networks and social capital</i> • <i>Female-headed households</i> • <i>Lack of land</i> • <i>High levels of indebtedness</i> 	<ul style="list-style-type: none"> • <i>Access to utilities (electricity and water), better housing</i> • <i>Ownership of assets such as household goods</i> • <i>Positive personal attributes such as hard work and the will to develop.</i> 	<ul style="list-style-type: none"> • <i>Enabling personal attributes</i>

12. The households assessed as being at the ‘bottom’ were those who faced long-term deprivation and felt that they were at the bottom of the community group. The ‘middle’ group were those who did not face key deprivations but were constantly balancing the upward and downward pressures. The extent to which the upward drivers could dilute negative pressures kept households at the middle level and helped to move them up. The ‘top’ level was characterised by progressive ‘movers’ whose well-being factors outweighed the deprivations; they saw themselves as better than most in the community.

Perceptions of change within the estate sector

13. The residents perceived the overall living conditions on the estates to have deteriorated over the last 15 years. This perception of deterioration was particularly strong in the tea sector. Interestingly, however, none of the rubber sector communities definitively perceived such stagnation; there was an equal spread of opinion between the contrasting beliefs that conditions were deteriorating or improving.

14. There was greater consensus regarding potential changes in the future: the majority believe that positive change will not happen at the estate level in the near future.

15. Contrasting with the perceptions regarding change at the community level, there was a strong consensus among the individual households that the last 15 years had seen improvement at the household level.

16. The strongest differentiation was seen between RPCs and privately owned and managed estates. There was a stronger perception of a deteriorating trend in the privately owned and managed estates. At the household level too, while only 7% of the households in the RPC sample felt they had deteriorated during the last 15 years, 22% of households living in private estates cited deterioration.

17. The more unfavourable conditions within the private estates in relation to RPCs were reflected in all discussions with focus groups and households.

18. Thus, a clear differentiation exists in the residents’ perception of improvement at the community level and household level. Analysing triangulated data, it becomes evident

that the phenomena of perceiving the community as deteriorating but one's own household as improving can be understood in of the following context:

- Perceptions of community deterioration are influenced by a comparison against an 'ideal type.' This refers to alternative forms of management experienced over the years, as well as the influence of the total institutional structure which historically created a paternalistic/dependent relationship between the management and the workers. More recently this has developed into an adversarial; rights- based culture associated with ethno-political unionised labour. In this context, any improvements seen within the community are compared against a past ideal and found to be wanting.
- The critical role of non-estate employment in diversified household livelihood portfolios has successfully separated the fortunes of the household from that of the estate community. While the chances for a given household to increase their well-being are greater in circumstances where the estate is doing well, households in deteriorating environments can increase the percentage of their income from external sources and therefore move upwards quite independently of conditions on the estate.

What helps and hinders people's movements out of poverty

19. The dynamic aspects of change, i.e. the forces and circumstances that create upward and downward pressure on given household were identified by community and individual households. Factors help and hinder movement by combining with each other as well as reacting to a given situation. Hence a given factor can help as well as hinder over a period of time or given different circumstances.

- *The nexus between wages, availability of work and cost-of-living*

20. For estate workers in all sample categories, 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 well-being.

21. The availability of work, increase in productivity requirements following re-privatisation, and the slow increase in wage rates were all seen as factors which affected earning capacity. There was slight variation between the tea and rubber sector as the workers in the rubber sector identified improved work availability due to changes in agricultural techniques and marketing.

22. The high percentage of household spending on food was identified as aggravating the impact of the rising cost of living.

- *Diversifying the household livelihood portfolio*

23. The most popular as well as most successful method of coping as well as moving out of poverty is by diversifying the household livelihood portfolio. The ideal diversified livelihoods portfolio would incorporate estate and non-estate work, internal and external migration, and skilled and non-skilled labour.

24. The members of dynamic households took a conscious decision to include estate work in their household livelihood portfolio in order to maximise the advantages of accessing the remuneration and housing package. Contrastingly, 'bottom', and 'medium' households that were stagnating or deteriorating saw the estate employment structure

as restricting freedom. The lack of choice and frustration with a highly structured system, which they were unsuccessful in manipulating, was central to their dissatisfaction.

25. In terms of the non-estate segment of the portfolio, overseas employment, predominantly in the Middle East, was the most successful upward driver. Migration within the country has a similar but less immediate impact. Longer term migration is most successful as it allows the household to develop a sustainable source of income as well as non-income dimensions such as networks.

- Impact of the household life cycle

26. The demographic cycle of a household - from the birth of children into a family, through schooling, to reaching the age of employment, marriage and death – has a strong impact on household mobility - asserting both upward and downward pressures depending on the stage of the cycle. It impacts the household's earning capacity, as well as the expenditure structure. Households that move out of poverty are those that have successfully built on the upward drivers while minimising the negative impact of the downward drivers.

- *Management reform and governance*

27. Throughout the study, there was little satisfaction among residents with regard to any form of estate management. The lack of competence in agriculture and production and lack of care in human resource management was seen as a downward driver in all but a few estates. While trade unions were acknowledged to be representing the workers to the management there was heavy criticism of the self-serving nature of the unions and leaders as well as the lack of representation.

- *Health and access to healthcare*

28. The type and quality of healthcare available within the estate was identified as an influencing factor regarding the conditions on the estate. Assessments were mixed and were influenced directly by the specific conditions on the particular estate. However, most group discussions saw a direct link between changes brought about by privatisation and deterioration of health facilities. The female focus groups were particularly critical of the changes which directly affected their care giving role. This role has to be balanced with their role as the primary providers of estate labour.

29. Issues relating to ill health - and death of a family member – were significantly more important at the household level than at the community level. Health was such a strong factor for households that it frequently overrode strong upward drivers such as a diversified livelihood portfolio and low number of dependents.

- *Access to education and other facilities*

30. Overall, access to better quality education both within the estate and in the larger towns was seen as a positive change. The greater value placed on education was also identified as a factor that exerted upward pressure on individuals as well as the community as a whole.

31. However, cost of education was frequently identified as a downward driver. Although there was a strong feeling that better education led to better employment opportunities, the lack of evidence created some doubt about the real role of education as an upward

driver. However, the role of education in enabling greater integration with the national socio-economy was strongly articulated, particularly by young people.

- *Housing and utilities*

32. At the community level the general condition of estate housing (particularly line rooms) is seen to be a contributing factor to poverty. However, at the household level the stock of housing is seen to have improved predominantly due to individuals' own efforts, although some acknowledge contributions from management. However, residents had a strong sense that they were entitled to better housing and greater access to land.

- *Personal and social factors*

33. Personal factors such as hard work, money management and planning, were discussed as upward drivers. Though less discussed 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.

34. 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.

35. The increasing availability/supply of alcohol was seen to create and increase the demand. Many better-managed RPCs were attempting community level solutions to the problem, and frequently sought the participation of young people in such programmes.

Special Focus: Youth Aspirations and Challenges

36. Education in the sector has seen considerable improvement, although critical gaps still exist. While the benefits of education were acknowledged, its impact in raising the potential for income generation was debatable because of constraints to accessing employment. Educated youth were not willing to work on the estate and had increased interaction with the non-estate sectors through employment, education and social activity as well as increased access to media and telecommunications.

37. There was a marked preference for off estate work (more pronounced in the rubber sub sector), because of improved levels of learning and the stigma associated with being an estate labourer. Salaried employment in the non-estate sectors was not easily available to this group, relegating them to openings at a low level. A minority are able to secure jobs as semi-skilled workers.

38. Migration for employment is age selective. 90% of youth in the rubber sector and 60% of youth in the tea sector work off the estate in these 'prime' years. The strong dislike for taking up estate work was evident in the many number of FGD respondents who were temporarily employed in ad hoc ventures such as gem mining and those who were voluntarily unemployed, awaiting a job that matched their aspirations.

39. An improvement was noted in youth mobility with increased opportunities, especially in the rubber sector where the estates are located close to rapidly developing townships.

40. Many youth respondents cited marginalisation because of their ascribed status as an obstacle to progress, even in instances where they possessed the required qualifications and expertise. Problems resulting from their Indian Tamil ethnicity and the 'estate worker' identity were frequently cited by the youth FGDs.

Impact of the estate sector's structure on movement out of poverty

41. Analysing the perceptions of households, management and other key stakeholders, in the overall context within which the estate sector operates, it is evident that the structural form of the sector is a critical element in moving out of poverty.

42. The structure of the 'plantation system' as it stands today creates non-economic forms of poverty within the sector, which in turn influences household economic decisions. It is also less than successful in creating a dynamic and profitable industry, and this additionally constrains the upward mobility of residents within the sector.

43. A core feature of the plantation system put in place during British colonialism was its separation from the national socio-economy and its self-contained structure, which included within its boundaries the immigrant labour force.

44. Despite the fact that most aspects of the system have undergone very significant transformation since Independence, many fundamental features of the plantation system remain. This creates very serious contradictions and tensions within the system.

45. The strongest area of tension lies in the contrasting perspective of economic efficiency on the one hand, and the rights of the workers on the other hand. This undermines the effective functioning of the system.

46. The tensions created by this polarised perspective are particularly obvious with regards to housing. The residents take the position that it is their home and that they therefore have the right to decide how they live and work; while the management takes the position that the housing is workers' quarters, hence, at the very minimum the household head should be working for the estate. Both positions are equally legitimate, but contradictory.

47. A critical consequence of the plantation system is the residents' feeling of exclusion and marginalisation from the mainstream socio-economy. This is a dimension of poverty in its own right. Even households that have incomes significantly higher than the poverty line feel strongly that they are members of a sector that is being given a 'raw deal' in comparison to the mainstream socio-economy.

48. In addition, this sense of marginalisation and exploitation influences economic and livelihood decisions. Closely linked is the adversarial / dependent relationship with the estate management, and the popular view that estate work is degrading, unsuitable. This leads many residents to shun estate work and attempt external employment. Households are thus unable to take full advantage of the available earning capacity on the estate, because even when it is available, estate work is not taken up.

49. The decrease in estate work identified by the residents is also influenced by the manipulation of the system by the management. While seasonality is an inbuilt agricultural variation, many estates also attempt to maintain more casual labour than registered labour, thus feeding the cycle of labour-management tensions.

Seeking solutions

50. Attempts at accelerating the process of moving out of poverty of the estate sector population can be considered on a continuum of structural change of the plantation system. The study concludes by suggesting that solutions to the problem of estate sector poverty can be sought along three lines:

- *Strengthening the existing structure:* Within the existing structure of the estate sector the primary issues are access to and the quality of the drivers of moving out of poverty. Hence, solutions should focus on increased access to work and 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.
- *Accepting and encouraging natural change:* The gradual breakdown of the rigid 'plantation system' can be ignored, restricted or encouraged. Given the strength of change factors and the positive impact this breakdown is having on households moving out of poverty, a positive approach would be to accept change. This would include both encouraging the factors that have a positive impact on households as well as those that minimise risks, through facilitating mobility and migration; encouraging self-employment; alternative skills development; and expanding the provision of state welfare services. Developing a positive image of the sector as an employer is key in attracting labour to the estates as well as giving dignity to estate employment in the eyes of the larger socio-economy.

- *Actively mainstreaming the sector.* Unless some of the most fundamental factors of the structure that characterise the 'plantation system' are addressed, only a limited amount of movement can be achieved by estate sector households. The captive feature of the plantation system is the most critical factor that limits movement and, more importantly, creates a strong feeling of marginalisation. The most enduring link to the enclave plantation system is the housing system - the fact that labour continues to live within commercial property. Separating housing from the estate would relieve management of welfare responsibility towards the estate population. Equally it would relieve residents of the obligation of having to provide labour to the estate. The estate sector would therefore become part of the mainstream economy, working on the basis of a conventional employer/employee relationship.

1. Introduction and scope of study

1.1 Study background

The estate sector in Sri Lanka traces a history of almost 150 years. The British started the industry in the 1800s with 'imported' indentured labour from South India and today's estate population are descendants of this labour that was brought into the country up until the 1940s. Sri Lanka's success as a lead exporter of tea in the 1960s and 1970s ensured the continuation of the industry through many subsequent changes in the form of nationalisation, re-privatisation and the rise of the small holder. Although the sector has evolved it still retains aspects of the enclave structures and conditions that existed at its creation.

Isolation and limited mobility owing to a range of factors has marginalised the sector which has not reaped the full benefits of developments that other sectors of the country have enjoyed, and households in the estate sector are currently among the poorest in the country. However, in spite of the frequent emphasis in development discourse on the marginalisation and backwardness of the sector it must be acceded that conditions have improved. Estate structures are less rigid and factors such as trade union activism, state interventions, sector specific development programmes, increased interaction with rural and urban sectors, greater integration with the mainstream economy, etc. have resulted in macro level improvements. This said, the improvements do not match developments in other sectors and the sector still lags behind in almost all indicators of poverty.

1.2 Sri Lanka Poverty Assessment and Global study on Moving Out of Poverty

This study seeks to inform two World Bank studies relating to poverty: the Sri Lanka Poverty Assessment (SLPA) and the global study on Moving out of Poverty: Understanding Growth and Freedom from the Bottom Up (MOP)³.

³ TOR / CEPA action plan December 2004.

The Department of Census and Statistics' release of the official poverty lines and poverty measures, together with a large data set relevant to poverty in Sri Lanka, spurred the World Bank's decision to carry out a Sri Lanka Poverty Assessment study. The SLPA's⁴ focus was drawn to the estate sector due to national poverty statistics showing an increase in the head count index of poverty in the sector over the last 15 years, in contrast to the national trend of gradually reducing poverty. The SLPA intends to explore factors that have contributed to and impacted this increase in poverty within the estate sector in order to assist development planning and to identify areas that need to be reviewed and revisited, using the findings of this study as one of the sources of information.

The MOP study is a global initiative by the Poverty Reduction Economic Management Unit of the World Bank which;

“aims to select 10-16 countries on the basis of four characteristics which are deemed to be especially important as determinants of the extent of poverty transitions and the way in which these transitions occur. These characteristics are income level, rates of economic growth, democracy/governance, and degree of openness to trade. The study is primarily concerned with examining the *dynamics* of 5 to 10 year transitions out of poverty from the perspectives of those who have lived through these experiences. The global breadth of the 10-16-country study will enable examination of mobility and chronic poverty over time across different political, social, and economic environments.”⁵

The estate sector study in Sri Lanka will form one element of the global MOP study. Parallel to this qualitative study, a quantitative study of the sector is being carried out as a companion source of information on the estate sector.

1.3 Structure of the report

Chapters 1 to 3 delineate the methodology and set the context of the study. The context review focuses on areas that have particular influence and relevance to the drivers of movement found through the study. Chapter 4 and 5 presents the field findings in relation to characteristics of poverty and the drivers of household mobility. Youth as an area of special interest is discussed in Chapter 6. Chapter 7 presents what the study finds to be at the core of poverty in the estate sector; the 'plantation system' which constraints movement and, most importantly, creates strong non-economic dimensions of poverty, which affects choices made by the estate population. The conclusion brings together the findings and also looks at the possibility of seeking solutions to the problems of poverty in the estate sector.

1.4 Main messages of the report

Living conditions within the estate sector – as defined by broader multidimensional factors – is perceived at the community level to be predominantly deteriorating. However, contradicting the community trend, at the household level the perception of

⁴ Poverty Assessment for Sri Lanka: Concept Note, September 2004. South Asia Region, World Bank.

⁵ Moving out of Poverty: Understanding Growth and Democracy from the Bottom-Up. Methodology Guide, January 2005.

deterioration was marginal. Two factors stand out strongly as push down factors of households in the estate sector;

1. In economic terms households are very vulnerable to increases in the cost of living, particularly the cost of food and other consumables. Household incomes barely keep up with increasing costs and those that do succeed in reaching a higher standard of living do so through a combination of regular employment on the estate and external income sources.
2. The structure of the 'plantation system' as it stands today creates non-economic forms of poverty within the sector, which in turn influences households' economic decisions. The system is also less than successful at creating a dynamic and profitable industry, thus once again constraining the upward mobility of residents within the sector.

The study concludes by suggesting that solutions to the problem of estate sector poverty can be sought along three lines:

1. *Strengthening the existing structure:* Within the existing structure of the estate sector the primary issues are access to and the quality of the drivers of moving out of poverty. Hence, solutions should focus on increased access to work and 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.
2. *Accepting and encouraging natural change:* The gradual breakdown of the rigid 'plantation system' can be ignored, restricted or encouraged. Given the strength of change factors and the positive impact this breakdown has on households moving out of poverty, a positive approach would be to accept and encourage change. This would include encouraging both the factors that have a positive impact on households as well as those that minimise risks, through facilitating mobility and migration, encouraging self-employment, alternative skills development, and expanding the provision of state welfare services. Developing a positive image of the sector as an employer is key in attracting labour to the estates as well as according dignity to estate employment in the eyes of the larger socio-economy.
3. *Actively mainstreaming the sector:* Unless some of the most fundamental factors of the structure that characterise the 'plantation system' are addressed, only a limited amount of movement can be achieved by estate sector households. The captive feature of the 'plantation system' is the most critical factor that limits movement and, more importantly, creates a strong feeling of marginalisation. The most enduring link to the enclave 'plantation system' is the housing system - the fact that labour continues to live within commercial property. Separating housing from the estate would relieve management of welfare responsibility towards the estate population and would relieve residents of the obligation of having to provide labour to the estate. The estate sector would therefore become part of the mainstream economy, working on the basis of a conventional employer/employee relationship.

2. Conceptual Framework and Methodology

2.1 Conceptual framework

2.11 Rationale and study objectives

Poverty indices calculated by the Department of Census and Statistics and empirical research carried out in the estate sector show a significant rise in consumption poverty parallel to improving human development indicators. This contradiction or 'puzzle' has influenced the formulation of the research questions for this study. It aims to unravel factors contributing to the increase in poverty, in order to inform policy that seeks to arrest the trend.

The study considered **two core research questions**:

- Why has the estate sector shown increasing levels of poverty?
- Why and how do some poor people move out of poverty and stay out of poverty while others fall into poverty or remain trapped in chronic poverty?

This study was conceptualised using a multidimensional approach to understand the phenomenon of poverty in the estate sector, paying particular attention to household level variables that aggravate or mitigate poverty.

2.2 Research Design

2.21 Study definitions

The estate sector:

The study team held discussions with various stakeholders parallel to the collection of secondary data and compilation of the literature review to ascertain policies, trends and the definition of the term 'estate sector'. It is clear that the definition of 'estate' is fluid and depends on the context of discussion. It encompasses for example, both

large and smallholdings, residential and non-residential labour, estates managed by large scale, private Regional Plantation Companies (RPCs) as well as those that are individually or family managed, and estates owned and managed by the state.

As this study was to a large extent motivated by an attempt to understand the rising poverty levels indicated in the DCS data, it uses the same definition used by the DCS. Hence the estate sector is taken to mean “Plantation areas, which are more than 20 acres in extent and having not less than 10 residential labourers”. This definition is used for sector disaggregated national statistics on demography, poverty and human development statistics produced by the Department of Census and Statistics and the Central Bank.

This definition covers the crops of tea, rubber and coconut but crop disaggregated statistics are not provided. Neither is the sector disaggregated according to management type or size of holding, hence residents of both large RPC managed estates as well as smaller privately managed estates are amalgamated in presentation of indicators. Further, it does not include tea and rubber smallholders, this population is considered part of the rural sector in statistical data presentation.

This study concentrates on the two main crops of tea and rubber, as coconut now forms a very small percentage of the sector and its labour related issues have little in common with those of tea and rubber.

The community:

Terminology has been contextualised to reflect the vast areas that fall under a given management unit. Hence, in large estates an estate division⁶ was defined as a ‘community’ whilst in small and medium estates, respondents viewed the entire estate as a ‘community’. Fundamentally, the boundary of the ‘community’ was decided based on the common usage by the given group of people and their interactions in daily life.

The household:

A household was defined as a unit that constituted all people living in and sharing expenses. The standard definition was operationalised to include those who were not physically present but who contributed to the household and retained membership by virtue of not maintaining another dwelling unit.

The period of change:

The study looked at change over a 15-year time frame in order to:

- Correspond to the macro level trend of increasing poverty, which forms the point of departure of the study. The poverty statistics show that estate poverty declined during 1995/1996 to 2002. However, 1995/96 is considered an outlier year as conditions were affected by the drought during that period and poverty was high. The trend of increasing poverty is shown between 1990/91 and 2002 – a 15-year period.
- Include 1992, which is a key milestone as the sector was re-privatised. This policy change was considered to be crucial in the time line developed with central level stakeholders during the study design stage.

⁶ Large estates are divided into administrative units, generally equal in extent, which are called a ‘division’

- Set the recall period required for the MOP study, which looks at movement out of poverty within a specified timeframe.

2.22 The sampling framework: Criteria

The study was qualitative in approach and employed a multistage theoretical sampling technique. Data obtained is ***not necessarily be representative*** of all households, but is ***indicative*** of a range of variables that support and or repress households from moving out of poverty. The total sample comprised 20 estates.

Table 2.1: Stratification of sampling

Level 1	Crop, spread and poverty
Level 2	Management type, size, level of remoteness, labour profile
Level 3	Households, top, medium and bottom level well-being

The **first level** of sampling was constructed using the base criteria of **crop type, spread and prevalence of poverty**.

Crop type: 10 tea and 10 rubber estates were included in the sample. Despite the fact that tea accounts for a larger proportion of cultivation, production and labour, the study team took the decision to equally sample the crops as it became evident from the literature survey and stakeholder discussions that studies on the estate sector were highly biased towards the sub-sector of tea. There was limited knowledge on the rubber sector and stakeholders were divided on the nature of poverty and movement in the rubber sub-sector.

Spread: On the basis of the extent of cultivation the districts selected were Nuwara Eliya, Badulla, Kandy, Ratnapura, Kegalle and Kalutara. Nuwara Eliya, Badulla and Kandy are the top three tea cultivating districts while Kegalle and Kalutara are the top rubber cultivating districts. Ratnapura had an equal spread of tea and rubber. Tea was sampled in Ratnapura to enable a comparison with the geographically contiguous and homogenously populated tea estates in the central highlands of Nuwara Eliya and Badulla.

Poverty: The base criteria were followed by primary criteria of **district poverty level** (poverty ranking of the districts that were selected on the basis of spread). Poverty ranking of districts was based on the National Poverty Line developed by the DCS⁷. In terms of percentage of poor households, the districts of Badulla, Ratnapura, Kegalle have poverty levels exceeding the national and sector average whilst poverty levels for Kandy, Nuwara Eliya and Kalutara are below national and sectoral levels.

Table 2. 2: Base sample criteria and population figures, 2002

Crop	District	Extent of cultivation*	Poverty level**	Population %***
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⁷ Announcement of the Official Poverty Line – DCS, June 2004

		National rank	(in hectares)	Percentage of poor HHs	Urban	Rural	Estate
	National			19.2	14.6	80	5.3
Tea	Nuwara Eliya	1	46,222	23%	6.1	40.5	53.3
	Badulla	2	25,023	37%	6.8	72.8	20.4
	Kandy	3	14,990	25%	12.3	80.4	7.3
	Ratnapura	4	12,918	34%	5.8	84.1	10.1
Rubber		3	12,137				
	Kegalle	1	20,250	32%	2.2	90.6	7.1
	Kalutara	2	16,590	20%	10.6	86.1	3.3

* Census of Agriculture, 2002 ** Housing Income & Expenditure Survey, 2002 *** Census of Population & Housing, 2002. (Data from Department of Census and Statistics)

The **second level of sampling** was the selection of specific estates:

The selection of estates⁸ was based on two stratified criteria that sought to ensure that the field sample captured all aspects of the study focus.

Primary criteria:

- **Management / ownership type of estate** - estates owned by regional Plantation Companies (RPCs), state (JEDB and SLSPC⁹) and private individuals, sampled based on the macro spread in ownership. Hence, state owned 'rubber' estates were not sampled as there is only one JEDB owned rubber estate.
- **Size of estate** – extent of cultivation, and size of resident population
- **Level of remoteness** - measured by distance to nearest town
- **Labour supply** – resident and non-resident labour, resident labour as a percentage of resident population

Secondary criteria:

- **Potential for alternative employment** – estates with and without/limited opportunities and access to off-estate work
- **Reinvestment** – high and low level investment in productivity enhancement and maintenance
- **Welfare interventions** – estates with and without donor/state assisted projects/programmes and investments in human resources and welfare.
- **Ethnicity** - spread of Sinhala, Tamil and Muslim population

The absence of statistics/data for the secondary criteria resulted in the use of proxy indicators.

⁸ Names, locations and other identity markers have been omitted in order to maintain anonymity of estates and respondents.

⁹ JEDB: Janatha Estates Development Board, SLSPC: Sri Lanka State Plantations Corporation

The sample estates in this qualitative study are a sub-sample of the quantitative study that was carried out in parallel. The exceptions are the rubber estates in the Kalutara district (sampled on the basis of high spread and low poverty) and the private, individually owned estates. Management criteria necessitated the inclusion of a larger number of private estates than were sampled in the quantitative study. A total of seven estates do not overlap with the quantitative sample:

Tea: one private estate in Nuwara Eliya

Rubber: one private estate in Kegalle, one in Ratnapura, three RPCs and one private estate in Kalutara

Site selection within the districts was based on management category. Within the RPC estates, specific estates were further selected based on variation in size of resident population, proportion of resident labour, access to urban areas. Private estates were selected based on size of resident population and extent of cultivated land area.

Table 2.3: Sampling frame – aspects of primary and secondary criteria in sampled estates

Crop	District	Management Type			Total population			Remoteness		Type of labour	
		RPC	State	Private	>3,000	3000 - 1000	<1000	Remote	Non remote	Resident	Non resident
Rubber	Kalutara	X		X		X		X	X	X	X
Rubber	Kegalle	X		X		X	X	X	X	X	X
Rubber	Ratnapura	X		X	X				X	X	X
Tea	Badulla	X			X	X		X			X
Tea	Kandy		X	X		X	X	X		X	X
Tea	Nuwara Eliya	X		X	X	X			X		X
Tea	Ratnapura	X		X		X	X		X	X	X

Level three: Selection of households

Based on the objectives of the study, the homogenous nature of the sector and the experience of the pilot study households were sampled on the basis of 2 'bottom', 3 'medium' and 3 'top' households. The households representing each category were selected on the basis of nominations at the male and female focus group discussions. At the start of the household level interviews, respondents were requested to rate their household using the same categories of 'bottom', 'medium' and 'top' to determine intersections and divergences from community assessment.

Table 2. 4: Assessment of households at FGD and household level

Crop	Community assessment (FGD level)			Self assessment (Household level)		
	Top	Medium	Bottom	Top	Medium	Bottom
Tea	27	30	23	14	50	16
Rubber	25	27	25	13	40	24
Total	52	57	48	27	90	40
Total interviews	157(1 HH not assessed)			157(1 HH not assessed)		

The sample constituted primary and secondary level respondents. This included 158 individual primary level respondents of which 90 were heads of households. Focus Group members numbered 126 males and 128 females and 118 youth Focus Group members whilst Community Timelines (CTLs) were conducted with 61 respondents.

2.23 National Focus

Consultations with macro level policy makers and other institutional stakeholders took the form of a Study Commencement workshop, which was held in February 2005 to identify key policy questions to be addressed by the study and to develop a national timeline of key events and policies for the sector. In addition, the workshop sought to locate the debate on poverty in the estate sector in the framework of macro / state level policies and interventions and to identify the extent of participation and focus on

the sector by INGOs, NGOs and agencies. Interviews with policy makers were conducted after the field survey in order to validate field findings and elicit ideas for policy recommendations. A second dialogue workshop shared the preliminary analyses with institutional stakeholders to obtain feedback on the direction and discussion of the findings. Additionally, once the cleaned up data was completed, a structured discussion was held with all field enumerators to obtain inputs on the methodology, tools, responses and insights into information generated on the study variables.

2. 3. Profile of the data sample

Table 2. 5: Profile of data collection: Tea estate sample

District	Management type	Office Based Secondary Data	Community Time Line	Focus group discussions	Life histories	Additional key person interviews
Tea						
Badulla	RPC 1	1	1	3	8	0
	RPC 2	1	1	3	8	0
	RPC 3	1	1	3	8	1
Kandy	Private	1	1	3	8	1
	State	1	1	3	8	1
Nuwara Eliya	RPC 1	1	1	3	8	1
	RPC 2	1	1	3	8	1
	RPC 3	1	1	3	8	1
	Private	0	2	3	8	0
Ratnapura	RPC	1	3	3	8	0
TOTAL		9	13	30	80	6
Rubber						
Kalutara	RPC 1	1	1	3	8	1
	Private	0	1	3	8	0
	RPC 2	1	1	3	8	0
Kegalle	RPC 1	1	2	3	8	1
	Private	1	1	3	8	0
	RPC 2	1	1	3	8	0
	RPC 3	1	1	3	8	0
Ratnapura	Private	1	0	1	6	0
	RPC 1	1	2	3	8	0
	RPC 2	1	1	3	8	1
TOTAL		9	11	28	78	3
GRAND TOTAL		18	24	58	158	9

The respondents were selected using a purposive sampling method. Macro and meso level perspectives and information on specific issues were obtained through key person interviews with Group Managers, Estate Superintendents, Assistant Superintendents, while secondary data relating to the estate and division was obtained from the office records provided by the Chief Clerks. The community timelines were

carried out with Estate Superintendents, Welfare Officers, Field Officers, health personnel such as Midwives and estate or division level Trade Union leaders. In the tea sample the ratio of males to females was 31:4 whilst it was 16:10 in the rubber sample.

Members of the focus group discussions (FGD, male and female) included resident and non-resident estate labour representing different work groups and resident off-estate workers representing varying age cohorts. Though the MOP methodology had a lower limit of 30 years this was redefined to take into account the nature of household leadership in the sector, which is characterised by early marriage, resulting in some household heads being between the ages of 25 to 30.

Table 2. 6: Participation at Focus Group Discussions

Crop	FGD (Ladder of Life)			
	Gender		Age	
	Male	Female	Below 30	Above 30
Tea	59	49	24	68
Rubber	67	79	37	104
Total	126	128	61	172

In selecting respondents for the youth focus groups, an attempt was made to select a sample that was representative of the given estate's youth constituency. The FGDs consisted of male and female youth between 15 and 29. They also included employed (on- and off-estate) and unemployed youth, schooled and non-schooled youth with varying educational attainment.

Figure 2. 1: Age profile of youth sample

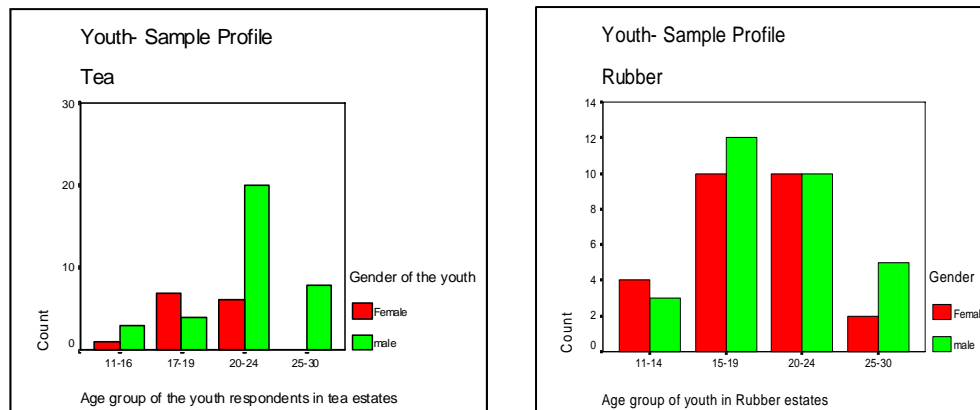


Table 2.7: Profile of Youth Focus Group Discussants

Crop	Gender		Status		
	Male	Female	Employed	Unemployed	Students
Tea	36	15	19	23	05
Rubber	30	26	16	15	25
Total	66	41	35	38	30

At the household level the respondent was selected from multiple household members on the basis of role, contribution, decision-making and knowledge level of the given household. The respondent in most cases was the head of household. Despite the fact that one member of the household was nominated as respondent, there was active participation from other members present.

Table 2. 8: Profile of respondents – Individual life stories

Crop	Gender		Age			Marital status and years of education		
	Male	Female	< 30	Between 31 – 50	> 50	Married	Employed	10 yrs or more of education
Tea	47	33	12	13	08	70	65	17
Rubber	33	38	05	28	05	71	64	23
Total	80	71	17	41	13	141	129	40

2.4. Data collection tools

The study utilised the toolkit designed by the MOP study. The overall study design and specific tools were modified to a) include elements of analysis for the Poverty Assessment, b) focus on and factor in the specificities of carrying out research in the estate sector, e.g. levels of awareness and literacy, community structures, time constraints, and administration of tools. The study tools were revised following a pilot testing in Ratnapura (on a dual crop estate). Questions on trade union involvement and participation, *seettu* (informal revolving savings) are some of the post pilot inclusions.

The following tools were used for data collection at field level:

Office Based Information (OBI) – to obtain quantitative data on demography, workforce and type of work, wage structures, trade unions, welfare packages and community welfare facilities, infrastructure/facilities, education and social mobilisation.

Community Time Line (CTL) – to trace a community timeline, identify key policies and events, explore dimensions (and dynamics), correlates of poverty in the given estate. From a MOP perspective it aimed to “understand community level factors that have helped or hindered movement out of poverty”.

FGD: Ladder of life – to identify characteristics, trends, spread of poverty at community and household levels, trace a community timeline of significant events that impacted community development (both positively and negatively), identify livelihood sources and patterns and construct / collapse a ‘ladder of life’ to aggregate households at various steps and assign characteristics for each of the given steps.

FGD: Youth – to identify opportunities and challenges at community, estate and country level, identify youth aspirations and explore youth perspectives on the

concepts of power, democracy and freedom. For the MOP component it sought “to explore youth aspirations for earning a living”.

Individual Life Stories – to elicit information on characteristics and trends in well-being and poverty, explore mobility / relapse in relation to the broad thematic areas of economic history, occupational history, educational history, social and cultural history and sketch income–expenditure patterns.

Additional Key Person Interviews – This followed the format of a structured interview with selected informants. Interviews were held both at the estate level and central level. At the estate level, interviews were held to collect information on estate-wide issues as well as very specific issues that the field team felt was significant in relation to the particular estate. At the central level, interviews were held to contextualise, validate and clarify field findings on specific issues within the broader framework of industry, policy level decision-making and implementation.

2.5. Limitations of the study

Sampling – Adherence to the DCS definition resulted in the **non-inclusion of the smallholdings sector**. The **lack of centralised data** on the estates, locations, ownership and characteristics impeded the rigour of the selection of the sample. Available lists, including those provided by the quantitative sample framework were found to be inaccurate when checked at the field level. For example, a selected estate in Badulla straddled the districts of Badulla and Moneragala, as it was a ‘cluster’ estate, which had merged two smaller estates. The extent of cultivation of tea and rubber in dual cropped estates varied from the given statistics. These characteristics were noted only on arrival at the field sites. To ensure that the sample criteria is met irrespective of the differences in estate data, the study team followed a principle of picking a division within the estate that most closely corresponded to the sample criteria on which the estate was initially identified.

Field research – **Access to estates** proved to be difficult as not all owners/companies are open to providing access to research teams. The granting of permission to enter the estates was a precondition to all sites. The team maintained transparency in all communications and discussed the study with the respective Colombo based offices and in detail with the management (on site) prior to commencing discussions with respondents. Most estates reiterated the need for anonymity whilst some stated it as a precondition to provision of access, whilst others requested the questionnaires/tools to be provided prior to granting permission to enter. Access to private (individually owned) estates proved to be most difficult. Personal contacts had to be frequently used to persuade owners to allow the study to be conducted. A total of 32 estates were approached for permission to enable the study team to complete the sample of 20 sites.

Access to respondents – The contained structure of estates resulting from the units coming under the purview of a management as opposed to a village and centrality of employment to the lives of the workers impacted the research at various stages. Movement of the field teams within the estate was influenced and monitored by the management. There were severe time constraints in administration and application of

the tools due to the structured nature of work hours and the need – primarily of women – to attend to household duties. Due to the fact that estates are a highly researched sector, the respondents were not particularly interested in participating in the study. Frequently, they did so only out of habit of agreeing to requests by the management.

Methodological issues – combining/balancing the interests of the SLPA/MOP Study proved to be problematic at certain points of the research. The study was bound by the use of the MOP study tools whilst having to address areas of analysis for the SLPA. **Time** proved to be a core constraint especially in administering the FGDs, which discussed numerous themes at length.

Youth FGD – the individual questionnaires were not administered owing to a) varying levels of literacy b) the intrusive content of some questions, for example, the query on household problems which was not well received in the pilot study. The pilot study also demonstrated that this hampered rapport building, which was key to administering the tool. Instead, the thematic areas were incorporated into the broader group discussions. There was a mismatch between the study definition and operational definition of youth. The sector definition encompassed a much younger population cohort than the national average. On average Youth FGD respondents were between 15 - 25 years of age. The ‘highly’ mobile segment was underrepresented, as they were those who were engaged in long-term off-estate work and hence were not resident on the estates.

3. Setting the context

The estate sector has been a focus of study and attention almost as long as it has been in existence. This level of attention can be attributed to the fact that the sector is a core part of the Sri Lankan economy and to its unique historical, social and political aspects.

In today's context four main sources of information are available:

- Quantitative data based information, predominantly from the national surveys of the Department of Census and Statistics and the Central Bank of Sri Lanka. The data enables a comparative analysis of the sector within the national context and down to the household and per capita level.
- Socio-political analysis of the sector carried out by social scientists focusing on the population that lives and works within the estates, their historical origins, transformation, rights, welfare, national policies that effect the population, etc.
- Intervention based studies focusing on project design and problem identification for welfare-based interventions of the estate population. These are frequently commissioned or carried out by donor related institutions. The significant information available with the Plantation Human Development (PHDT) falls into this category.
- Industry based information that focuses on competitiveness in world markets, productivity and profitability, alternative management structures, national policies that impact the industry etc. Information is available through industry statistical sources, RPC annual reports, Sri Lanka Planters' Association and various other programmes initiated for the development of the plantations.

This chapter draws on all the above sources and attempts, very briefly, to set the estate sector in context. Given the vast scope of the sector, this chapter is oriented towards the study's focus of moving out of poverty set against the industrial, policy and socio-political context of the sector. Further elaboration of particular aspects of the context is included in the analysis as needed.

3.1 The context of the estate sector in Sri Lanka

3.11 The origin and development of the estate sector

I. The industry

"In structural terms, the estate sector was developed under the colonial administration as an enclave separated from the rest of the economy due to the plantations depending mainly on foreign entrepreneurship, immigrant labour from South India, and either imported or reinvested capital. They utilised just one important indigenous resource- extensive land suitable for the cultivation of tropical tree crops. This land was cheap, plentiful, immigrant labour were organised on modern commercial lines in a capitalised and technologically advanced but highly labour and land intensive system. The estates were supported by a variety of commercial, financial, transport,

communications and other services undertaken by the private sector and the (colonial) government” (Snodgrass, 1966: 4).

The British colonial administration initiated the introduction and subsequent cultivation of tea and rubber as commercial crops in the late 1800s. By the time Sri Lanka gained independence in 1948 its economy could be classified as a primary commodity exporting economy.

However, the diversification of the Sri Lankan economy, changes in the world commodity market as well as changes within the estate sector in Sri Lanka meant a gradual decrease in the importance of the tea and rubber exports. The statistics for 2004 show that the textile and garment industry has taken over as the leading earner of foreign exchange for Sri Lanka with 30%, while tea remained an important export crop, contributing 13% to the national economy (CBSL: 2004). Rubber, on the other hand, diversified into a local manufacturing base initially in the 1950s and expanded rapidly after the introduction of free trade policies and investment promotion zones in the late 1970s.

Table 3.1 Extent of tea and rubber cultivation by sector: 1982, 2002

	2002 (ha)			1982 (ha)		
	Small holdings	Estates	Total	Small holdings	Estates	Total
Tea	91667 (44%)	118954 (56%)	210621 (100%)	38519 (19%)	168626 (81%)	207145 (100%)
Rubber	48655 (42%)	66026 (58%)	114681 (100%)	59464 (35%)	111688 (65%)	171152 (100%)

(Source: Census of Agriculture, DCS: 2002)

This period has also seen a major change in the size of estates. The proportion of smallholdings has more than doubled in the tea sector (from 19% in 1982 to 44% in 2002), while the rubber sector is increasingly bridging the gap between the small holdings sector and large holdings sector, despite a fall in the total extent cultivated. The estate sector share of agriculture has dropped 7%, from 27% in 1982 to 20% in 2002, while the share of holdings has also seen significant reductions, over the past two decades.

The reduction in the amounts cultivated has not, however, dented the profit base of the tea industry. Data published by the Ministry of Plantation Industries (2003) give clear indications that a major proportion of the profit margin is being absorbed by the exporting companies, leaving the producers with less than a 20% margin from the FOB price. This is less prevalent in the rubber sector due to its direct nature in trading with the local manufacturing base.

II. Labour in the estate structure:

Due to a range of socio-political and commercial issues, rather than employ indigenous labour, the British transferred labour from South India to work in the plantations. Their descendants continue to live and work in this sector. During the initial stages of the plantations, the labour was supplied on a contract basis where the workers returned to India on the completion of the contract, but a gradual change resulted in families migrating to work on specific estates.

Today the estate population is made up of those who are resident on estates and whose main source of income is wage employment on a plantation. Over the last two decades, labour force participation in the plantation sector has experienced a decline of more than 50%, from a peak of 541,971 workers in 1980. The Ministry of Plantation Industries estimates the current figure at 268,145 workers¹⁰ (DCS, 2004: Statistical Abstract).

Table 3.2 Summary of key events effecting the industry and labour

Year	Event
1840	The Crown Lands Encroachment Ordinance No. 12 of 1840: The crown acquires all 'waste' land and distributes these lands to estates
1867	Commencement of transfer of labour from South India
1876	Rubber planted in Henarathgoda
1931	Sri Lanka receives universal franchise under dominion status
1947	In preparation to receiving independence Sri Lanka and India commence discussions on citizenship
1948	Independence
1948	Ceylon Citizenship Act of 1948 passed. Indian Tamil workers on estates classified as temporary immigrants
1950s	Ceylon Workers' Congress (CWC) becomes successor to the Ceylon Indian Congress Labour Union
Late 60s	British agency houses are phased out
1972	Land Reform Law No. 1 of 1972 <ul style="list-style-type: none"> • Imposed ceiling of 50 acres on private ownership of land • Setting up of Land Reform Commission to redistribute privately owned land in excess of the stipulated ceiling
1975	Land Reform (Amendment) Law No. 39 of 1975 <ul style="list-style-type: none"> • All privately owned plantations in Sri Lanka were nationalized, lands transferred to state agencies • Tea Small Holdings Authority set up
1976	Establishment of Janatha Estate Development Board (JEDB) and State Plantations Corporation (SPC)
1972 – 77	Transfer of estate schools to the national education system
1978	CWC enters parliament
1981.	Highest Production for tea plantations - 166 mn kgs
1984	Unions won demand for 300 working days an year for every registered worker, equalization of wages for men and women.
1988	Citizenship for Stateless Persons Act, afforded Sri Lankan citizenship to Tamils of Indian descent
June 1992	Re - privatization of the management of estates — 22 companies, later 23, initial contract was for 4-5 years, lease was Rs 500/-
95/96	Lease was lengthened to 50 years, lease fee increased
1993	Plantation Housing and Social Welfare Trust was set up – a tripartite agency (government, estate management, trade unions)
1998-2000	CWC leader A. Thondaman holds cabinet portfolio of Minister of Housing and Plantation Infrastructure.

¹⁰ Out of a total Indian Tamil population of 860,099 (Census of Population and Housing, 2001: DCS)

3.12 Policies affecting ownership and management

Policies affecting the estate sector include those that are targeted at the industrial aspects of the sector and those that target labour. While most policies reflect national policy orientations, some have been specifically developed to address estate related issues.

Table 3.3 Main changes in the management of tea plantations in Sri Lanka

Phases of change	Ownership of immovable property		Management of property
	Owning entity	Type of ownership	
Colonial administration	Foreign companies & Local companies	Freehold Freehold	Agency houses Owners or Agencies
Land reform: phase I and II	Land Reform Commission (LRC)	Freehold	LRC/ Co-ops / Usawasama / JEDB / SLSPC
Post-land reform:	JEDB / SLSPC	Freehold	JEDB / SLSPC
Privatisation Phase 1: Privatization of management	JEDB / SLSPC / Regional Plantation Companies (RPC)	Freehold	Managing Agents (MA) selected from the private sector
Privatisation Phase II: Sale of 51% of share Capital to private sector firms	RPC	Leasehold	RPCs themselves or MAs within the group

Extracted from: Information Review, CARE Sri Lanka: 2003

I. Colonial period

During the colonial period and first two decades of independence (1830 to 1972) the estates of Sri Lanka were owned either by foreign ('sterling') companies registered under British law or by local ('rupee') private companies registered under Sri Lankan law. Local 'Agency Houses' managed the properties of foreign companies as well as some local companies. The sector was highly land and labour intensive. Land was obtained through a series of Acts and Ordinances, which most often acquired land with little or no compensation paid to current owners/users. Labour was acquired through migrant labour from South India.

Critics of this structure, even during the pre-independence period, saw it as an enclave of foreign capital, management and labour. These arguments included the fact that plantations deprived the rural Sri Lankans of their land and seriously affected their sustainability as peasant farmers.

II. Nationalisation

These critiques culminated in the introduction of land ownership policies to end foreign ownership and unequal distribution of land and to improve the conditions of the dispossessed peasantry (Information Review, CARE Sri Lanka: 2003). The Land Reform (Amendment) Law No.39 of 1975 resulted in the nationalisation of all privately owned estates (tea, rubber and coconuts). With the land reform legislation taking effect, the estate land owned or possessed by public companies totalling 417,957 acres were vested in the Land Reform Commission (LRC). At the time, this represented about 63% of the country's

tea acreage, 32% of the rubber acreage, 11 % of the coconut acreage and 1% of the paddy acreage (Alailima, 1988: 341). The management of these entities was handed over to government organizations.

In 1976, the government established the Janatha Estate Development Board (JEDB) and the State Plantations Corporation (SPC) – state institutions that carried out a plantation-style management in order to make use of economies of scale.

III. Re-privatisation

Phase I – 1992: Privatisation of Management

“An important structural change in the agricultural sector effected during the year was the privatisation of the management of the tea, rubber and coconut plantations owned by the government. Altogether, 449 [318 tea and 131 rubber] state-owned plantations, out of a total of 502, were handed over to 22 [20 mixed crop, 2 rubber only] private management companies (MAs). The objective of the privatisation of management was to upstage the commercial viability of this vital sector by raising productivity, improving quality and reducing overhead expenditures” (CBSL Annual Report, 1992)

On the basis of the recommendations of an appointed task force, the government decided to restructure the state owned plantations through privatisation. The Plantation Restructuring Unit, operated under the Ministry of Finance, was responsible for the restructuring process. The first phase of privatisation programme transferred only the management aspects of plantation, granted at a nominal annual rent of Rs.500. To operationalise the scheme, the government created 22 (with another added later to make a total of 23) state owned Regional Plantation Companies (RPCs) where each of the RPCs entered into an agreement with a private company, the Management Agent (MA), chosen through an open bid procedure. The lease rental was calculated minus the value of the line rooms and the surrounding line gardens, leaving room for future changes. Only Sri Lankan bidders were allowed and they were contracted for an initial period of 5 ½ years with provision for extending for further periods of 5 years subject to the achievement of certain levels of profitability. However, due to the short-term nature of the lease agreements, the newly formed MAs found it difficult to raise money to run the plantations (Manikam, 1995: 16).

Phase 2 – 1995: Privatisation of share capital or controlling interest

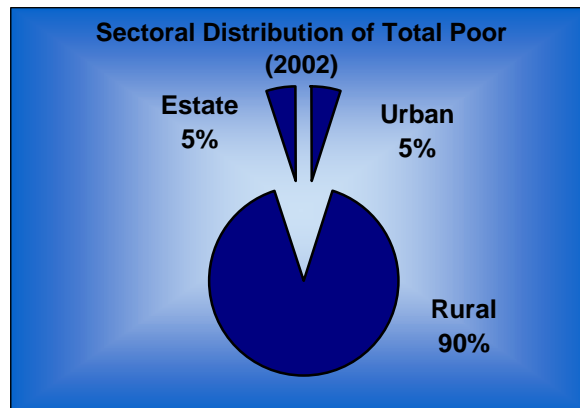
The constraints faced by the MAs were eased when in February 1995 the newly elected government decided in favour of a fuller privatisation of State Plantations. A programme for the sale of controlling interests in the RPCs was announced in June 1995. The framework for the sale consisted of the following elements: a) the reduction of the lease period from 99 years to 50 years and the nominal lease rentals to be increased substantially from Rs.500 per year per estate and revised annually; b) 51 per cent of the shares to be sold on an all or nothing basis; MAs of RPCs that had shown operational profits were eligible to purchase 51 per cent of the shares at the Colombo Stock Exchange (CSE) market price; c) 20 per cent of the shares to be offered for sale to the general public through the CSE; d) 10 per cent of the shares to be distributed free of charge among the employees of the RPC; e) the remaining 19 per cent to belong to the government for the

time being; and f) government to own a Golden Share in each of the RPCs in order to exercise control over certain affairs (Shanmugaratnam, 1997: 29).

3.2 The context of poverty in the estate sector

The nature of poverty in Sri Lanka is characterised by consumption poverty which affects approximately 25% of the population while human development indicators show very high levels of achievement. Aggregated national figures, however, hide large regional differences as well as sectoral differences.

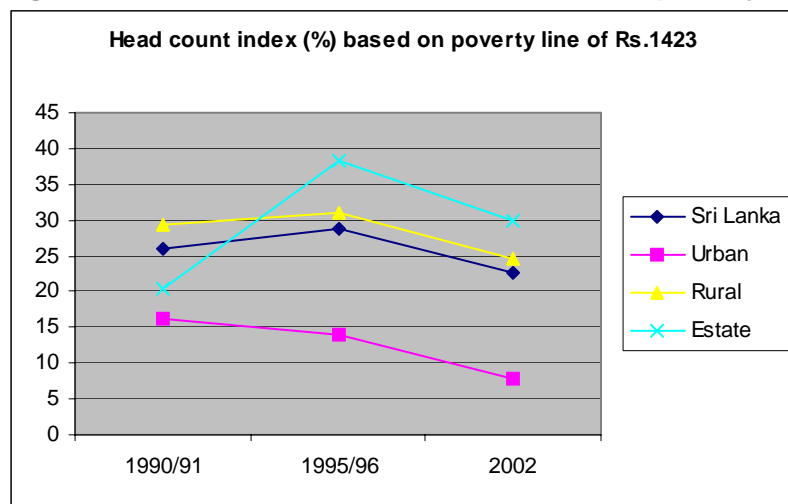
Figure 3.1 Sectoral distribution of total poor



Source: DCS website

I. The narrow definition: Income and Consumption poverty

Despite the fact that in overall terms a small percentage of the poor live in the estate sector, the estate sector has the highest incidence of intra sector poverty. (DCS 2003). While poverty in the estate sector followed the general national trend, increasing between 1990 and 1996 and then decreasing between 1996 and 2002, it has gone against the national trend in failing to fall below the 1990/91 levels. As shown in the Table 3.4 below the poverty ratio has risen past rural levels after 1992 and the estate sector now has the highest national poverty levels within a sector.

Figure 3.2 Sectoral distribution of incidence of poverty**Table 3.4 Sectoral distribution of incidence and severity of poverty**

Area	Head count index (%) based on poverty line of Rs.1423			Poor HHs based on the official Poverty line (%)		
	1990/91	1995/96	2002	1990/91	1995/96	2002
Sri Lanka	26.1	28.8	22.7	21.8	24.3	19.2
Urban	16.3	14.0	7.9	12.9	11.0	6.2
Rural	29.4	30.9	24.7	24.7	25.9	20.8
Estate	20.5	38.4	30.0	16.7	32.2	24.3

(Source: HIES, DCS: 2004)

Combining the Head Count Index with indicators of depth of poverty and inequality show that the majority of the poor are hovering near the poverty line. Hence the estate poor are very vulnerable to the slightest changes in consumption – or changes in the poverty line.

II. The broader definition: the multi-dimensional nature of poverty

General improvements in many aspects of health, education, and housing are evident in the estate sector. However, a multi-dimensional understanding of poverty extends beyond this to encompass people's dignity and protection. Although citizenship rights have generally improved in the estate community, the rate at which ID cards and other basic documents are issued is still not meeting the demand. Non-possession of identity documents is a major constraint for youth seeking employment outside the estate (CARE Sri Lanka 2003) and is an example of how much more remains to be done, despite the trend towards improvement in the sector.

Health: The Estate Sector Health Bulletin¹¹, published by the Plantation Human Development Trust (2005), shows a gradual improvement in the health trends in the sector. For example, the crude birth rate (CBR) and the crude death rate (CDR) have

¹¹ Captures only RPC estates working with the Trust

shown a steady decline during the past 15 years. The CBR declined from 18.9 per 1000 population in 1990 to 17.1 in 2004 reflecting a parallel decline at the national level (from 24.6 per thousand population in 1985 to 18.9 in 2001). Similarly, there have been sharp declines in historically high infant mortality rates and the number of maternal deaths since the 1980s, due to greater investment in welfare. The infant mortality rate declined from 38.6 per thousand live births to 14.2 in 2004, while the maternal mortality rate showed wide fluctuation, varying between 2.4 and 0.5 per thousand live births. 28 maternal deaths were reported in 1990 and just 7 in 2004.

Education: The table below shows that the average literacy rates in the estate sector were far behind the average literacy rates in the urban and rural sectors during the 1980s. The phenomenon of a prevalent gender bias in literacy rates can be explained by traditional working practice on the estates;

“There is more employment for females as pluckers. Yet the household duties fall on them as well. So it is much easier for the mother to go to work and leave the household chores in charge of the daughter. The practice of not sending daughter to school after puberty is prevalent because it eases the burden on the mother. Once the girl is 16 she too can become a plucker and an additional income earner for the family” (Samaraweera, 2001).

However, recent statistics demonstrate that the gap has narrowed over the last two decades.

Table 3.5 Literacy rate by sector

	Urban	Rural	Estate	All sectors
1986/87	93.0	89.5	68.5	88.6
Male	94.7	92.8	80.0	92.2
Female	91.3	86.5	58.1	85.2
1996/97	94.5	92.3	76.9	91.8
Male	96.1	94.4	87.2	94.3
Female	93.0	90.4	67.3	89.4
2003/04	94.8	92.8	81.3	92.5
Male	95.9	94.7	88.3	94.5
Female	93.8	91.1	74.7	90.6

Source: Consumer Finance Survey (CFS), CBSL: 2005

Housing: The estate sector’s housing stock consists of a wide array of residential types that include single houses, attached houses and annexes, line rooms and row houses, and shanties. In comparison with the 1996/97 figures, there is an increasing prevalence of single houses in all sectors, with significant improvements in the estate sector. In the estate sector, single houses increased from 10% in 1996/97 to 28% in 2003/04, a nearly three-fold increase. This reflects the combined efforts of the government and estate sector management to improve the living standards of the estate workers by allocating more resources to their housing needs. However, the proportion of line rooms and row houses is still high and a sustained effort will be required to mark a complete shift away from poor living conditions.

The government of Sri Lanka has initiated several housing programmes in order to improve conditions on estates; 1) a re-roofing programme 2) roofing and upgrading 3) new individual houses 4) two storey houses. However, it is worth noting that the occupation of

single unit houses has been low and there is a tendency for people to rent /lease/sell the houses. A number of social factors such as family security, a sense of belonging to an 'extended family' and the mutual help available in the line houses, have influenced the low rate of occupation of the single housing units.

A number of government and donor-funded programmes have provided improved housing facilities for the estate community through the Trust. Self Help Housing (SHH), for example, is a fund channelled through the Estate Worker Cooperative Societies (EWCS) to provide technical support and loans of up to 60,000 at low interest rates. The estate management provides the required land.

Table 3.6 Changing pattern of housing stock in the sector (per cent)

Type of housing unit	Estate		All sectors	
	1996/97	2003/04	1996/97	2003/04
Single house	10.2	28.1	88.5	91.2
Condominium / Flat	0.0	0.0	1.0	1.3
Attached house / Annex	0.0	7.9	9.7	2.8
Line room / Row house	83.2	63.4	0.0	3.9
Shanty	0.2	0.5	0.3	0.8
Other	6.4	0.2	0.5	0.1

Source: CFS, CBSL: 2005

3.3 Policies targeting labour welfare in the estate sector

I. Colonial period:

The structure of the estate sector, which set it apart from the rest of the country and contained labour in a controlled enclave, meant that labour welfare was historically separated from the mainstream welfare interventions of the country. During the colonial period welfare provision for the estate workers was far more progressive than for the rest of the country and correspondingly the health indicators of the estate sector at independence and the early post independence period were significantly better than the rural sector in Sri Lanka.

"Legislation specifying education and health standards and providing social security was first introduced in Ceylon (Sri Lanka) for the Indian immigrant in the organised agricultural estate sector in order to compensate them for the change in social and economic conditions they experienced. The main impetus to improve living conditions on the estates came from the gradually increasing requirements of the government of India, which were incorporated into labour legislation in the early 1900s" (Alailima, 1988: 51).

The immediate post-independence period, however, saw a rapid deterioration of conditions of the estate population. Firstly, the estate population became stateless persons as the Ceylon Parliamentary Elections (Amendment) Act of 1949 disqualified those of Indian origin from the right to franchise (Hollup, 1994: 42-43). Secondly, the changing political and economic climate and the expectation that the estates would be nationalised led private plantation companies to make severe cuts to welfare spending.

II. Nationalisation period:

The period after the nationalisation of the estates in 1975 saw considerable improvements in welfare for workers. Under the 1975 Land Reform Bill, responsibility for workers' welfare was transferred into the hands of the state. Estate schools were taken over as government schools and mainstreamed under the Sri Lankan education system. By 1976, over 300 estate schools were under the Ministry of Education and the government allocated more money for these schools and integrated them into the national curriculum. There was also a sharp increase in teachers due to special recruitment and training schemes such as the Plantations Schools Training Program (PTSP). Most of these teachers were from the plantation sector itself. Teacher numbers were up from 1,148 in 1984 to 4,843 in 1994. Colleges of Education were also launched to enhance teacher training (Little, 1997). Health was a particular focus during the period of state management of the sector and a concerted effort was made to increase the general health of the estate population with a special focus on women and children. The rise in health indicators in the estate sector and the gradual closing of the gap with the rest of the country was a significant achievement during this period.

III. Re-privatisation:

Despite the re-privatisation of the estates, the state retained responsibility for education within the estate sector. In 1994, the Ministry of Health was requested to take over the 54 estate hospitals and had successfully taken over twenty such hospitals and maternity wards/dispensaries by the year 2000. Prior to 1994, the estate population was served through a network of estate hospitals, maternity homes and dispensaries in addition to the national health services. All estates, however, still maintain some type of health facility and have modified their services accordingly.

In addition the government also created the following institutions and programmes:

- The Plantation Housing and Social Welfare Trust (commonly known as the Trust) was established in 1992 under the Ministry of Plantation Industries as a tripartite organisation of employers, unions and the government. This was set up in order to deal with the multiple social welfare needs of the estate community after privatisation. It comprised eleven board members, five from the companies, four from the ministries and two from the trade unions. An agreement was signed to ensure that the RPCs would finance the recurrent expenditure and that the government would channel support as well as donor funding to the plantation sector through this Trust. This recognised that the poor living and working conditions inherited by the estate workers had to improve in order to address the trend of migration, improve labour productivity and maintain stability in the sector.
- In 1997, a separate Ministry was established for estate infrastructure development, based on a recommendation made by a committee appointed to study the problems faced by this community. The main objective of this Ministry is to "ensure incorporation of the estate community into the mainstream of development towards social equity" (CBSL, Annual Report, 2001), by initiating programmes and activities in human resource development and employment generation, social infrastructure development and housing development in the estate sector.
- In 2000 four public sector programmes were in operation to facilitate and improve direct investments in social welfare; The Plantation Development Support Programme, The Plantation Reform Project, The Estate Housing Development

Project, and The Plantation School Development Programme. These were funded by donor agencies, the government and the plantation companies and implemented in collaboration with the Plantation Housing and Social Welfare Trust (Arunatilake, 2000: 1).

Welfare interventions in the estate sector:

As the discussion on policy shows, although the plantations are privatised, the government still retains some responsibility for the development of the plantations, as they are a state resource. CARE Sri Lanka, in its Information Review (2003), estimates that a total of USD 10 million was invested in social development in the plantation sector during the period 1978 to 1999. Initially the Social Development Divisions (SDDs) of the two public institutions (JEDB and SLSPC) implemented most development programmes, but the Plantation Housing and Social Welfare Trust (PHSWT) took on this role after re-privatisation. A summary of welfare interventions follows:

- Integrated Rural Development Programme (IRDP), 1985, in the Nuwara Eliya district: for welfare development assistance
- Social Welfare Programme I (SWP I): Dutch and Norwegian fund (1985 – 1995): for improving health, water, sanitation and housing
- Plantation Housing and Social Welfare Trust (PHSWT): established in 1992 to provide an institutional structure for the implementation of development activities
- Programme Support Group (PSG): established in 1998 and responsible for follow-up activities and undertaking development activities
- Plantation Reform Project (PRP): operational during 1997 – 2001 to give assistance to the sector
- Plantation Development Support Programme (PDSP): the PSDP was initiated in 1998 to complement the PRP and to support a range of activities to improve living and working conditions and labour relations in the sector. The programme will continue many of the activities of the SWP but building on lessons from the past will abandon the welfarist approach. Expected to run until 2005.

Foreign assistance to the Plantation sector started as early as the mid 1970s with support for improvements to housing, mother and childcare, water and sanitation by UNFPA, UNICEF, several IRDPs and the World Bank. However, some of the more recent projects include the following:

- Plantation Reform Project (1996 – 2002): funded by ADB and JBIC
- Plantation Development Project (2003 – 2008): funded by ADB to support six programmes, namely social development, core field development, diversification and forestry, marketing initiatives, factory modernisation and institutional development
- Tea Development Project (1999 – 2005): funded by ADB to support a programme to increase the income of smallholders and private estates on a sustainable basis and improve the environment
- Estate Forest and Water Resources Development Project (1998 – 2002): funded by GTZ to improve productivity and living conditions in the plantations through sustainable management of natural resources
- Plantation Communities Project (ongoing): funded by the Canadian International Development Agency (CIDA) and implemented by World University Services of

Canada (WUSC) to promote micro enterprise development for plantation resident communities

- The Competitiveness Initiative (TCI), sponsored by USAID and initiated in 2000, is a programme working with eight of Sri Lanka's leading export industries to improve their competitiveness in the global market place. With representatives ranging from producers to exporters and packaging companies, the TCI has been able to provide technical assistance to groups seeking to improve the competitiveness of Sri Lankan products and enter the export market.

As for the contribution of RPCs, a study conducted during the period 1993 – 1999, by the Programme Support Group (2000), estimated the capital investment in social infrastructure by the 20 RPCs at the time, to be a mere 8% as opposed to the 62% dedicated to field development. This was mostly comprised of donor funding and grants. As expected, housing accounts for the bulk of the spending (45%), followed by water supply (19%) and sanitation (18%), with other areas such as crèches, schools, health facilities, estate/approach roads, electrification etc. being allotted the balance 18%.

4. Features and trends in poverty in the estate sector

4.1 Characterising poverty in the estate sector

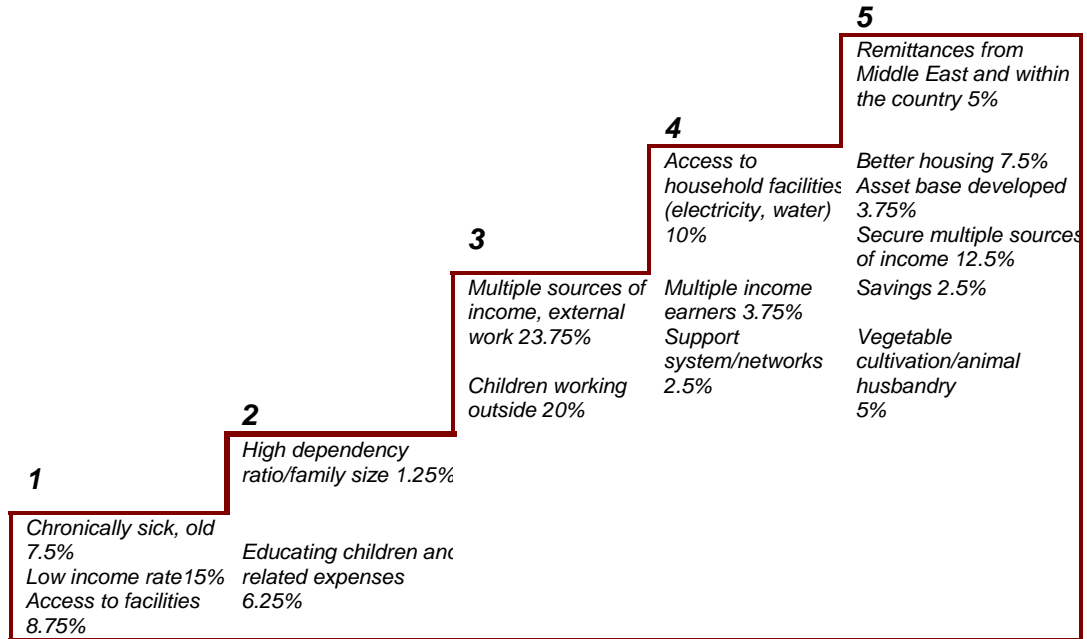
How do the residents of the estate sector view their living conditions? What factors are considered to be important when differentiating the living conditions of the households within the community?

These issues were discussed by collapsing the Ladder of Life which was introduced in terms of two standard anchors: those who are 'best off' at the top of the ladder and those who are 'worst off' at the bottom. The majority (90%) of the focus group discussions divided their community into 3 or 4 levels. While 5 steps were occasionally discussed, only one out of the 39 focus groups discussed the community in terms of 6 levels.

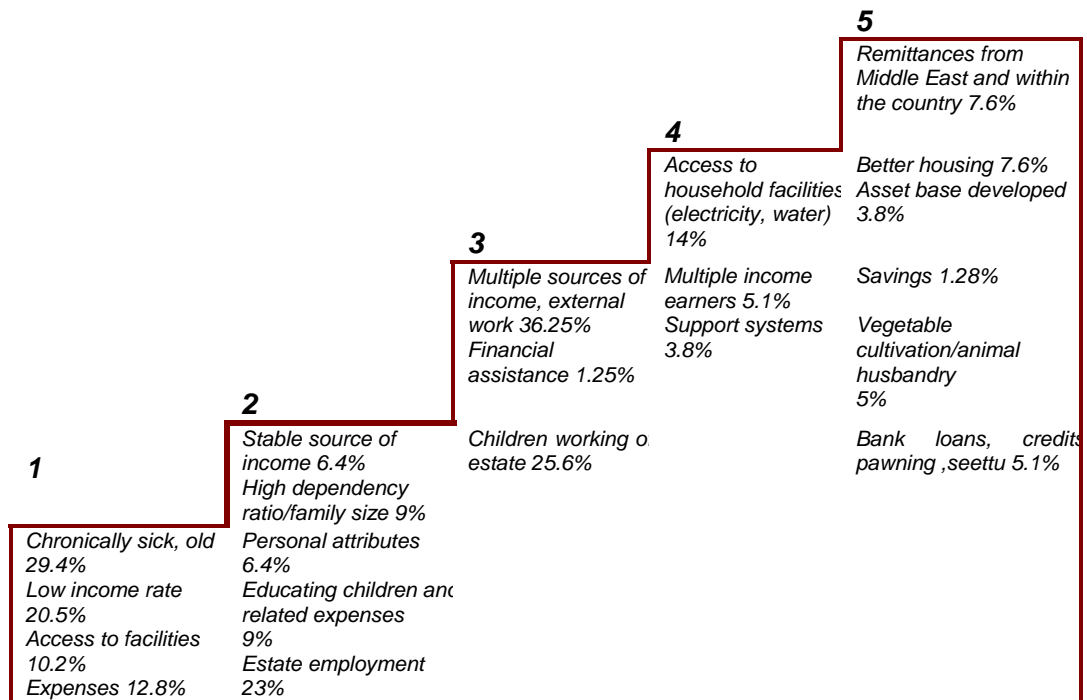
The characterisation of poverty and well-being highlighted a number of pertinent issues in relation to how the estate sector perceives poverty:

- **Poverty was perceived in absolute terms only by the chronically poor.** *All others, both at focus group discussions and individual life stories, viewed their own standard of living in relative terms. The point of comparison was both other estates (divisions in the case of the very large estates) and other households within the estate/division. Except in a few instances, as in the case of the more dynamic youth discussions, the understanding, perceptions and explanation of poverty by respondents were restricted to the framework of the estate sector. In most cases it was even more narrowly focused on the context of the estate under discussion.*
- **Characterisation of poverty and well-being is multi-dimensional.** *While income aspects and consumption (in terms of wages, household expenditure) are at the core of the characterisation of poverty, other elements such as health and personal attributes are also very strongly articulated. Multiple pressures were most frequently identified as deciding the ultimate position of a household reflecting a holistic view of interconnecting factors. Rarely was one factor so strong as to overpower all others, an indicator of the multi-dimensional nature of poverty. Exceptions were ill-health or death of the main income earner as a disabler and a very successful livelihood portfolio as an enabler..*
- **The homogeneity of the estate sector is reflected in the very marginal differentiation between main sample categories of crop, district, and management type in the characterisation of poverty.** *This was particularly true of the characteristics of the 'bottom' or the chronic poor. In the case of the 'middle' and 'top' there is a tendency for the characteristics assigned to upper steps of the 'middle' level households in the rubber sector to correspond to those of the 'top' level households in the tea sector.*

Figure 4.1: Characteristics of HHs along the ladder of life - Tea



Characteristics of HHs along the ladder of life - Rubbe



In the individual life stories the households assessed as being at the 'bottom' were those who faced long-term deprivation. The 'middle' group was those who did not have key deprivations but were lacking some key parameters of well-being and felt 'there are some better off than us others who are worse'. The 'top' level was characterised by progressive movers whose well-being factors outweighed the deprivations; they saw themselves as better than most in the community.

The greater ability of upper middle and top-level households to withstand external/sudden shocks and stresses was discussed as a key characteristic. This reduction in vulnerability was attributed predominantly to savings, multiple and secure sources of income, support systems and networks. However, households who were previously in the upper middle and top level but had relapsed into poverty did so because of insurmountable external shocks such as death, chronic ill-health or poor money management when investing in livelihoods. The vulnerability of the 'bottom' level was seen to be aggravated by inertia, apathy ("they live for the sake of living", "they have no future plans"), lethargy and laziness in sharp contrast to attributes such as 'self-confidence', "motivation" and the "will to develop" which were characteristics of the upper middle and top levels.

As most households placed themselves at one of the three basic levels of the ladder, the characteristics are discussed in these terms.

Characteristics of households at the 'bottom'

The characteristics in this group were the most consistent between all sample categories.

Priority characteristics

- In terms of prioritisation the **ratio of income earners to dependents** was cited by both male and female FGDs as the primary cause of poverty at the 'bottom' level. A **single earner tended to support a disproportionate number of dependents**, leading to a disabling gap between income and expenditure and preventing households from saving. High dependency ratios were particularly impoverishing when the dependents were young children or invalids that necessitated high expenditure as well as significant care giving effort and time. External shocks such as sudden cessation of work renders the given household destitute especially in instances where there is a single source of income.
- **An unstable / limited source of income** was identified as the second key cause of poverty. This variable was characterised by two groups; residents who engage in sundry work and who are not entitled to the full benefits of estate employment and permanent estate employees whose work attendance is erratic.
- **High incidence of illness** resulting in high expenditure on health, especially where breadwinners were invalid. Aged and invalid (chronically ill) dependents who incurred high expenditure debilitated a poor household's opportunities for even marginal movement out of poverty.

Frequently mentioned characteristics

- **Dilapidated houses, poor and deteriorating housing utilities** were identified as characteristics of the stark 'visual poverty' of 'bottom' level households. Families living in very apparent bad conditions were the most easily identifiable as poor.

- **Alcoholism** - addiction to alcohol as a creator of poverty was discussed primarily by female respondents both at community and household level. Alcohol dependence also resulted in the creation of other negative variables that impacted stagnation and aggravation of poverty Such as inhibition of earning capacity, indebtedness, social stigma, and doubling the burden of other household members in most instances women.

Other characterises

- **Low spending on education** due to low income combined with high expenditure, leading to a focus on meeting basic needs such as food and clothing. This was articulated in statements such as “children don’t go to school”, “unable to educate children” and “cannot afford to send child to school”.

- **Personal attributes** that contributed to poverty as discussed in the FGDs included factors such as “laziness” “disinterest”, “no motivation to develop”, “they want to stay where they are” and “lack of life experience and exposure” were also mentioned by respondents when looking beyond income and consumption aspects of the worst-off households.

- A **negative approach** which reflected a non-progressive outlook and a tendency to blame others for their predicament was identified at the focus group discussions. At the household level this was reflected in statements such as “They give us money only if we work the whole day”, “I don’t like to work, today I didn’t go to work, we have to work once a week in the factory”, “there is nobody to help us”, “I could have managed if I had a son, but I have a daughter”.

- **Networks and social capital** in the form of family, neighbours, friends and contacts provided valuable links to the household members that allowed to them utilise their potential and engage in various income generating schemes. This is in contrast to those who do not have such forms of support and cite this deficit as an impediment to improvement: “nobody to help us with looking after the kids, no external family. Those days I was working in Colombo, wife was in the Middle East for 4 years and my mother looked after the kids”. Links to trade unions and other power bases were impacted by poverty levels and or employment. Exposure, knowledge and awareness levels were weak in poor households, particularly visible in the low use of credit/finance institutions, Housing Cooperative etc.

- **Female-headed households** were classified as poor not only because of poor income but also because of increased vulnerability and limited bargaining power - “no one to speak to trade union leaders/management”. Gender equity is comparatively low in the sector and was seen as compounded when a female has to manage a household on her own.

- **Lack of land** – three out of ten male focus groups in the tea sector in the Badulla and Nuwara Eliya cited lack of land as a characteristic of those at the ‘bottom’ level. Cultivation (on leased and self owned small holdings) as a means of supplementary income was resorted to by an increasing number of households. At the household

level the issue of unavailability of land and inability to obtain/purchase land was seen frequently as contributing to their classification at the 'bottom' level.

- **Exhausted or misspent/poorly invested EPF/ETF** was identified as a characteristic of poverty at the household level. This is very pronounced in households that were positioned at the end of the of the demographic life cycle curve¹². Relocation and a lack of support from adult/employed children further aggravated this situation. Terminal benefits were applicable to all three levels, but poor or short-term use of these funds on life cycle events such as wedding ceremonies or settling long-term loans meant that this injection of cash did not assist upward movement.

Poor investment of EPF funds

Respondent: Female

Age: 44

HH composition: Wife and the Husband (both retired)

Bottom/Stagnant/Tea, RPC, Badulla

We are both retired and are in a very difficult situation because there is no income at the moment. Both of us got EPF and husband's was spent on the son's wedding and mine on food. So there's nothing left now. At the moment son helps once in a while and other than that we have nothing to rely on. I was living in Uri estate in Akkarathenna until I got married in 1978 and came to Pingarawa. Living conditions were much better there and I liked it. In the beginning our per diem was less than Rs.100 and at the time husband retired in 2004 he was paid Rs.135. My EPF came to about Rs.100, 000 and could not do anything with it. Spent the whole amount on food since the husband's was spent on son's wedding. The son works in a shop in Bandarawela and he is also not earning much. We pawn my jewellery if it is a bigger amount and do not ask from him. All my jewellery too is pawned now, had to pawn some for the wedding as well. Since there is no income at the moment I'm hoping for some sort of a casual labour work in the estate like easy weeding.

- **High levels of indebtedness** – "Whatever we earn is spent to settle credit. We have to buy flour, tea leaves on credit". This was noted only in poor households in the tea sector; households in the rubber sector noted financial constraints but did not state that they had resorted to taking out loans to meet household expenditure. Indebtedness also contributed to stagnation at 'bottom' and 'lower middle' levels.

¹² See discussion in Chapter 5

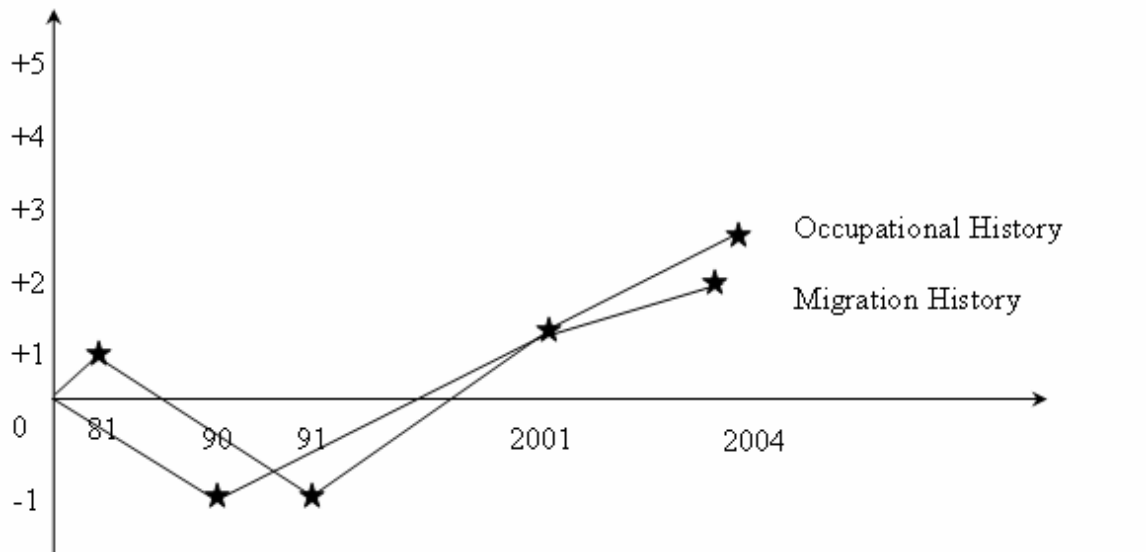
Life History: Multiple pressures of poverty

Respondent: Male, 24, no schooling,
 HH: Tamil/Sinhala family, 2 young children (8 months. and 3 yrs) and mother (85 yrs).
 Self Assessment: Poor/Stagnant
 Rubber/Pvt./ Ratnapura

I am in a difficult situation. When I was small my father hit me on a stone and I was in the Peradeniya hospital. When I was 10 my father married again. Mother could not support us so I went to work in a house. Then I worked in a shop in Colombo for many years. I could not study. If I studied I could have opened a jewellery shop or clothes shop. My father was the main obstruction. That is why we are still in the estate.

I got married to this girl and there is no one to help us. Now we have two small children. We can't ask money from the management every day. I have to work 20 to 30 days to improve our life. I work on the estate and in the village to earn extra. There is no other way. What we earn is not enough to eat. All of it goes to the shop over there. Some days we eat jack fruit.

Till last year we worked at a different estate. We did not like it there as the work was difficult. When my second child was born they did not give any money. They said I have to work for 240 days for 2 years. But they said they can give money if my daughter has a health problem. We have more freedom here. One of my relatives arranged this. In the company estate [RPC] we are given a house, and EPF. Here whenever they ask we will have to move, we don't get EPF. I want to send my wife abroad. But my children are too small.



Characteristics of households at the 'middle'

Those in the 'lower middle' level were those who were very not obviously poor (had some assets, better living conditions, more educated and aware) and better off than those at the 'bottom' level but with no real possibility of moving up owing to the prevalence of push down factors. This group managed a careful 'balancing act' with an equal number of 'push up' and 'pull down' factors. Sudden windfalls such as claiming gratuity or employment for an additional household member could result in elevation to this level for previously poor households, but the ability to remain there was reliant on more long-term and secure strategies.

The key characteristic of 'middle' level households was their ability to balance positive and negative variables to retain their position. However this balancing act also meant that they did not 'fall back' nor did they 'climb up'. Some even shared characteristics of 'upper' level households such as remittances and benefits. However, they were diluted/ did not enable rapid development owing to intra-household variables such as composition (dependents), single source of income, high levels of expenditure. This was very visible in comparison with the 'top' level households with few dependents who maximised remittances and benefits for development and were even able to move from 'middle' to 'top' because of this.

The presence of some positive variables and the absence of others also combined to position households at the 'middle' level – “We are not that rich. Of course we get food everyday but we don't have land.”

Acceptable income negated by high expenditure as indicated by the following statement was another feature of 'middle' level households; “Both of us are working, we earn about Rs 5,000/- per month. Our children are still schooling so we have to spend a lot on them... we have to buy books and uniforms”

The demographics of the households and ratio of income earners to dependents, while better balanced than 'poor' households, was still considered to be a disabling factor. These households were able to provide for young children/dependents/invalids in terms of income, but the presence of these high expenditure cohorts also disabled savings and development such as house renovations, expenditure on non-essential items such as clothes, extra food and entertainment. Sudden and unforeseen exigencies and external shocks heighten the risk of a relapse into poverty.

Characteristics of the middle level:

Priority characteristics

- **Higher number of income earners** (both husband and wife work, adult children employed in other/service sectors), more than one income generating scheme, a secure/salaried source of income for at least one household member, **combining livelihood strategies** such as estate employment and wage labour, supplementary sources of income (off-estate wage labour, remittances from members employed in non estate jobs, i.e. garment factories, sand mining; “People work outside, hardware shops, drivers, both work”). Regular cash flow (from at least a single source – salaried/self employment, off-estate work, remittances) served as a fall-back in instances of high expenditure and also enabled retention at the 'middle' level. They also benefited from **remittances** (out of Province/overseas). Remittances were the most frequently mentioned characteristic.

- **Demographics of the household** older children who contribute through earning or are not a burden due to education expenditure, lesser number of dependents and a more equal balance in the earner to dependent ratio.

Frequently mentioned characteristics

- **Prioritisation of education** (even by those with economic difficulties) was a common characteristic of 'middle' level households and this served to differentiate them from poor households. The positioning of a household at the upper middle level indicated possession of abilities and capacities that were out of reach for those at the lower level.
- **Recurrent debt cycle** stemming from the need to balance upward and downward pressures. Cash inflow was not always smooth and at any given point these households maybe faced with some level of loan repayment (obtained mostly through informal sources).

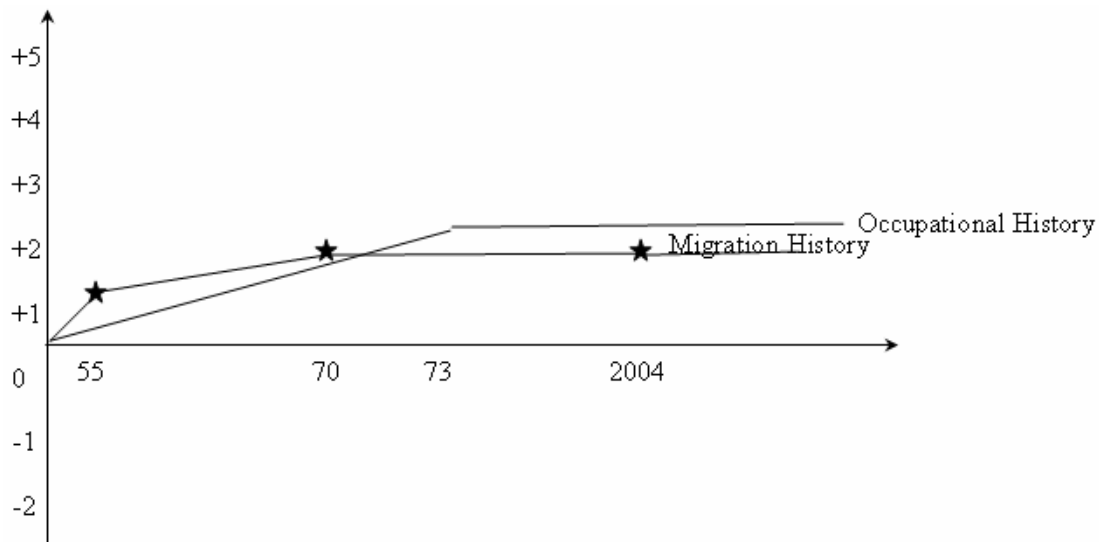
Other characteristics

- **Capacity to access services** such as paid health care, communication, **improvement of housing** with amenities such as water and electricity, **ownership of assets** such as household goods (e.g. furniture), electronic goods such as TVs, stereos, VCD players.
- **Enabling personal attributes:** Hard work, effort and the will to develop and thrive were cited by respondents as factors that enabled them to afford a 'decent' standard of living. Characteristics such as "I work outside the estate, father earns and save money, we work continuously, we don't spend money unnecessarily", "We don't buy on credit. We rarely owe more than 20/- to the shop", "We don't take credit, don't drink, and "don't waste money and time" were also highlighted.

Life History: Balancing the household through mobility

Respondent: Age 50, Female, Married
 Self-Assessment: Medium / Improving
 HH Composition: 02 females, 04 males
 Rubber/Pvt/Kegalle

Everybody in my house goes to work we can't stay at home. We have to earn to live. Our expenditure comes to about Rs.5, 000. My daughter and her husband are also working, my husband and I earn around Rs.4, 000. I do rubber tapping and the husband works in private places. We worked hard to bring up the children and today they are doing well. Daughter is married and the two unmarried sons are working in a private factory. We were at the estate in Ethurapola until 2004 and came here because of my daughter. The condition of the rubber trees here is not good at all and in Ethurapola we had a factory and better processing facilities but I have no hope of going back there because here I have my daughter to take care of me. I left Ethurapola with all its facilities to be near my daughter. I have saved some money for the children in the Rural Bank and have saved Rs.5, 000 for myself and also my pension. In case of an emergency we withdraw from the bank. We have taken a loan of Rs.10, 000 once for the daughter's marriage and we managed to pay back from our salary. When taking important decisions we consult my son-in-law. We are all in the same union but they haven't done anything for us. There are no political involvements to be seen in the estate people are not interested. I want to work hard and live peacefully and I cannot say anything regarding the estate because I'm not from this estate. Estate must be developed and everybody should live a peaceful life.



Characteristics of households at the 'top'

While a good household income was the key characteristic, it combined with a range of other factors that varied quite substantially at the household level. The interface between positive variables in key areas such as income, education and living conditions contributed to the positioning of a household at the 'top' level by the community. Households in this group were better able to counteract negative variables with positive ones, managing the negative efforts of sudden or external impacts (e.g. – a cut back in designated working days, illness) and time variant causal factors for example, children's education expenses.

Priority characteristics

- **Stable high-end income derived from multiple sources** placed households at the top of the ladder. The income portfolio was made up of on and off-estate wage labour and salaried employment, self employment (retail shops, three wheelers), retail stores, animal husbandry, vegetable cultivation (in the tea sub sector), cash transfers such as gratuity/Employees Provident Fund (EPF)/Employees Trust Fund (ETF). A high household income was seen as being able to counter the negative effects of variables such as demographics and external shocks.
- **Remittances from those employed overseas** - regular lump sum cash transfers especially from members employed in the Middle East (ME) at present (or within the past ten years) also served to locate households at the top level and sustain a high standard of living. ME employment by a member of the HH at any given point of the household's life cycle served as stand alone factor in positioning a household at this level; other factors such as sound investment enabled the household to retain this achieved position.

Invested in Middle East money and doing well at present

Respondent: Female

Age: 44

HH composition: Wife, husband, and three children

Medium/Improving

Tea, Pvt, Nuwara Eliya

We are in this situation because I went to Middle East, if not we would still be poor and totally dependent on the estate salary. Children could get a good education without interruption. The estate management changes all the time and no salary increments as well. So one cannot think of getting ahead in life with what we get from the estate at all. In the case of my family, my husband does not drink and he looked after the family and managed finances well while I was away. House was reconstructed and extended but in 2000 when there was a dispute in Bidunuwewa rehabilitation camp our houses were also attacked. Our house was burnt partially and some of the household items were destroyed so had to build up and buy things again. Despite all that today we are in this position because we had saved some money because we did not get compensation at all.

At the moment my younger son who stopped schooling after O/L is in Colombo, working in a garage and he is looking after his expenses. The elder son is getting ready for his A/L and our daughter is in grade nine. We are hoping to start a business closer to the town, still haven't decided what sort of a business and before that we want to buy a piece of land somewhere and build a house. Husband has an idea of going abroad this time because I prefer to stay back and be with the children.

- **Sufficient income to meet expenditure** was explained by non-procurement of loans, financial assistance and ability to manage household expenses with the household income. These households were also able to apportion income (for

daily expenditure, savings, *settu*). They also had disposable finances for entertainment, communication, travel etc.

- **Networks and social capital**, demonstrated through interaction with external communities such as villages and townships was higher amongst this segment, with many members of the household engaging in frequent travel for a variety of reasons. This exposure served to provide them with additional opportunities and also contributed to enhanced awareness – “If we stayed back in the estate we would never have achieved this much. Colombo exposure and education - I take no alcohol because of this - has led to this improvement”.

Frequently mentioned characteristics

- **Housing and utilities** – all the ‘top’ level households were seen to have well maintained, extended line rooms or houses. They had secured individual electricity and water supply and had access to sanitation and private toilets. Household asset bases included furniture and electronic equipment.
- **Investments and loans** - the upper deciles took out large scale loans for equipment/businesses for which they had collateral and methods of repayment. Financial investment was generally directed towards a secondary income generation scheme (retail stores, three wheelers, obtaining leased land for cultivation etc.). They also invested in savings, jewellery and land and production related assets such as bicycles or three wheelers. Ownership and leasing of land was mentioned, especially in the tea sector.
- Many **aspects of education** including the number of educated members in the household -particularly primary breadwinners who in turn prioritised education, continued education of younger children, and educated adult children up to post secondary level were cited by respondents as justification for placing their respective households at the ‘top’ level. Some sent their children to schools in the nearby townships. Unlike the ‘middle’ and ‘poor’ categories where most children dropped out of school after the lower secondary level, children of ‘top’ level households continued with higher education.
- **Demography of households/dependency ratio** – heterogeneity in household composition was seen as working positively for these households, as did the lifecycle of the primary family. They tended to have a small number of children or dependents supported by a greater number of income earners, coupled with the high earning capacities of the earners.

Other characteristics

- **Personal attributes** - ‘Top’ households also attributed their position to social aptitudes and skills – “we live a decent life”, “we know how to behave” “we have to live well, like proper human beings.”

Life History: Stabilising at a higher level

Respondent: Age 33, Female, Married

Self-Assessment: Upper/ Improving

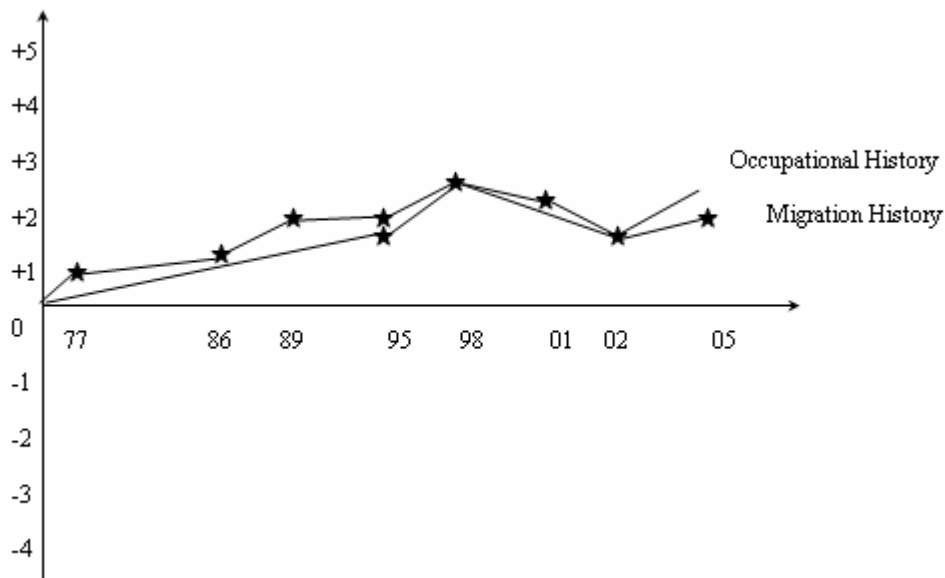
HH Composition: HH, spouse, 03 children still in primary school

Rubber/ RPC/ Kegalle

Compared to other line room people we have a better income. Both of us are working in the estate and from 2002 onwards husband maintains his brother's boutique since he is abroad. Problems were reduced we used to work in the estate even before the marriage and had some saved money. Husband started working as a sundry work in 1984 and started tapping rubber in 1986.

So by the time we got married in 1995 husband had the line house in his name so we didn't face any problem with housing. His parents live nearby and at the moment his parents look after the kids while we are at work. I earn about Rs.4, 500 from rubber tapping and that is enough for the children's expenses; I work two shifts a week and husband only the morning shift. Sundays and Poya days are holidays. The boutique, which we got from my brother-in-law, is in a part of the house and during the daytime we open it as people come to buy goods, but in the evenings it is opened throughout since the husband is at home after doing his morning shift. Income from the boutique is about Rs.5, 000. We are closer to the people after I started doing the boutique. But getting stock for the boutique is the only negative point as travelling is difficult.

If the brother comes back my husband is hoping to open his own shop. We do save money for the future in National Savings bank in Eheliyagoda [nearest township]; it is safe there in every way. If we have money in our hands we feel like buying something always. At the moment we have about Rs.15, 000 in savings. More if you add the EPF. In case we need money in an emergency – like with the funeral of my mother-in-law, we pawn something or withdraw from the Bank. We are members of the funeral co-operative for which Rs 25 is deducted monthly from the salary and also we are part of the CWC union. I haven't had any benefits from the union so far since I do not have any problem with the management.



4.2 Changing poverty conditions in the estate sector

A clear differentiation exists in the residents' perception of improvement at the community level and household level. The majority saw the community – or rather, the estate in which they live – as having deteriorated or stagnated over the last 15 years. This feeling was as prevalent at group discussions as at household discussions. The feeling of worsening conditions was particularly stark in the privately run estates. However, in contrast to deteriorating community conditions, the majority of households felt that conditions were improving for them at an individual household level. The perception of improvement was prevalent even among a significant portion of households that saw themselves at the bottom of the ladder.

There was greater consensus regarding potential changes in the future: the majority view is that positive change cannot be expected at the estate level in the future

Community perceptions of change

Table 4.1: Trend in change over the 1990-2205: By crop and management type

Change	Tea	Rubber	Total	RPC	Pvt	State	Total
Improving	6 (16%)	9 (24%)	15 (39%)	13 (34%)	2 (5%)	0	15 (39%)
Stagnant	7 (18%)	0	7 (18%)	5 (13%)	1 (3%)	1 (3%)	7 (18%)
Deteriorating	5 (13%)	11 (29%)	16 (42%)	9 (24%)	6 (16%)	1 (3%)	16 (42%)
Total	18 (47%)	20 (53%)	38 (100%)	27 (71%)	9 (24%)	2 (5%)	38 (100%)

Source: FGD

Table 4.2: Trend in change over the 1990-2205: Perceptions by gender

Change	Tea		Rubber		Total	RPC		Pvt		Total
	M	F	M	F		M	F	M	F	
Improving	2 (5%)	4 (11%)	4 (11%)	5 (13%)	15 (39%)	5 (14%)	8 (22%)	1 (3%)	1 (3%)	15 (42%)
Stagnant	4 (11%)	3 (8%)	0	0	7 (18%)	3 (8%)	2 (6%)	1 (3%)	0	6 (17%)
Deteriorating	3 (8%)	2 (5%)	7 (18%)	4 (11%)	16 (42%)	7 (19%)	2 (6%)	2 (6%)	4 (11%)	15 (42%)
Total	9 (24%)	9 (24%)	11 (29%)	9 (24%)	38 (100%)	15 (42%)	12 (33%)	4 (11%)	5 (14%)	36 (100%)

Source: FGDs

Disaggregating by crop, the perception of deterioration was particularly strong in the tea sector, where the majority felt the estates were deteriorating or, at best, stagnant. Interesting, none of the communities saw stagnation in the rubber sector; there was equal spread of opinion between the contrasting positions that conditions were deteriorating vs. improving.

The strongest differentiation of perception of change was seen between RPCs and privately owned and managed estates. There was a stronger perception of a trend of deterioration in the privately owned and managed estates.

Disaggregating by gender, the overall trend was for men to perceive greater deterioration and women to perceive greater improvement both in terms of crop and management type. However, this trend was contrasted in FGDs in the privately owned estates where both men and women perceived conditions have deteriorated. This perceived overall deterioration of the privately held estates is a recurrent theme of the study.

Box 4.1: Management and ownership of estates; differences in Poverty

Type of management was one of the main criteria in the sampling framework. The sample looked at **RPC**, **state** and **'private'** (individually owned) estates, reflecting overall aggregate coverage. At a macro level clear differentials were noted in reinvestment – productivity, labour and welfare and management across the three types.

At the community and household level it is worth highlighting that RPCs and privately owned and managed estates showed stark variations in living conditions, labour outputs, welfare and wages, productivity, management style. Poverty in all its dimensions was more prevalent in the communities and households of the private estates than the RPCs in the sample studied.

Household perceptions of change

In contrast to the assessment of communities at FGD level, household-level interviews revealed that the significant majority of households in the sampled estates perceived an improvement in the last 15 years. While this was true for both the tea and rubber estates, there was a significantly greater trend towards improvement in the RPCs in comparison to privately managed estates. Correspondingly, while only 7% of the sampled households living in RPC owned estates stated that conditions had 'deteriorated', 22% of the sampled estates under private ownership felt they had deteriorated during the last 15 years.

While the majority of those who felt improvement assessed their current situation as 'top' or 'medium', there were 'bottom' households that felt they were improving. However, the majority (72%) of the 'bottom' households felt they were either stagnating or deteriorating. These households can be classified as chronically poor. The rubber sector had a much higher percentage (24%) of households that classified themselves as stagnant/deteriorating than the tea sector (11%).

Table 4. 2: Self assessment of movement at household level: Tea

Self-assessment	Improving	Stagnant	Deteriorating
Top	Moving (59% of sample)	Top (3% of sample)	Fallers (4% of the sample)
Medium		Medium (14% of sample)	
Bottom	8% of sample	Chronic poor (11% of the sample)	

B: Percentage of total households in tea sample

Table 4.3: Self assessment of movement at household level: Rubber

Self-assessment	Improving	Stagnant	Deteriorating
Top	Moving (53% of sample)	Top (1% of sample)	Fallers (3% of the sample)
Medium		Medium (10 % of sample)	
Bottom	8% of sample	Chronic poor (24% of the sample)	

B: Percentage of total households in rubber sample

Despite the fact that the households in the sample were assessing their mobility over a 15 year period, the self-assessment was highly biased towards the present. The main reason was the structure of the sector which made households sensitive to seasonality and fluctuations in availability of work and expenditure patterns. The position of the household was also highly contingent on its location in the lifecycle. Households rarely follow a continuous path in any direction, fluctuations happen – some due to unexpected shocks such as death, ill health – others due to progress along the household life cycle.

4.3 Reconciling contrasting trends

“We developed by working hard. My children are going to work. Wages and housing facilities are very poor in the estate. But we are in a better position. We have good income. In our family we have enough food to eat”. (54, F, Medium/Improving, RPC, Nuwara Eliya)

There is a clear difference between the residents’ perception of improvement at the community level and at the household level. What causes this contrasting perception that households are improving, but communities are deteriorating? Two influencing issues can be identified:

- Comparison against a ‘ideal type’ Households developing livelihood portfolios with high input from the non-estate sector.
- Household livelihood portfolio

Comparison against an ideal type leads households to make relative comparisons. In estate community discussions the ideal type was influenced both by alternative forms of management that workers may have experienced and, very significantly, the welfare and employment expectations arising from the institutional structure. Given the history of the sector and changes in national policy in relation to ownership and management, most estates have experienced alternative management forms (from being privately owned during colonial and early post independence times, to nationalisation, and most recently re-privatisation). The tendency to view the past as a relatively better period was aggravated by the fact that despite the 15 year limit of the study’s time line, group discussions at a general level tended to be biased towards a longer timeline. This was clearly reflected in the discussion on community perceptions of governance:

“In the 60s, under private ownership, workers were treated well. During Corporation time you could at least talk to them. After privatisation it has deteriorated further. No improvement at all” (Male FGD, RPC, Rubber, Kalutara)

The historical structure of the estate as a 'total institution'¹³, where the responsibilities of the management extended to all aspects of the resident community and its welfare, is still in place to a large extent. More recently the paternalistic/dependent nature of the relationship between the management and the workers has combined with the adversarial; rights based culture associated with unionised labour and minority ethnic politics. In this context, any improvements seen within the community are compared against an ideal and found to be wanting.

"I met the Management about 4 years ago on a first of January and complained that my roof was leaking. They repaired it for me in three weeks. I'm happy about the fact that they understood me and did at least the front part of it". (32, M, Top/Stagnant, Rubber, Pvt, Kegalle)

The critical role of the **household livelihood portfolio** will be discussed in depth in this study, but it is important to note the importance of external employment in separating the fortunes of the household from that of the estate community. While the chances for a given household to increase their well-being is greater in circumstances where the estate is doing well, households in deteriorating environments could be forced to include an even greater percentage of their income from external sources and therefore move upwards quite independently of conditions on the estate.

"This is a private estate – the owner wants the maximum profits, we don't have the benefits that company estate workers have. This estate is not doing well; the tea is old (not pruned). I went to Cyprus so I was able to extend my house, buy equipment and start a small business. Some people go out even to Colombo to work. A few have gone to the Middle East."(40 M, Top/Improving, Tea, Pvt., Nuwara Eliya)

"There are many who have more problems than us. Not many who are better than us. Brother went to work in Colombo, through a friend. He helped me to get a job in Colombo." (19, M, Top/Improving, RPC, Kegalle)

"Both of us are working and we have a small boutique that we manage after working hours. The eldest son is working and he is looking after his own expenses even though he is not in a position to help us financially. The other two sons are schooling and I can afford to give them a good education. I worked abroad in Maldives from 1992-2000 as a hotel garden supervisor and it helped us a lot." (48, M, Top/Improving, Rubber, Pvt, Kalutara)

¹³ This issue is discussed at greater length in Chapter 5.2 in this report.

Box 5.1: Women in the estate sector

A large proportion of the estate labour – particularly in the tea sector – is female. While males engaged in tapping they do not engage in tea plucking. Hence, most issues discussed in aggregate have gone to women. However, certain issues are very specific to women and their role within the estate. Discussions identified limited access to alternative forms of income generation due to social addiction, sexual harassment, and skewed gender relations within the home as some of the issues to contend with.

“As women we are unable to go outside for work, we are dependent on the estate. Men have more access to outside work. We are trying our level best to improve but no use. Most of the females do not have male support. Some females went for work in Colombo garment factories but they return to the estate.” (Female FGD, Rubber, RPC, Kalutara)

“There are women drinking as well. When women complain about the hard work, the men give them alcohol.” (Female FGD, Tea, RPC, Badulla)

“There is partiality in weighing leaf. Kanganis [supervisors] are womanisers and favour some above others.” (Female FGD, Tea, RPC, Nuwara Eliya)

Youth FGDs confirmed some of the problematic gender issues in estate communities.

“Women face a lot of domestic violence due to alcoholism and in most of the families they have become the sole bread winners as the husbands spend all they earn on alcohol.” (Youth FGD, Tea, RPC, Nuwara Eliya)

An interesting issue, which brings together the high prevalence of females in the labour force, traditional methods of asset accumulation and the role played by persons in roles of power, comes out in the discussion on savings;

“When we pluck overtime or pluck above average 50.60 days, we were always encouraged by the Kanganis to buy jewellery instead of wasting it. If the person is not sick she can earn about Rs. 5000 per month. There are people earning like that. We also attend workshops in Kandy”. (Female, Tea, RPC, Badulla)

The central role played by women in the economic viability of the household was also reflected in intra-household relationships. The need for women to work hard to maintain the household was frequently articulated, especially when discussing the issue of freedom. Reflecting the very high intensity of the double burden borne by women in the sector, many of them spoke of freedom as a synonym to personal free time.

“People always try to do well however many problems we have. The women all work. They are very hard working.” (FGD F, Rubber, RPC, Kalutara)

“We have no freedom. We have to report to work at 7.30 and have to complete many household chores before getting there. We finish at 6.30 and go back home to more work. (Female FGD, Rubber, RPC, Ratnapura)

In contrast;

“My wife gets up at 4 and gets me a cup of tea by 5.30. Then I get up and read the papers. Wife comes home after work and prepares my lunch. I go for a bath in the afternoon. We do our work without any problem. (Male, Rubber, RPC, Kegalle)

5. What helps and hinders people's movement out of poverty

This chapter draws from focus group discussions, individual life stories and community time lines to identify the main upward and downward drivers of change. The previous chapter identified the more static characteristics of households at different levels of poverty and well-being. This chapter will look at the more dynamic aspects of change – the forces and circumstances that create upward and downward pressure on given households. It is important to note that these same factors can help as well as hinder movement out of poverty over time, as their impact is mitigated by combining factors or by specific circumstances.

Table 5.1: Upward and downward drivers identified in FGDs

Tea	RPC	Private	State
UPWARD Drivers	FGD - 14	FGD – 04	FGD -02
High Priority Factors			
External Employment	64%	25%	12.5%
Housing and utilities	28.5%	50%	
Estate work / wages/ Agriculture/Productivity	35%	----	-----
Significant Factors			
Education	21.4%	25%	-----
DOWNWARD DRIVERS			
High Priority Factors			
Cost of Living	-----	-----	50%
Estate work / wages/ Agriculture/Productivity	28.5%	-----	-----
Significant Factors			
Alcohol	35.7%	-----	-----

Rubber	RPC	Privately owned
UPWARD Drivers	FGD - 14	FGD - 05
High Priority Factors		
External Employment	64%	80%
Housing and utilities	28.5%	40%
Significant Factors		
Children grown up and working	21.4%	-----
DOWNWARD DRIVERS		
High Priority Factors		
Cost of Living/Low income	42%	60%
Significant Factors		
Alcohol	21.4%	60%

5.1 The nexus between wages, availability of work and cost-of-living

.The mismatch between earnings from estate work and household expenditure was identified by the community and households as a core downward driver. In the tea sector the workers perceive this problem as being aggravated by fluctuating work availability, whereas in the rubber sector greater availability of work is seen to provide financial relief. The primary strategy for coping with this downward driver is for households to develop a diversified livelihood portfolio which incorporates non-estate employment.

The pressure of the gap between wages and cost of living was a primary downward driver. **For estate workers in all sample categories, 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 well-being.**

“The cost of living has increased, prices of goods are increasing. Since we have to spend a lot on day-to-day expenses, we can’t save anything.” (38, M, Bottom/Stagnant, Tea, RPC, Badulla)

“Even if we earn more everything is more expensive. Even if you earn more money than in the past you have to spend more money on daily necessities/ food. The prices moving up is the issue” (Female FGD, Rubber, RPC, Kalutara)

The situation is aggravated by the very high level of monetorisation of the sector. There is a keen awareness that the communities live in a total cash economy where a high percentage of income is spent on food. The opportunities for subsistence farming, such as home gardens, were extremely limited. The availability of extra work on the rubber estates acts as a double-edged sword particularly for women as it eats into time that could be spent on food production.

“Everything has to be paid for. In addition to food, children’s education, travelling, Rs. 20 for the children to go to school everyday. There is a season ticket but there are no [state] buses for that. So we have to pay and go in the private bus. For occasions such as weddings, funerals, we need money”. (Female FGD, Rubber, Pvt., Kegalle)

“Everything is expensive, we do not have time to cultivate vegetables, we spend more money on food” (Female FGD, Rubber, RPC, Kegalle)

Production and agriculture related factors aggravated the downward pressures in the tea sector, but the same factors were seen viewed in a positive light in the rubber sector due to better markets. **General favourable conditions in the rubber industry which have increased the availability of work are probably the reason why community level respondents in the rubber sector tended to separate the agricultural/management factors from issues of wages and the cost of living. Significant variations were noted in the availability of work across the two sub sectors.**

In the tea sub sector:

“The prices of essential goods have increased. Our wages are not enough. We have less work in the estate than before. Earlier we had work on Sundays but now we don’t get any work on Sundays. The bushes have less leaf now than in the past. We need to work for 26 days at least to survive but we don’t get work for that many days.” (Male FGD, Tea, RPC, Badulla)

Contrastingly, in rubber:

“Factory development was a main reason [for better earnings]. Along with continuous orders we got continuous work. Labourers got good returns; a profit sharing scheme was introduced. (Male FGD, Rubber, RPC, Kegalle)

“Those days there was less work but now we have more work. We have more work, enough work actually.” (Female FGD, Rubber, RPC, Kegalle)

The community level discussions identified changes in productivity standards and labour management driven by a desire to increase profits since privatisation as important contributors to the reduction in availability of work within the estate, and hence low earnings. This was especially evident in the tea sector sample sites.

“Registration in the estate is not done properly. Most of the time only casual labour is given. We’re given work for 2 months and then it is stopped. So it is better to work outside since there is no permanency. *Thalevars* [estate union representatives] are the people who don’t get us registered. My name was registered and the *Thalevar* cancelled it.” (Youth FGD, Tea, RPC, Badulla)

“Those days we didn’t have any problems. Lots of women worked. Those days we were asked to pluck a maximum of 150 bushes. But now they are asking us to pluck 500 bushes. We have only two hands. They select the best part of the pluck and without a minimum of 22 kg per day our names are not ticked on the roster. Now they are very strict about being on time and if we get late they send us back.” (Female FGD, Tea, RPC, Badulla)

“People are never given enough work. The management changes all the time and they do not know people well and all they think of is money. People are poorer than ever and are losing faith in the estate.” (44, F, Medium/Improving, Pvt., Nuwara Eliya)

While the negative pressure was less in the rubber sector, shortfalls in managing agricultural aspects of the estates as well as new measures taken to increase productivity and diversification were seen as causes for downward movement;

“Tapping is difficult, the rubber lands are not maintained properly, wild boars are there when we go to tap in the morning 6.30/7.00.a.m”. (Male FGD, Rubber, RPC)

The majority of rubber sector workers felt that productivity and market related changes had increased their earning potential and created more secure and continuous work. Specific changes such as the provision of rain guards that enabled

tapping of rubber during the rains, linking of factory production to a direct and secure market, and crop diversification were seen as contributory factors to improvement which in turn resulted in upward mobility for the community.

“The factory gets better prices for sole crepe and the orders are always there. There is now always enough work, not like in the past ... before the factory started on sole crepe. Now even during rainy seasons we can work at least half day.” (Female FGD, Rubber, RPC, Rathnapura)

“In 1993 they started planting tea in the rubber estates. This gave us a broader choice for work”. (Male FGD, Rubber, Pvt, Kalutara)

“Rubber trees are covered in polythene and that is better since it keeps the tree from getting wet. We can tap even on rainy days, unlike in the past.” (Female FGD, Rubber, RPC, Kegalle)

Interestingly, the positive changes made to the production process and its overall positive impact on the earning capacity of the community were discussed in detail by female focus groups in two of the ten rubber estates. In general women in the rubber sector seemed more aware of changes that related to the entire production process than women in the tea sector. This could be due to the fact that in the rubber sector females participated in all stages of the production process – from tapping to the final product packed for shipping. In one of the rubber estates visited, the study team was introduced to the factory production process by a female factory manager. This characteristic, however, is an outlier in the sector.

Box 5.2: Low wages or high cost of living?

This question was analysed and explored at length by the study team, without arriving at a clear conclusion. While it is clear that the majority of households are struggling to meet the costs of household expenditure, it was not very clear whether the core of the problem lay in the wage structure or the cost of living. Despite the fact that it is popularly accepted that the estate sector pays low wages, it is in fact considerably higher than both the minimum wage and the wage rate in less dynamic rural areas. It is however; significantly lower than the market rate of the more dynamic rural areas. Compared to industrial employment, on average the potential cash earnings of an estate worker and that of a garment factory worker are comparable.

The other side of the coin is the cost of living. While food and education expenditure form a substantial component of household expenditure, most households also spent significant amounts on alcohol, and household utilities such as TVs, stereos, fans, which are purchased on medium term hire purchase. Sales representatives from companies such as Singer visit estates regularly and report good sales. Households that had moved out of poverty also spoke strongly in favour of the importance of combining money management with diversified household livelihood portfolios.

Importantly, respondents saw no prospect of change. None of the FGDs saw a change in the pattern of continuously rising costs when looking to the past or the future.

All discussions on change, future aspirations, dimensions of poverty and movement focused on the rising cost of living and the inability of wages to meet these costs:

“Earlier we didn’t have such difficulty, as costs were not high. Look at the cost of a rice kilo...now even if you have Rs. 1000 it is not enough. A length of cloth is so expensive. When we were small, Rs. 5 was enough to bring stuff for the house for a week, in my 40’s Rs. 50 was enough but today even thousand rupees isn’t enough.” (Female FGD, Rubber, Pvt., Kalutara)

“In the future it will be difficult to live even if we earn more as we have to pay more for food items.” (Female FGD, Rubber, RPC, Kegalle)

“We are having this much of difficulties, how can we say that it’ll be better for our children? For them it’ll be worse, living expenses will be higher, it will get more difficult” (Female FGD, Rubber, Pvt., Kalutara)

5.2 Diversifying the household livelihood portfolio

As the rising cost of living in relation to wages has become a constant factor, coping measures are essential in order to avoid rapid deterioration. Such measures combined household initiatives and a dependence on estate welfare. Dependence on the estate management is still high,

“Poverty has increased we are holding on because of the organizations (Housing Cooperative, Plantation Trust, etc). The pay is not sufficient for us to make ends meet; we have to obtain a loan from the Cooperative” (Male FGD, Rubber, RPC, Kegalle)

despite a consensus that the estate-based support systems are not as effective as they were in the past.

“Those days low income earners would get vouchers for food, etc. That would help with cost of living “(Male FGD, Rubber, RPC, Kalutara)

“There was a co-operative shop. People could get foods and pay from salary. We didn’t have to take on credit from the boutiques” (Male FGD, Tea, RPC, Ratnapura)

The most popular and most successful method of coping as well as moving out of poverty is by diversifying the household livelihood portfolio. The average number of income earners per household in the sample was 2.6, which included household members who were working outside the estate. While it is possible to increase the number of workers per household through estate work only, the vast majority of the households developed their portfolios with the inclusion of non-estate work. This enabled a household to combine estate work, which provides a more secure source of income and enables trouble free access to services and welfare provided by the estate, with more financially lucrative forms of employment available outside. This strategy was common to all categories of household – ‘bottom’, ‘medium’ and ‘top’.

However, the attitude towards retaining estate work in the livelihood portfolio differed quite dramatically between household categories. Members of dynamic households took a conscious decision to include estate work in their household livelihood portfolio as it provided stable employment and offered considerable freedom¹⁴ through the shift system. This enabled them to combine estate work with other income generating activities. The lower cost of living on the estate due to free access to water, energy and housing was also an important factor in a household's decision to remain on the estate.

"I was born in this estate when I was 10 years. I went to Jaffna later to Colombo and I got a job in Maradana hotel. I got a good salary. My expenditure was high when I was in Colombo I don't like that. We have to work according to the shop owner, when there is breakage we have to pay from our pocket. I heard that in the estate they were providing work so I came back. Here we have housing facility, we have water facility, when some body is sick estate is providing transport facility, we work from 8.00 p.m. to 2.p.m. I want to start a cultivation plot. I want to secure some additional income to run the family. My wife and sister are abroad." (33, M, Medium/Improving, Tea, RPC, Badulla)

"If we work on the estate we can save something – EPF, ETF. I've thought a lot about this and decided to stay on the estate and work. If we go outside we can earn about Rs.150 more every day. But we finish it off. No savings. If we work here we can save something at least for our children." (32, M, Top/ Stagnant, Rubber, Pvt., Kegalle)

In contrast the 'bottom' and 'medium' households that were stagnating or deteriorating saw the estate employment structure as restricting freedom. A number of persons protested at the 25 day working requirement as impinging on their freedom and creating too much restriction. The lack of choice and frustration with a highly structured system, which they were unsuccessful in manipulating, was central to their dissatisfaction.

External employment is included in the livelihood portfolios not only to improve life conditions, which can lead to upwards mobility, but also for coping with expenditure that cannot be met by estate employment alone. All the households defined as having moved out of poverty had at least one member in non-estate employment. Undoubtedly, external employment is a primary upward driver. However, contrary to popular and estate community perception, life stories show that many 'bottom' as well as 'medium' non-mover households also have one or more member in external employment.

When used as a coping strategy, it is clear that external employment – particularly migration-based employment - is needs based and temporary and this is frequently linked to specific points in the household life cycle. What matters to a given household is an injection of cash during the difficult periods of the life cycle, and/or the ability to withstand unexpected shocks such as ill health or death, avoiding a downward spiral. The impact of external employment on the household is contingent upon the household's

¹⁴ While the meaning of freedom was asked specifically in the FGD, it was not directly discussed in the HH questions. However, it was frequently mentioned in relation to occupation.

position when workers migrate, the stage of the HH life cycle, and which members migrate.

'Bottom' households with members in external employment:

"Me and my husband, both are retired. Husband's EPF was spent on son's wedding and mine was spent on food. So there's nothing left now. And the son is working in a Bandarawela shop, he helps occasionally" (44, F, Bottom/Stagnant, Tea, RPC, Badulla)

"I'm not working and my son is schooling. My wife is working in the estate. Her salary covers the daily expenses. Daughter is working in Colombo as a domestic. She brings home about 3000/= after her expenses are deducted. She supports the brother in his education" (59, M, Medium/Improving, Tea, State, Kandy)

"Those days both of us worked in the estate but now only I work in the estate and my husband does casual work. He recently stopped working in the estate because the salary is very poor. He used to get around Rs. 121 per day and my pay also fluctuated depending on the seasons and climate. Now we have four children. How can one manage a family of 6 members with this income? Now a coconut is Rs.25/= and rice Rs. 45/= to Rs. 50/=. My husband was working in Colombo as a sales man in a textile shop and he earned a better income. I couldn't cope with the work and children. Children very often got sick. So he gave up the job and came back." (40, F, Bottom /Stagnant, Rubber, RPC, Ratnapura)

Migration overseas was seen less often as a coping strategy; however, few households sought overseas employment as a response to a specific problem faced by the household.

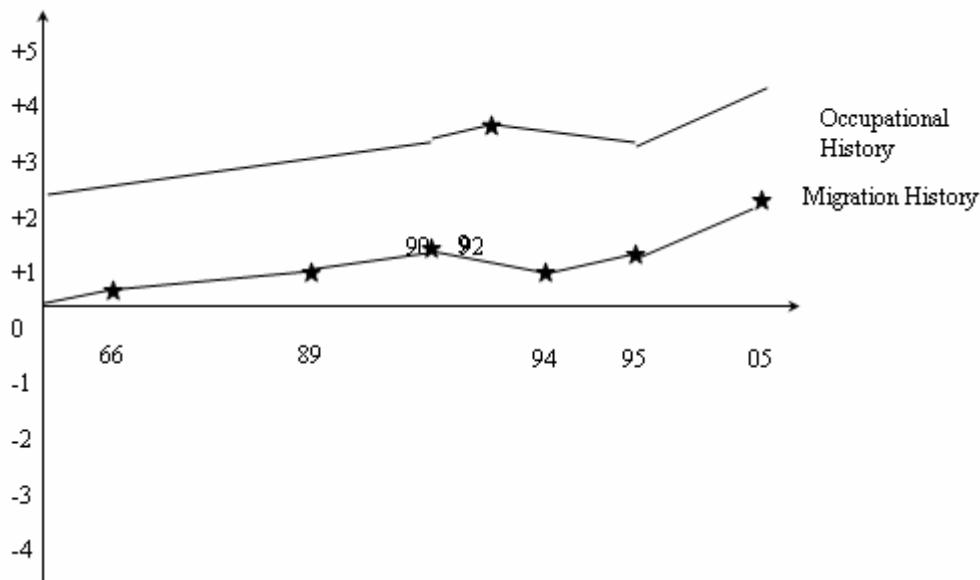
"I fell ill often so she decided to go abroad and work. Can't exactly say we have moved up but it has helped. If we go up one month we are down for two months, we have no hope for a definite future. Now that my wife is abroad, I hope it will be better in the future" (53, M, Medium/Improving, Pvt, Kegalle)

Where the diversified livelihood portfolio does facilitate a move out of poverty, it is primarily when the head of the household or the wife has been in long-term external employment. Households where adult children go out to work also see some improvement, depending on the composition of the household. Longer periods of employment by adult children will help to stabilise the parental household's position at a higher level, however the children's marriage will then impact both households.

Life History: Mover due to continued external (self) employment
Respondent: Age 39, Male, and Married

Self-Assessment: Medium/Improving
HH Composition: 06 females, 03 males
Rubber/RPC/Kalutara

“Only our determination brought us success. Until 1990 mother was the only registered earner of the family since father was ill and whatever she earned was not enough to sustain the family of six. Could not receive a satisfactory education: only up to the 5th grade because parents were facing difficulties in supporting our studies. I have come across some job offers but had to reject them due to lack of qualifications. Tried wage labour in the estate till 1990 but it was not paying enough to cope with the gradually increasing expenses of the family. From 1990 to 1994 through the help of a known mudarlali (trader) I was in Moratuwa (suburb of Colombo) working in a ‘tea kade’ (roadside tea kiosk). Apart from the fact that I had to be away from home it did increase my income. Managed to come home twice a month and could save Rs. 2000 but the boutique closed due to a road widening project which cleared all road side vendors. I returned to the estate in 1995 and did wage labour for a few months and meanwhile in 1993 my sister left for Lebanon for two years and it is with her help that we built the house to its present status. Realizing that the estate won’t help me come up I started my current business as a pavement vendor of selling toys in 1995, I got the opportunity through a friend in the estate. As the estate community does not own any assets it is always hard to get a loan from a bank and it was Janasaviya (state’s previous poverty alleviation programme) that helped us save some money to start the business. Now I have something that I can call my own and my next desire is to buy a vehicle and improve on the same business since I cannot come back to estate work or sell kadala (gram). Also I have a necklace to be recovered from EAP Edirisinghe pawnbrokers in Colombo, which was pawned for an emergency. At the moment I can come home only once a month and do not interact with others much due to unnecessary problems, having too many friends too can be a problem at times. I do not have many friends from those days since I have refrained from consuming alcohol and associating with drunkards. We are members of the funeral and the Kovil committees but I personally do not see any benefits accruing to me. None of the family members are Trade Union members but they help us if there is any need. Politics is the same; I do not see any advantages but know some of them (politicians) since I have helped in some of their rallies. If we talk about how the estate could be improved, I think the management needs to have some authority, government did it fine during their time. Estate boundaries need to be secured since the adjoining villages are encroaching on estate land. Only the government institutions can bring the country to prosperity and they should be in good control of the economy for the country to improve.”



Within non-estate employment, overseas employment, predominantly in the Middle East was a key agent of change. Many respondents cited it as an escalator that allowed them to climb many steps in succession as well as assisting to maintain the continuum. The primary role of overseas employment in creating upward movement was the extraordinary injection of income. Households where an overseas migration had happened as long as 10 years ago, still considered it a milestone in the development of their family.

“Other people said “how did he get the money” but we developed step by step. Jumped a few steps after going to the Middle East. My wife was there 4 years from 1995.” (35, F, Top/Improving, Rubber, RPC, Kegalle)

“We are in this situation because I went to the Middle East. If we still worked in the estate we would still be poor. We could educate our children because of our improved economic situation. My husband does not drink – that helps a lot.” (44, F, Medium/Improving, Tea, Pvt., Nuwara Eliya)

As in other sectors in Sri Lanka, high yielding overseas income creates step-ups through improved housing and investments in income generating assets, which increases future potential as well as ensuring sustainability. However, many households use the injection of income for immediate and short-term improvements in consumption, household asset accumulation as well as meeting life-cycle obligations.

“We could extend our house, buy furniture, she helped us with our sisters wedding. We get good clothes, good food because my mother went abroad.”(55, M, Top/improving, Rubber, Pvt., Kegalle)

“Both of us are working and we have small boutique that we manage after working hours. Our eldest son is working and he is looking after his

own expenses even though he is not in a position to help us financially. The other two sons are schooling and I can afford to give them a good education. I worked abroad in Maldives from 1992-2000 as a hotel garden supervisor and it helped us a lot.” (48, M, Top/Improving, Rubber, Pvt., Kalutara)

Very few households have slipped back to their previous position following overseas employment irrespective of whether the extra income was used for housing and tiding over the low periods of the household life cycle, or whether livelihood investments have been made. In the estate sector the existence of secure employment that is easily accessible on the estate to the returned migrant, as well as other members of the household, enables the household at the very minimum, to maintain the achieved higher level of well being.

“Compared to line room people we have better income, lands are given free. Both are working. Problems are reduced as we have the land and the house. Was able to save some money by going abroad and we also work in the rubber lands in the village” (32, F, Top/Improving, Rubber, RPC, Kegalle)

Migration within the country has a similar but less immediate impact. Most households combine migration through multiple members or through consequent migration. Unlike in the case of overseas employment, internal migration brings about a slower and more gradual change in the circumstances of the household. The length of the period in which the given household members are in external employment seems to be more critical than the exact type of employment, although they may not engage in a single area of employment during this time. The norm is to change the location and sometimes the type of employment at least every two years. Few households have developed a very long-term relationship with a single employer.

In the final analysis, the ideal diversified livelihood portfolio would incorporate estate and non-estate work, internal and external migration, and skilled and non-skilled labour. Households securing such diversified livelihood portfolios attain greater and more sustained mobility.

“I was doing business trading from house to house. Then I decided to go to Dubai and worked there from 1991-1993. A cousin helped me to get the visa. I earned some money and spent some on my sister’s and my marriage. With the money that was left in my hand I opened a grocery shop in the estate and did a bit of vegetable cultivation. Between 1997-2000 I closed the shop and worked in various shops in Galle. I have friends there and my wife is also from there. In 2002 I reopened the shop here as I was spending too much money going back and forth and it wasn’t worthwhile to continue working there. Now the shop is our sole means of income.” (40, M, Top/Stagnant, Tea, RPC, Badulla)

“I worked in Kandy (neighbouring more developed district) for two years from 1993 onwards. Then I went to Colombo and worked in DSI (shoe store) at Maradana for 10 years. My relatives helped me to go to Colombo. Our household income went up. It was only after we went to work there that there was an improvement in the household. Father was

the *kangani* (field supervisor) at the estate until 1997 and he did a bit of masonry at the same time. But after he resigned he was able to do more as a mason. We were able to extend the house and buy furniture. It was my father himself who extended the house and did all the masonry work.” (21, M, Top/Improving, Tea, Pvt., Nuwara Eliya)

“If I could do both – work on the estate and do the shop it will be good. But only the shop means you are tied down here. You can’t go out even for the day, as someone has to mind the shop. If you work on the estate there is greater freedom to do other work as well. In addition if you work you are sure of a monthly rate. In the shop it is uncertain how much you earn”. (17, M, Bottom/Stagnant, Rubber, Pvt., Kalutara)

5.3 Impact of the household life cycle

The demographic cycle of a household - from the birth of children into a family, through schooling, to reaching the age of employment, marriage and death, has a strong impact on household mobility - causing both upward and downward pressures depending on the stage of the cycle. It impacts the household’s earning capacity, as well as the expenditure structure. Households that move out of poverty are those that have successfully built on the upward drivers while minimising the negative impact of the downward drivers.

The impact of the ‘average’ household lifecycle on well-being is evident from testimonies such as:

“Marriage – dual income” (21, M, Medium/Stagnant, RPC, Ratnapura)

“Got married - he looked after my family” (36, F, Medium/Improving, Rubber, Pvt., Kalutara)

“First child – maternity benefits” (33, M, Top/Improving, Rubber, RPC, Kegalle)

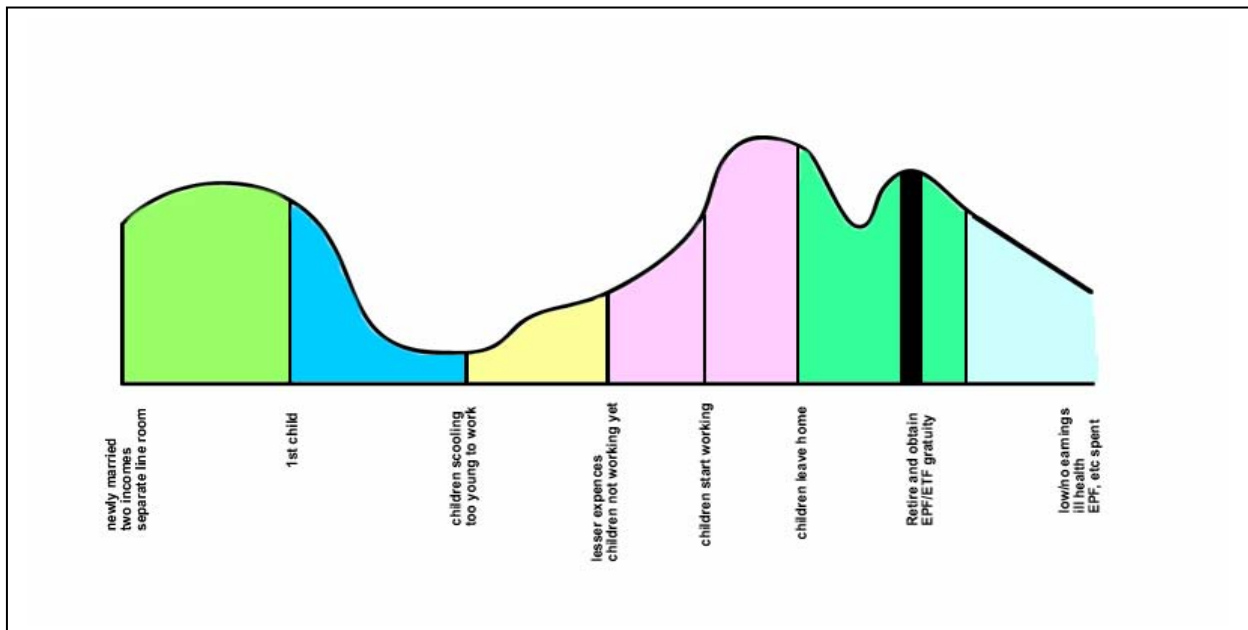
“Started taking the child to the crèche, can go to work, so coming up again slowly” (28, F, Medium/Improving, Rubber, RPC, Kalutara)

“Son started working and he looks after the family” (50, F, Medium/Improving, Rubber, RPC, Kalutara)

“The children are working they take care of themselves” (51, M, Medium/Improving, Rubber, Pvt., Kegalle)

“Mother retired and got the EPF; we extended the house with it” (32, M, Bottom/Improving, Rubber, RPC, Kalutara)

“After the death of father –in-law, less expenses as we were spending a lot on medicine”. (38, M, Medium/Improving, Rubber, RPC, Kegalle)

Figure 5. 1: Household Life Cycle and its impact on the household economy

The point at which a **newly married couple** starts moving up would depend on pre-marriage employment status and income levels. From any given level an average couple would move up due to the combined income. The household will **continue to improve or maintain a good standard** of living **until the second or third child is born**. The birth of the first child rarely pulls a household down if the mother is working on the estate as maternity benefits are provided and expenses are not overpowering¹⁵.

The dip occurs as the number of children increases. **The most 'difficult' years are when the children are young and at school**. The expenses are highest and caregiving requirements from the mother are at a peak. This dip will last until the children leave school, which given the high drop out rate in the estate sector is generally after no more than 10 years.

"Earlier I was in a better position. When I was in my 20s I had a better life. When I got married my difficult stage started. My children are going to school so I have a lot of expenses for them." (41, M, Bottom/Stagnant, Tea, RPC, Nuwara Eliya)

"There has been an increase in education expenses. We need to spend at least Rs.300 per month on education for our children." (28, F, Medium/Improving, Tea, State Kandy)

On average a youth leaving school will not find employment immediately. Voluntary unemployment ('voluntary' as employment is available on most estates and can be obtained with little effort) is common for a limited period after leaving school. This period of voluntary unemployment will be reflected in the static levels of household expenses,

¹⁵ The birth of the third child accrues lesser maternity benefits so it is difficult for the mother to go back to work. Expenditure is also higher.

which do not decrease until dependents enter the workforce. **At this point the household starts the 'pick up phase'**. How quickly and effectively the household picks up would depend on how quickly the adult children go into regular employment. Slow absorption of adult children into productive employment also means the parents' asset accumulation lessens; conversely secure employment aids expansion of parental asset bases.

"We do not have enough to get by, but now that the children are grown up we are a bit free so we can say that we can take a rest now" (51, F, Medium, Improving, Rubber, RPC, Ratnapura)

"Since the son is also working I think that we can go up in life now. Earlier it was very hard to get by but now I'm working and also the children are grown up as well." (40, F, Medium, Improving, Rubber, Pvt., Ratnapura)

The **household peaks (higher than at the initial peak) when the earnings of adult children** add to the household income portfolio. A downward trend starts as adult children get married and the corresponding income sources are removed from the household.

A third peak occurs when the head of the household / wife retires and has access to EPF. From this point a gradual deterioration occurs with health being a critical deciding factor in the level of well-being. For an extended family structure, the access to a retirement fund and accumulation of savings/access to credit could lead to a pick up stage.

"Father got his pension from the estate and started a grocery store. Earlier we had only two rooms but after he got his pension we could extend the house. With the shop our income increased." (24, F, Medium, Improving, Tea, RPC, Badulla)

"We repaired and extended our house with my parents' EPF. In the future we'll have to earn to build a house." (26, M, Medium/Improving, Tea, RPC, Badulla)

While this 'average' cycle operates there are also factors which cause additional upward and downward pressures at different points in the cycle.

For example, young married couples can face downward pressure at the start of the household cycle from looking after dependents such as parents, younger siblings, older siblings' families, or other dependent members of the extended family.

In one noteworthy case a couple at the beginning of the cycle took the decision to stabilise economically prior to entering the 'dip' period:

"Soon after our marriage we didn't have children. We cut down on our expenses and saved money. We were able to buy land for vegetable cultivation. We took out loans to cultivate the land and made a good profit from our vegetable crops. As the expenses were increasing I started a grocery shop and began to make an extra income as well." (37, M, Top/Improving, Tea, RPC, Nuwara Eliya)

Factors that enable at least a slow pace of upward movement even during the 'dip' period when children are young and education costs are high:

- Regular employment by HHH and wife
- Support from an external source either through an extended family member or HHH working outside

A number of 'medium' and 'top' families specifically mentioned "can meet expenses of children" as a positive aspect of an occupation (generally on estate). This is an articulation of the ability to withstand and cope successfully during the dip years of child related high expenditure. This prevents the household from 'falling' and retains it at least as 'stagnant' if not improving'.

Out migration and the household life cycle:

Linking the migration patterns to the household life-cycle, the greatest concentration of household members working outside the sector are males under 30¹⁶, with the bulk being between the ages of 20 and 25. The trend of returning to estate labour starts at the age of 30 with most women returning even earlier due to marriage. However, one area in which the tea and rubber sectors differ quite strongly is in the pattern of out migration in the household life cycle.

¹⁶ Hence the analysis uses 30 as the cut off point of 'youth' in analysing on and off estate employment etc.

Table 5. 2: Spread of employment types by household category

		Bottom		Medium		Top	
	TOTAL	Rubber	Tea	Rubber	Tea	Rubber	Tea
Age: Over 30 years							
On estate	160	16	14	39	42	16	4
Off estate	104	6	5	27	21	7	19
• Wage	26	0	4	9	7	2	0
• Agriculture	9	0	0	0	5	1	2
• Service	42	4	1	11	8	3	10
• Industry	13	2	0	4	0	1	3
• Professional	9	0	0	1	0	0	4
• Other	5	0	0	2	1	0	0
Age: Under 30 years							
On estate	86	5	8	8	36	7	7
Off estate	137	20	3	33	42	6	14
• Wage	12	2	0	2	7	0	0
• Agriculture	5	0	0	0	2	0	2
• Service	82	10	2	21	23	3	9
• Industry	34	6	1	8	10	3	3
• Professional	4	2	0	2	0	0	0
• Other	0	0	0	0	0	0	0

The tea sector shows a variation from this trend of youth entering the labour market through external employment; the majority of young women start working directly in the estate sector, whereas in the rubber sector young women tend to join the service sector at the point of entry into employment. Men remain in external employment for a longer period than women who return to the estate soon after marriage. Men tend to return as the family grows.

The rubber and tea sectors show contrasting trends in the coping methods of different categories of households where young adults join the labour force. The greatest concentration of youth migration out of the estate (mainly into the service sector) is among the poorest households in the rubber sector. In these households, the adult children move out in search of better conditions for the household. Once living conditions are bettered they come back to work and live on the estates.

“Unknown to my parents, I left school in 1995 to work at a shop in Balangoda. Helped to explore life beyond the estate boundaries. Returned to the estate in 1999 in order to get married but found it difficult to live on meagre income. Drawing a higher income working as an assistant to mason *baas* in Dehiwala (Colombo) for the past 3 years but unhappy being away from home. Hope to give up job and return to estate to cultivate own vegetable plot though not sure if it's feasible (income).” (25, M, Medium/Improving, Tea, RPC, Badulla)

Interestingly, in the tea sector the youth who migrate out are predominantly those from the better off households, whereas the youth from similar households in the rubber sector tended to stay in estate employment.

In both sectors the medium level households have high out migration of youth, but it is more prevalent in the rubber sector. The high level of youth migration at the medium level reflects the tensions faced by these households in maintaining their standard of living through the life cycle dips and the need to consolidate household earnings with the help of adult children. In cases where households maintain a medium standard through the difficult periods of the life cycle, i.e. when children are young and expenses are high, multiple external employment for shorter period (e.g. having two adult children in external employment) can have a positive impact.

Those households identified as 'movers' tend to have adult children in external employment for a period of approximately 3-5 years. Those who manage to achieve longer term stability and are less vulnerable to life-cycle fluctuations are those that have one member – often the HHH – in longer-term external employment.

5.4 Management reform and governance

Throughout the study, there was little satisfaction with regard to any form of estate management. The lack of competence in agriculture and production and lack of care in human resource management was seen as a downward driver in all but a few estates. While trade unions were acknowledged to be representing the workers to the management there was heavy criticism on the self-serving nature of the unions and leaders as well as the lack of representation.

Governance as well as production related management was linked to deterioration in livelihoods. Considerable numbers of FGDs in the tea sector felt that the estate was deteriorating as a productive enterprise due to the management's lack of care and competence.

"We cannot hope for a good future for the estate. The management is responsible for that. They are not caring for the tea bushes (no pruning, fertilising) and the crop is going down every year. Along with that our income is going down too. The management has no knowledge and the bushes are not maintained properly. They have grown tall and it is difficult to pluck. Weedicide is not a long term solution – it is not good for the bushes." (Male FGD, Tea, RPC, Badulla)

"No one to give correct opinions or to show mistakes, there is no control of the estate." (Male FGD, Rubber, Kegalle)

In one of the few state managed estates, the workers were similarly vociferous in their critique of management, and conversely, saw private management as a more favourable option.

"The management is not proper. 10 do work that can be done by 4. The estate is running at a loss. That's why we're not given any facilities. The company estates are better. That's because they maintain them well. For five years we didn't get EPF because it hadn't been entered."

(Male FGD, Tea, State, Kandy)

There was a general tendency to see the past as better than the present or future – particularly in terms of type of ownership, and the grass on the other side as greener:

“Freedom [independence] might not be suitable for Sri Lanka. The whites did not give us freedom but they did a better job.” (Male FGD, Tea, Badulla)

“In the 60’s, under private ownership, workers were treated well. During Corporation [state] time could at least talk to them. After privatisation it has deteriorated further. No improvement at all”. (Male FGD, Rubber, Kalutara)

“In 1977 they blocked out the estate and gave to the seven sons of the original owner. They filed cases against us asking us to move out of the estate because we are not moving out of the estate as they request us. 7 families are going to the courts. Cases are still on going. The management wouldn’t allow us to do any improvement. The company time was much better.” (Male FGD, Rubber, Kalutara)

“1992, after it was privatised, it’s been worse than government time. In the government time there was someone to take care of children, only the men had to work.” (Male FGD, Rubber, Ratnapura)

Overall, productivity related measures introduced following privatisation were seen as an adverse change in relation to labour even by estate level trade union representatives:

“Before privatisation, there were 52 labourers/ha for pruning, now there are only 32; there were five labourers for weeding, now there are only 2; earlier the daily plucking quota was 22lbs, now its 22 kg. So work and income from the estate has decreased. Some people are stealing leaf to survive.” (KI, Tea, Badulla)

The trade unions are an important element of governance in estate sector. Their existence seemed to be accepted and was not directly identified as a driver. However, considerable discussion took place on role of the trade unions and links to the membership.

The traditional role of the trade unions were articulated by the workers as,

“It is easy to talk to the officials of the estate though the Union to solve job related issues. If a worker losses the job can discuss the matter with the management via the union leader. But this depends on the conditions on the estate, mostly how the manager is and how active the Union leader is.” (Female FGD, RPC, Rubber, Kegalle)

However, most workers saw unions as part of the patron-client structure, and a means by which to they can manipulate the system to obtain privileges.

“When the political party in power changes, workers change their membership. So over the years it changes somewhat. It is good that the

political parties change. It is better if they can select better suitable active office bearers for the unions.” (FGD, Female, Rubber, RPC, Kegalle)

“We never get any help out of them however much we work for them; I went and talked to Thondaman about electricity 3 or 4 times but still no solution.” (59, M, Rubber, Medium/Stagnant, RPC, Kalutara)

Issues that were more directly related to governance were in relation to the effectiveness of representatives, and transparency and fairness in trade union dealings with members.

“Now unions don’t do anything for us. Those days the communists did a lot for us. Then there were rules but now there aren’t any rules. Those days the government was scared of the unions but now the company is not scared.” (Male FGD, Tea, RPC, Badulla)

“The situation in the estate is not democratic. It is autocratic. The estate managers control us. Having votes here is not democracy. We are given votes only for the benefits of the politicians and trade unions.” (Male FGD, Tea, RPC, Badulla)

“All of us have to be members, but we don’t get help worth of Rs. 35 per month. If two different members go to the Thalevar [union leader] to solve a problem, the decision may depend on whether he or she is a friend of the Thalevar.” (Male FGD, Rubber, RPC, Ratnapura)

Households do not necessarily remain passive members but attempt to access benefits by moving between unions. This was particularly true in the rubber sector where trade union representation is weak.

“Everyone said that the Sri Lanka Nidahas (trade union) that we were members of was not good now that we should join the CWC. So I did.” (54, F, Rubber, Bottom/ Improving, Rubber, RPC, Kegalle)

“Mother was a CWC member but we got nothing. So I went to Manoganeshan’s. He says we will be houses, but we get nothing.” (44, F, Rubber, Top/Improving, Tea, RPC, Ratnapura)

Going against the trend of governance as a factor of downward movement, there were individual managers who successfully managed the workforce and were seen by the community as a positive influence on their lives. In such cases the workers relate to the specific manager ‘*mahathaya*’ rather than the management in the abstract,

“We have a close relationship to manager. We mention him happily to you. It enables good cooperation between the workers and the management.” (Male FGD, Rubber, RPC, Kegalle)

“Compared to other factories this factory is better because the officers take care of us. If someone does not have a job they provide them with some job

in the estate... The estate is in a better condition now; the officers are better and help the people” (Female FGD, Rubber, RPC, Kegalle)

“After the new manager came, he made a lot of facilities, housing loans, sport ground; he has an idea of building a kovil.” (59, F, ‘Top’/Improving, Rubber, RPC, Ratnapura)

”I spoke to the manager and obtained the job as a tea plucker. Every year during the dry season I work in a shrimp farm for about one month. If I do not work on the estate I might loose the job, so I come back her after one month.” (30, M, Medium / Improving, Tea, RPC, Badulla)

5.5 Health and access to healthcare

At the community level changes in the type and quality of healthcare available within the estate was identified as a factor that impacted the conditions on the estate. Assessments were mixed and were influenced directly by the specific conditions on the particular estate.

Issues relating to ill health - and death of a family member – were significantly more important at the household level than at the community level. **Health was a very strong factor for households and frequently overrode strong upward drivers such as a diversified livelihood portfolio and low number of dependents.**

At the community level, the poor quality of the services available on the estate, which leads to high expenditure to obtain alternatives, was seen as a factor contributing to deterioration. 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 privatisation and deterioration of health facilities.

“Before privatisation, the hospital was in good condition. There was a maternity ward. Now if we go there they will only give us aspirins. We have to take private medical treatment, which is very expensive. The estate doesn’t have an ambulance and they give us a lorry only after finishing their work. There is only one doctor for five divisions.” (Male FGD, Tea, RPC, Badulla)

“Some hospital equipment doesn’t work because the voltage in the present electricity supply is low. Therefore, serious cases have to be taken to Nuwara Eliya.” (Male FGD, Tea, RPC, Nuwara Eliya)

Occupational health of workers was also perceived to be more at risk than before due to less investment in protective gear.

“People who do the weeding get sick more often because the company does not provide them with gloves or masks to protect themselves. Earlier [prior to re-privatisation] they were provided everything by the JEDB [state company].”(Male FGD, Tea, RPC, Badulla)

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.

“We don’t have an ambulance. We have to take patients to hospital by three-wheeler. The management has asked us to take three-wheelers and get reimbursed but this takes a long time so the three-wheelers don’t come here if it’s a “medical hire.” (Male FGD, Tea, RPC, Badulla)

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 privatised management in recent years.

“Those days we got *triposha* [feeding supplement] for children below 5 years. Since 2004 they have stopped issuing *triposha*. “(Female FGD, Tea, RPC, Badulla)

“Those days there were a midwife and a doctor visited line rooms. Now we have a hospital here but in an emergency we have to go to Ratnapura. Health is very bad, we don’t have *triposha*” (Female FGD, Rubber, RPC, Ratnapura)

“Those days if someone had a baby, she could come to work late. Now it is not allowed. Earlier we had three breaks to go and feed the babies but now not even one break is allowed.” (Female FGD, Tea, RPC, Badulla)

The privately owned and managed estates were without doubt the most adversely served in terms of health facilities. None of the private estates in the sample had welfare officers, midwives or dispensaries. Residents of one private estate visited had managed to secure entry to the services of an adjoining RPC. It was not clear however, to what extent this was a formal arrangement and to what extent it was a bending of the rules.

“We don’t have a crèche, no midwife and welfare officers, the doctor rarely comes. There is no dispensary in the estate so we have to go outside.” (Female FGD, Rubber, Pvt, Kalutara)

At the individual household level, health related factors were identified as one of the strongest push down factors and were one of the most frequently identified negative milestones in the individual life histories.

General short-term illness was not seen as critical but specific instances of chronic debilitating sickness which led to long term deterioration due to a decrease in income earning capacity, combined with an increase in expenditure on health, was seen to cause long term impacts from which the chances of recovery were very slim. This was aggravated if it affected the sole/primary income earner. Serious sickness could kick

start a cycle of indebtedness which can affect even the extended family and trap households in a stagnant/ deteriorating position for long periods of time.

“Normally we try to always use banks for our money. But during the child’s illness we took a lot of loans, pawned jewellery, my sisters and mine. We took loans from everyone we could. We took loans from the savings of our brothers and sisters. Mother gave over Rs. 25,000. None of this have we been able to pay back. But they do not expect it. They consider it to be what they gave the child. The jewellery that has been pawned has not been retrieved yet. We must retrieve my sister’s jewellery as she has four children and her husband has left her. She is currently working in the Middle East.” (28, F, Medium/ improving, Rubber, RPC, Kalutara)

“I fell down with the milk (rubber sap) bucket in 1998. After that I cannot work. We lost our income, and then we suffered a lot. We fell into a bad situation. Still I cannot work. I went back to work and in 2002 I stop working when I advised by a doctor not to work any more. If I get sick again it will be a major problem for everyone.” (51, F, Medium/Improving, Rubber, RPC, Ratnapura)

While some households were able to reposition themselves, others found it very difficult to rebound from such events.

“Our baby [grandchild] fell ill and needed an operation. We got into debt and our son had to go to work in a village near Kalawana to pay back the debts.” (44, F, Medium/Improving, Rubber, RPC, Ratnapura)

“In April 2002 I started having a problem with my leg. I took both Western and Ayurveda treatment but it was of no use. So I did a *gurukama* [healing ritual]. Now I’m slightly better. I have to spend about Rs.1000 per month on treatment. I had to close down the shop for some time and our income went down then.” (40, M, Top/Stagnant, Tea, RPC, Badulla)

“Father fell ill. He had to have an operation. I had to spend most of the money that I earned in the Middle East for his medicine.” (28, F, Medium/Improving, Tea, RPC, Nuwara Eliya)

Death of a family member brought about downward mobility due to the expenses involved with funerals, in addition to it being often closely linked to preceding high expenditure on sickness. Despite the fact that many RPCs provide assistance to the household - e.g. provision of the coffin – the cultural rituals surrounding a funeral often make families resort to taking out loans or pawning jewellery. Downward mobility is compounded if the death is of the breadwinner of the family.

“Earlier we were in a good condition. We had cattle...I couldn’t go for work because I had several miscarriages and lost my strength. Then my husband died. I have one child and that too a girl. If it was a boy I could have managed...I have already taken half of the EPF. I have another

half. My daughter studied up to Grade 8 with great difficulty and stopped last year. Now I want to send my daughter to work in the estate. If I get sick she has a way of living and I'm sure we can lead a better life." (50, F, Medium/Stagnant, Tea, RPC, Nuwara Eliya)

"When my daughter-in-law died we lost our main income earner. We went really down and my son got sick... He has been admitted to the hospital and the doctors say his condition is serious. We no longer have a stable income. My grandchildren are too small. How can they look after me?" (72, F, Medium/Improving, Rubber, RPC, Ratnapura)

In some cases it can lead to loss of an income source as well as other more personal disruptions, which lead to downward movement.

"Few years ago I did rubber tapping on own land, and my husband ran a boutique. So had a good life. My husband died of an illness and his parents took the rubber land and the shop he ran. Husband's parents are now using the rubber land and the boutique and I don't." (38, F, Bottom/Deteriorating, Rubber, Pvt., Ratnapura)

"My wife died when she was trying to light the stove. She was burnt badly and I was sleeping at that time. I left the two sons with my mother and went from place to place. I did not stay at one place for a long time. Did all sorts of things, including hotels, boutiques, and doing casual labour work. I could not save any money." (52, M, Bottom/Deteriorating, Rubber, Pvt., Ratnapura)

5.6 Access to education and other facilities

At the community level quality of education provided on the estate and access to better quality education were seen as factors influencing the perception of change.

At the household level, cost of education was identified as a downward driver while the need for education was acknowledged. Although there was a strong feeling that better education was an upward driver, the lack of evidence created some doubt about the real role of education as an upward driver.

Better quality of education available both within the estate schools as well as by accessing schools in the region's towns was seen as having a positive impact on the community. A commonly held view was that education was valued much more than 15 years ago. **However, serious shortfalls were identified:**

"We have better opportunities [than youth 15 years ago] in acquiring an education but the current economic conditions do not allow that. Our parents had the opportunity of acquiring a good education. But they were not interested and did not make use of the available chances. "(Youth FGD, Tea, RPC, Badulla)

“School teachers are not sufficient. Year by year the number of students increase but the teachers don’t. One schoolteacher is coming all the way from Ragala. They won’t employ our educated children as teachers.” (Male FGD, Tea, RPC, Nuwara Eliya)

“We can’t educate the children properly because we don’t have enough money. The expenses are too high. A pair of shoes costs around Rs.550. We can’t send them to school after grade 5.” (Male FGD, Tea, State, Kandy)

The value put on education was linked to multiple forms of improvement, including improving the chances of more successful external employment, better integration into the national socio-economy, shedding the traditional features of ‘estate workers’.

The life experience of households, however, differ in terms of education being a key factor in moving up, thus creating doubt and confusion as to whether education actually does help in obtaining better employment:

“Our education and hard work helped us to get to this position; also our self-confidence...Belief is what life is. One must have hope. Then only he will be able to achieve something in life. I have applied for many jobs and faced interviews. They always ask for experience.” (22, M, Medium/Improving, Tea, RPC, Nuwara Eliya)

“Should have studied more. Was foolish then, did not want to go to school. To walk 2 km did not seem worth it. Neither of my sons completed their education either. The elder one lived for some time with an aunt and did not go to school. The younger son stayed at home when the father fell ill. If they went to school they could have got a job...but... my daughter-in-law has studied up to O’ Level but did not get a job”. (44, F, Top/Improving, Rubber, RPC, Ratnapura)

Life history: Success story of education.

Self Assessment: Medium/ Improving

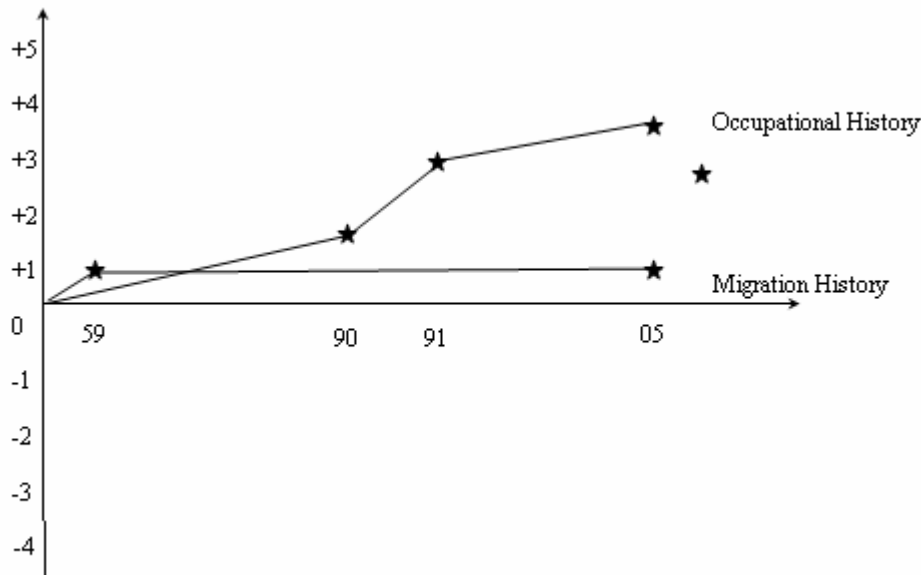
Respondent: Male, 46,

HH: Tamil / Hindu, 7 member extended family.

Rubber/RPC/Kegalle

My parents worked in this estate. I went to the estate primary school. In 1976, sat for O' Levels from Sapumalkande (estate school) and in 1978 A' levels from Dehiovita town (school in town). I like to study further. In 1993 I did a 20 day management course. Even now, organisations like Manawa Sanwardene, Peace Committee, etc conduct seminars and we participate. I became a teacher in 1990. Before that I worked in a duty free shop in Colombo. I sent in an application to the government and got selected to the Udabage school. It is a respectable job. I teach in the primary. I can give good service to the nation. Two students have been selected to the university. That is a big achievement. As a Principal and Justice of Peace, I keep contacts with people so they help me in all occasions.

I also get a good salary. In the future I hope to improve the cattle farming, improve income and find new sources of income, buy a new land, build a home of my own. This line house was my parents' and I inherited it. Now the estate does not provide anything as no one in the household is working on the estate. But we have electricity, water and all facilities here. We do not have any plan to move. Only if they provide us with a new house will we think of moving.



Box 5.3 “Education and health has improved in a slow but steady manner”: Key Informants’ perspectives

In contrast to FGDs, Key Informants in RPC estates and in Colombo pointed out that health and sanitation conditions had improved considerably in the last 15 years. It must be noted that improving health conditions of the estate residents was a priority during this period of state management. Success is reflected in the sector statistics that show considerable improvement during this period.

With the change in management to RPCs, the main drivers of change were activities of the PHDT, estate management and continued state input. In the tea sector a significant minority also acknowledged the role of NGOs in improving living conditions, health, sanitation and education in estates.

“It is not correct to say that estates have not improved. By whose yardstick are you measuring development? There have been significant changes over the past 10 to 15 years. The incidence of diseases such as diarrhoea, dysentery tuberculosis and scabies has lessened. Those days the estate was a breeding ground for infection, now the situation has improved, there is a better interest, awareness and receptivity for family planning, births are spaced out and family planning practices have improved. Improvements can be attributed to education (especially of youth) and the media; almost every house has a TV. Now most families on this estate are developed. Overall, are few ‘destitute poor’?” (CTL, Rubber, RPC, Ratnapura)

“A new building for the school within the estate was constructed. Children’s future is much better now. If the school is not there we have to pay for transport to go town. There aren’t buses as well. Now the children are safe here. Because of the new building there are more children in the school.” (CTL, Rubber, RPC, Ratnapura)

Such improvements in health and education were not totally undervalued in the focus group discussions, where women in particular, pointed to significant positive changes in health and education facilities as important drivers for community wide improvement.

“Two new schools were started in 1993 and 1995. In 1998 we got electricity. In 2000 the government took over our hospital and upgraded it to a rural hospital for the area. Most families have started vegetable cultivation and some have started small grocery stores in our division.” (Female FGD, Tea, RPC, Nuwara Eliya)

“We have water and a crèche now. We have opportunities to work in the nearby colonies [village resettlements]. Our children are studying more and getting better jobs. We have got electricity and toilets.” (Female FGD, Tea, RPC, Badulla)

Success of welfare interventions were measured by improved levels of awareness especially in relation to good practices in health, and prioritising the schooling of children. The community timelines also demonstrate changes in behaviour patterns as a strong facilitator of movement out of poverty. Programmes which focused on changing current attitudes and behaviour patterns to maximise usage of available health and educational facilities and entry into mainstream society were identified as important contributors to change.

“There is a clear change in people’s attitude towards welfare. Welfare staff is really committed and the midwife knows the people well. Development in the area of welfare and housing has a great impact on the well being of the people. People are more interested in family planning and they come for regular clinics. The estate welfare section conducts 02 maternity clinics a month. The estate benefits as a whole.” (CTL, Rubber, RPC, Kalutara)

“In the past, general awareness levels were very poor, there was no knowledge of safe sanitation and related practices, children did not attend school. This lack of knowledge was identified as a key gap and we worked to fill this need. This year, a volunteer group of youth has been trained to connect awareness workshops. These groups organised nutrition interventions and competitions for home gardens.” (CTL, Rubber, RPC, Kegalle)

5.7 Housing and utilities

*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 own efforts, although some acknowledge support from the management.** However the residents felt that they were entitled to better housing and greater access to land.*

Despite the general agreement that housing conditions were a strong contributor to poverty, there was some variation in the trends discussed by the tea and rubber estates.

Rubber sector respondents tended to feel that:

“Housing conditions are better now than in the past. Now the Co-op housing scheme provides better houses for estate workers, there are welfare programmes and health programmes. Health co-operative started health programmes, in 1994 worm treatment was given for every one. Welfare programmes and the volunteer groups help the community in many ways. These initiatives started around 1994 along with the health programme.”
(Female FGD, Rubber, RPC, Kegalle)

The tea sector communities were on average more negative regarding changes:

“The estate won't repair our housing. Lots of people are living in temporary huts. They won't build new houses or line rooms; about 3 or 4 families live in one line room. About 75% of us are living in line rooms with difficulty. The other estates have developed their housing but ours remains the same.”
(Male FGD, Tea, RPC, Badulla)

Despite the fact that conditions were perceived to be deteriorating at the community level, at the household level, housing, together with related facilities of toilets, water and electricity were frequently identified as a milestone in moving up.

“In 2004 we got electricity through the MP. We have electricity and toilet facilities now.” (Female FGD, Tea, RPC, Badulla)

“We got electricity about 10 years back. Other than two families all others have electricity now.” (Male FGD, Tea, Pvt., Nuwara Eliya)

The data collected for the individual life stories confirms that the housing stock in the estates has improved over the last 15 years. There has been an increase in the use of permanent materials for flooring; new roofing and expansion in the space i.e. number of rooms that constituted a unit. Although the majority of workers continued to live in line rooms, congestion has reduced with over 85% of the households in the study sample having less than 3 persons (including those who have migrated) per room.

Box 5.4 Housing conditions in the study sample

Estate housing was predominately line rooms (60%) with the rest being individual or twin units. The housing structures, at an aggregate level were at a satisfactory level. Within the sample 80% had cement flooring, 100% had permanent roofing (asbestos, tiles and tin sheets) of which 58% had asbestos or tiles, which is accepted as high quality permanent roofing. The facilities available to households are also high with 92% and 56% of the sample having access to toilets and electricity respectively.

74% of the housing units in the sample were owned by the estate, the remainder was owned by households of which 4% were under the Self-Help Housing scheme.

District variation is minimal and reflects the aggregate conditions in housing conditions and access to facilities.

A greater level of variation is visible in housing conditions when disaggregating estates by management type i.e. RPC, state and private management. While the basic structures of the houses and access to toilets do not show much variation, there is a distinct difference in the quality. More houses (22% as against 9%) in the RPC sample have asbestos as 'permanent roofing'. The housing units are bigger in RPCs: 50% have 4 rooms or more. On private estates 60% have 3 rooms or less. In terms of ownership, RPCs are clearly moving more towards giving ownership to households as opposed to private estates. While 87% of the housing is owned by the management in sampled private estates, RPCs own 71% of the houses on their estates with some workers being granted ownership. In contrast to this, private estates had more families living in line rooms (68%) than RPCs (58%). 41% lived in individual or twin units in RPCs.

Interestingly, there is **little variation between poverty categories in terms of occupation of line rooms or individual units**. However, despite continuing to live in line rooms, movers actually occupy much bigger, less crowded spaces than households in the 'bottom' level. Movers often secured two line rooms, often back-to-back, and created houses with larger rooms and separate entrances and exits. 100% of the self-assessed 'top' category had 3-5 room houses with 2 or less persons per room. In contrast, the majority of those who assessed themselves as 'bottom' occupied 2 room houses with at least 3 persons per room.

However, **most workers downplayed these improvements in housing and utilities**. Some households acknowledged the role of housing programmes and individual managers;

"The housing co-operative provided a loan. We will own this house and land in 15 years". (38, M, Medium/Improving, Rubber, RPC, Kegalle)

"When we were given the house it was only 1 room and a kitchen, it had no cement floor. Now it is much improved. The management did the roof 5 years ago. We now have 4 rooms as we were given the neighbouring house as well". (49, M, Bottom/Stagnant, Rubber, RPC, Kalutara)

"We got together money by combining a bank loan with pawning some jewellery and built a new house. The estate manager helped us to get the bank loan. Now we have enough room for every one." (32, M, Medium/Improving, Tea, RPC, Nuwara Eliya)

However, the majority insisted improvements were due to their own effort with no help from the estate;

“Some have built extensions to their houses, but that is with their own money.” (Male FGD, Rubber, RPC, Kalutara)

“I worked without a rest. I made block bricks on my own. When I was building my house I worked there as a help man. The mason was my friend. So he didn’t demand much. So I could save some money.” (55, M, Medium/Improving, Rubber, Pvt., Ratnapura)

Cash injections required for housing improvements were accessed via external sources (overseas employment, children in external employment or long term external employment by older members), estate employment based sources (EPF/ ETF) and other miscellaneous sources.

“Earlier all of us used to live in a line house. But then we bought this land in 1996 with the income from the vegetable plot. Both of us took loans from the ‘*gurusettha*’ [teachers’] loan scheme and built the house. This was all the effort of both of us. We moved out of the line house and now we have more space.” (39, F, Top/Improving, Tea, RPC, Kegalle)

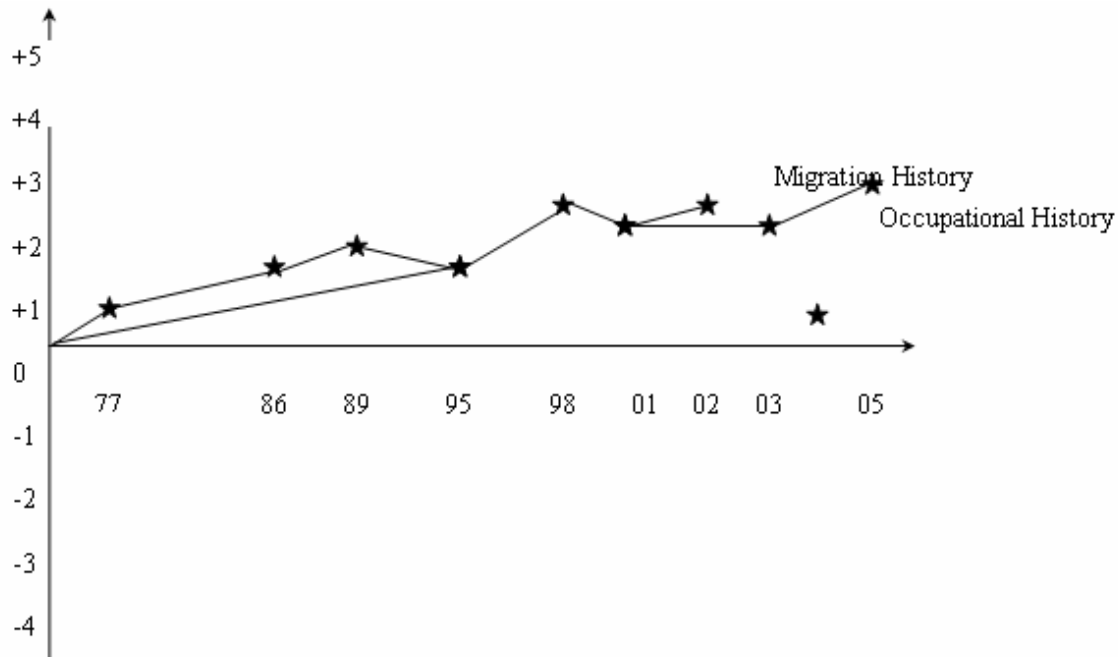
“We have used bonus payments, money from *seetu* [informal revolving fund], to convert extra sections, paint the house and keep it in good repair. (49, M, Bottom/Stagnant, Rubber, RPC, Ratnapura)

“My husband moved out of estate work and started gem mining. We were able to extend the house and purchase electric appliances. We now have happiness and peace of mind.” (40, F, Top/Improving, Rubber, RPC, Ratnapura)

Life History: Moving up by building a house

Respondent: Female: 43 / 5 years education,
 HH: 5-member nuclear family, 3 children in school,
 Self Assessment: Top, Improving
 Rubber, Kegalle, RPC

Problems are now reduced as we have the land and the house. We didn’t get a land when others got it. Someone else took this but because there was no construction happening we requested the land from the management. We got it all with our own effort. The Housing Co-op provided the loan. Now we pay it back from our monthly earnings. We came to this estate in 2002 because it was easier for both of us to find work on this estate. The previous estate conditions were difficult, so after I returned from the Middle East we came here. In between we went to another estate but we heard of this one from other rubber tappers. I worked in the Middle East from 1995 to 1998. I went to save money and was able to do so, but it was hard work, like bonded labour. We will not move again. We are already settled here. We work in the estate in the morning and do rubber tapping in village plots in the afternoon. We both work a full day. We get EPF, bonus, gratuity from estate work, and the house. Get cash to hand by working in the village rather than having it in two weeks. This is good. We do not hope for a new job.



While the residents still expect the management to provide the community with good housing, they admit that it is the less rigid management control that has allowed individual households to make improvements.

“We can extend the houses the way we want unlike in those days when you were not allowed to even mend the pavement outside your line. Officers help us and now we can apply for loans even. New plots of lands were given in 1996 and 20 new houses were built”. (Female FGD, Rubber, RPC, Kegalle)

“Only 7 perches per line room so people have planted trees and encroached. The households living in the corners were best off as they encroached on to 3 sides. Others had only one or two sides to encroach” (Male FGD, Rubber, RPC, Kegalle)

However, the deterioration in housing conditions was also linked to the same change from the rigidly structured line room format towards the less controlled more self-driven format.

“The houses are not maintained by the company but the people have to take care of that too from the small incomes they get.” (Male FGD, Tea, RPC, Badulla)

“The lines are not looked after by the management like they used to be. There used to be special sweepers who cleaned the lines.” (Male FGD, Rubber, RPC, Kegalle)

All RPCs visited by the study team had carried out basic repairs to housing in terms of roofing, while many had much bigger schemes such as Self Help Housing Schemes, line room upgrading, water and sanitation schemes etc. However, an important issue, especially when considering acceptable levels of change, is that those housing

improvements initiated by the management were not considered significant because the workers had high aspirations of good housing. **For many a line room was no longer adequate – a single unit house was more desirable. Housing also needed to be connected to good infrastructure and facilities.**

“We have to build a good house. Management should provide us a piece of land, livestock and a better house.” (30, M, Medium/Improving, Tea, RPC, Badulla)

“The temporary houses should be demolished and the estate should build new houses for us. There should be a school near the estate. Roads should be developed. There must be a bus service.” (38, M, ‘Bottom’/Stagnant, Tea, RPC, Badulla)

There were a minority of households however, particularly those who could afford to move to individual units, or even out of the estate, that chose to live in line rooms, mainly due to social, cultural ties. These line rooms however, have been expanded and improved.

“We did not join the housing cooperative as we have no idea of moving from this house. We could have easily got a house, as we are eligible. We also have no problem paying the loan if we wanted to. But we do not want another house. There is no problem with this house. It is true it is line housing but we have enlarged it by merging with the other house by putting a door through the wall. The people in that house left. This block had 4 families now we are just two in the line. There are advantages of living on the estate. It is so much cheaper.” (19, M, Top/ Improving, Rubber, RPC, Kegalle)

Interestingly, discussions on housing improvements rarely included land, except in the cases of occupants of the Self-help Housing scheme. However, when discussing future changes land and housing are discussed conjointly. Hence, **while future aspirations are linked with ownership of land, current improvements are linked to housing improvements.**

“Buy a new land, build a home of my own, improve income and find new income sources, maybe improve cattle farming” (46, M, Medium/Improving, Rubber, RPC, Kegalle)

5.8 Personal attributes and social factors

Personal attributes such as hard work, money management and planning, were discussed as upward drivers. The personal attribute most often discussed and seen to have an all-pervasive negative effect was alcohol consumption.

A considerable number of households saw hard work, self-confidence and good household management as important motivating factors for upward mobility.

“We worked hard as long-standing labourers in the estate. We did not waste money, saved some of it and helped our son to buy an electric saw. Then my husband moved out of estate work and went into business – gem mining. We were able to extend the house and purchase electrical equipment. It was hard work, perseverance and his untiring effort that enabled my husband to do well.” (40, F, Top/Improving, Rubber RPC, Ratnapura)

“We got to this position due to our hard effort. Our children work outside the estate. We cultivate vegetables. We lead a decent life. We are not indebted to anyone. We can see what’s happening in the world and we wanted to improve too.” (48, F, Medium/Improving, Tea, RPC, Nuwara Eliya)

Linked to the issue of personal habits is the issue of alcoholism. While not consuming alcohol or giving up/reducing consumption was seen as having a direct upward pressure on household well-being, **addiction was seen as a primary cause of poverty.**

“It drags people down and it prevents them from getting up.” (Female FGD, Rubber, RPC, Kegalle)

“Within the estate we have two bars. When men get their salary the first thing they do is to go to the bar. The family comes after that. People are addicted to ‘*kassippu*’ (moonshine).” (Female FGD, Tea, RPC, Nuwara Eliya)

Not surprisingly, men – who are the primary consumers - tended to underplay alcohol consumption, abuse and its effects, while women, youth, welfare officers and the estate management discussed it at length.

“A major problem on our estate is alcoholism. If you sit here, you can see four-legged men. They shout and harass family members. Very often we have to send our children to find their fathers. After drinking, they have fallen flat on the road or under a tree.”(Female FGD, Tea, RPC, Badulla)

Youth were particularly critical of parental/adult alcohol consumption and negative social consequences, and saw it as a direct reason for deterioration within a given community, and as an obstacle to the educational attainment of children. Intra household conflict, the inability to meet basic household expenditure such as food, and disruption to community life were all aspects which were highlighted.

“Most of the parents are addicted to alcohol and children face lots of problems due to this. The proportion in our estate is about 75%. This causes lot of problems in the night and children can’t even study properly. The problem is getting worse day by day. In some families both parents drink.” (Youth FGD, Tea, RPC)

In terms of factors leading to deterioration, the management and welfare officers tended to highlight the **impact on the productivity of the sector** in addition to the debilitating impact on the household earning capacity and the community harmony.

“Husbands get addicted to alcohol, children drop out of schools and most of the time they are not happy. They spend about 20 to 30Rs each day on alcohol.” (CTL, Rubber, RPC, Kalutara)

“What women earn, men use here for alcohol, and then the children go wild without the guidance of the mother and the protection of the father.” (CTL, Rubber, RPC, Kalutara)

The **increasing availability/supply of alcohol** was seen as a strong contributory factor that created and increased the demand. The workers’ increasing orientation towards working outside the estate was seen as a ‘push down’ factor as it led to greater access to alcohol.

“When talking of poverty, alcohol is a big issue. Practically 100% consumption rate. Kassippu (moonshine) is brewed and sold in the neighbouring villages, now even ‘iced packs’ are available. Lax laws contribute to its continuance. Fine (for brewing and sale) is Rs 10,000 – the dealer sends one of his assistants to prison and continues to sell. The vendors are seen hovering around on paydays to collect debts. Smoking fires (brewing) are visible all around on pay day!” (CTL, Rubber, RPC, Ratnapura)

“Alcohol is not such a serious problem here; in some estates it is very bad. The liquor shops are far away. The workers go outside and interact with outsiders. All alcohol related issues are reported to the police.” (CTL, Tea, RPC, Badulla)

Many better-managed RPCs were attempting community level solutions to the problem. The management frequently sought the participation of the community – and particularly the youth – by focusing on the negative impact of alcohol consumption.

“Though both males and females drink, the incidence is lower here than other estates. We worked with the people and took the initiative to arrange for police interventions. Children’s education and awareness has led to them playing a lead role on educating their parents on the ill effects of alcohol. The police station is close to this division – this may have also contributed to the success of the programmes.” (CTL, Rubber, RPC, Kegalle)

*Interestingly, there was some disagreement at the female focus group discussion as to whether it was a **community problem or a personal problem**, and to what extent the community should be expected to – and in fact could - control the problem.*

“Men work for one day, get drunk at the end of the day with that money, and for the next two days they can’t go to work because they can’t get up. Alcoholism is a personal problem it’s up to the person who drinks. It’s not the fault of the community.” (FGD M/F, Rubber, Pvt, Ratnapura)

“If one can put a stop to the alcohol problem that is the biggest help we want. In Mathugama (another estate) they do not allow people to drink or

sell in the estate. But here it is the other way around. We cannot beat them up no? After 6 o'clock we cannot step out of the houses because everyone is drunk." (Female FGD, Rubber, RPC, Kalutara)

6. Special Focus: Youth Aspirations and Challenges

Within the Sri Lankan context, any attempt to understand causes of stagnation or deterioration, mechanisms for moving out of poverty, and more importantly, sustained movement out of poverty, requires some focus on the issues facing youth. This also holds true in the estate sector, where the socio-economic structure is undergoing a process of transformation. When looking at the drivers of change, as a demographic group, it is the youth in the estate sector that are the primary drivers of this process. The increasing levels of education, mobility and awareness of other forms of socio-economic structures in Sri Lanka, and opportunities to access the socio-economy outside the estate have all contributed to youth becoming agents of change. However, as with other segments of youth in Sri Lanka, the increased aspirations of estate youth have to be tempered against the constraints they face in fulfilling those aspirations.

Box 6.1 YOUTH in Sri Lanka

Reflecting the fluidity of the definition of youth in the development context, the understanding of what 'youth' is in Sri Lanka varies. "The United Nations General Assembly defined 'youth', as those persons falling between the ages of 15 and 24 years, inclusive of both years. This definition was made for International Youth Year, held around the world in 1985. The World Youth Report also uses this definition. In the Sri Lankan context, the parameters which influence this definition include civil status, employment, intra household status (head/primary breadwinner), and area of residence (urban, rural and estate). Secondary factors, which determine the time span during which a person is 'young' are schooling (for example, a school goer of 17 years would be classified as a youth as opposed to an employed youth of the same age), and the socio-economic well being of his family (how long they can afford to allow/support him as a youth. The duration of 'youth' in the estate sector is limited, primarily because of early entry into the labour force. Education and employment are significant areas in the youth related discussions. Youth are viewed in a variety of ways, from 'troublemakers' and 'rebels' through to 'the future of the country'.

Beneficiaries of a universal free education system, youth literacy rates of 97% percent show that youth in Sri Lanka are well ahead of their regional counterparts and have already achieved this Millennium Development Goal.

Young people are not proportionally represented in politics, possibly due to the perception that older people are more able and more suited to the role. However, young people make up a significant and influential voter base therefore, political structures tend to manipulate youth on the one hand whilst simultaneously fearing rebellion from them on the other. Youth representation in politics is changing with the resurgence of the *Janatha Vimukthi Peramuna* (JVP) (People's Liberation Front) a member of the governing UPFA. A rural Sinhalese youth based movement, the Front which espouses an ideology combining leftist populism and Sinhala nationalism as a political party]. 39 JVP candidates entered parliament at the last general election with the party supporting the current President thus auguring a change in political structures. At the decentralised level youth representation is considerably higher.

Youth in the plantation sector

Youth in the plantation sector is generally characterised by high drop out rates and low levels of educational attainment, limited mobility because of ethnicity and identity ('estate worker'), and limited access to information and resources. Recent studies and policies highlight the high levels of 'youth frustration' in the estate sector citing expanding horizons through increased awareness, unwillingness to engage in 'estate' work and improved education as casual factors for high levels of youth unemployment. Economic constraints at the household level compel youth to take on the role of breadwinner, or in some instances to provide supplementary income for the support of dependents. Although indicators for youth development in the sector are lower than the urban and rural sectors, intra-sectoral improvements show that young people are more educated, upwardly mobile and have broken away from the confines of the estate, the main causal factor being off estate/ self employment in nearby townships and outside the region.

6.1 Youth views on the estate community

“Today the youth think for themselves. The whites brought everything to their [parents’] feet those days so there was no need for them to think.” (Youth FGD, Tea, RPC, Nuwara Eliya)

“The estate should understand that we, especially the youth also see what is happening outside the estate and would like to have a similar lifestyle. The estate should help us to obtain better jobs outside the estate [by giving recommendation letters] rather than obstructing us. We also want to have the same life style that is enjoyed by the people of this country” (Youth FGD, Rubber, RPC, Ratnapura)

Youth perceptions of their communities were influenced by what they saw their parents go through, the changing conditions within the estate and their knowledge of conditions outside the estates. This is reflected clearly in the way a definite improving trend was seen when comparing current conditions with those faced by their segment 15 or more years ago. Comparisons with the period in which their parents were youth showed a dramatic positive change. Improvements were seen in relation to greater access to education, better health standards, better infrastructure, and mobility and integration with the rest of the socio-economy.

“The education opportunities in our parents’ time were low. They didn’t think it was advantageous. They never thought about the future. They just spent it on doing day-to-day work. They didn’t think ahead” (Youth FGD, Tea, RPC)

“We want to have a good education no matter what happens; 15 years ago education was not a priority, as soon as they had financial problems they stopped education and started working”. (Youth FGD, Tea, Pvt., Nuwara Eliya)

In comparison to the changes experienced in the rest of the country, the estates were seen as restrictive, lacking in opportunities and perpetuating poverty. The varying levels of poverty and its manifestations were cited recurrently by the respondents as variables that impacted them as youth and the estate sector as a whole. Educated and mobile youth discussed the severity of poverty in the estate sector in comparison to the urban and rural sectors based on their association and interactions through employment, travel and social activity with these sectors.

“The very poor people are trapped, there is no way out for them. Some people drink and waste their money, in some instances the families have broken up which means even school going children have to work”. (Youth FGD, Rubber, RPC, Kegalle).

Limitations in infrastructure, facilities and amenities were identified as factors which perpetuated poverty. The lack of proper infrastructure such as roads and transport impact many areas of community life, such as access to income generating activity and

related markets, quality healthcare services and education. This view was particularly strong in the privately managed estates where it was felt the potential for improvement through management intervention was low.

“When we are sick the doctor is not there, when the doctor is there (visiting doctor who comes thrice a week) we don’t have any sickness” (Youth FGD, Rubber, RPC, Kalutara)

“The roads are so badly maintained that not even a bullock cart can take this route. We have to repair it ourselves” (Youth FGD, Tea, RPC, Badulla)

“Transportation facilities are so bad that we have to walk most of the time even when we are critically ill. There is only bus and just thrice a day. Sometimes there is no bus for days on end.” (Youth FGD, Rubber, Pvt, Kegalle).

“Every one has electricity these days except us. The management does not realize that we also have to develop with time. We have to spend a lot on kerosene oil and we cannot use a TV” (Youth FGD, Tea, Pvt., Kandy)

Alcoholism within the estate generated some of the most animated discussions. Excessive consumption created very severe problems within the community as a whole as well as within households. Behavioural issues within the community and household, ranging from low intensity issues such as noise and unpleasantness to much more serious issues of abuse and violence, were seen as dragging down the community, binding them into a cycle of poverty and degradation.

“Kassipu (moonshine) problem is a curse that obstructs the development in the estate. Almost all the men are addicted and women go through a lot of problems due to that. Men spend what ever they earn on drinking and women have to work extra to make the ends meet. We are young but looking at what our mothers and aunts go through we are scared of getting married now”. (Youth FGD, Tea Pvt, Kalutara)

“So many fathers and mothers drink. It is a problem all the time. Drunken people disturb us. They use filthy words. Other people do not scold them because they fear them or don’t mind. There are illicit liquor spots in the estate and a lot of people drink”. (Youth FGD, Rubber RPC, Kegalle)

“Every man drinks. This causes domestic violence. They use cigarettes. There are children who try to get their parents out of it but they won’t listen. (Youth FGD, Tea, RPC, Nuwara Eliya)

In the community at large it was the women and youth who were most critical of the use and supply of alcohol and saw the need to control it. As a result many anti-alcohol programmes facilitated by external institutions together with the estate management targeted youth groups as potential users as well as change agents.

"We are currently running a programme with the police – the police station is just beyond the entrance to the estate from the main road – to control alcoholism. Alcoholism is a curse which affects families, the worker productivity and drags down life in the estates. We work with the children and young people. Some adults and the youth are very forthcoming. If they can be influenced they will influence the older people. We use new methods such as drama where the children and youth act. We have had good experiences. No poverty alleviation can happen unless this is controlled!" (Management KPI, Rubber, RPC, Hunuwala)

While the majority of the youth, even the youngest group of respondents (the 11 to 14 age group), was very critical of adult alcohol consumption and felt that the youth should take a role in changing the situation, a minority were more accepting.

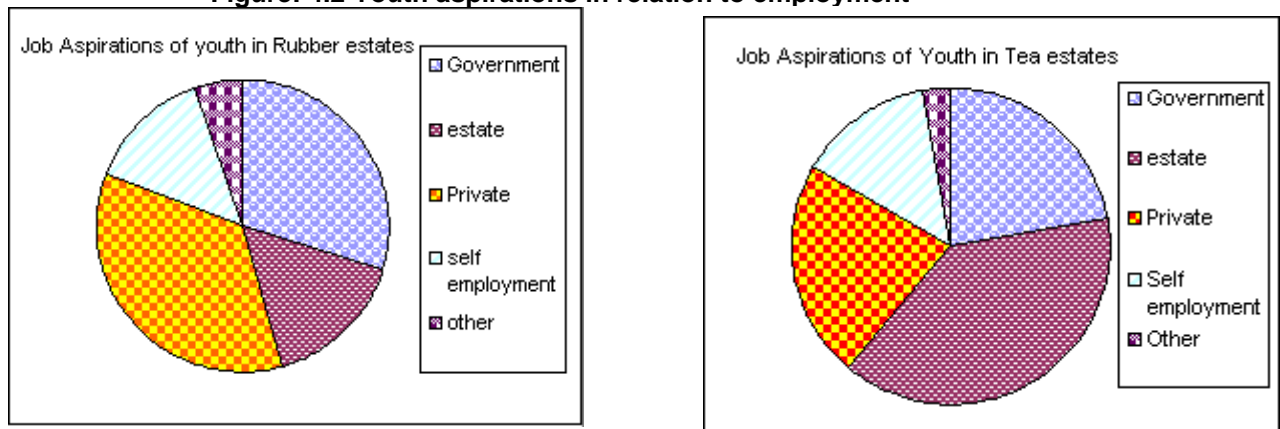
"We drink for happiness and for sadness. If we sell Arrack, the police come and arrests. They give permits only to the Minister's people. Not to us. The midwife takes a 'shot' while they are waiting for the baby to be born. When there is a funeral we have to give Arrack so people will come. If we give them only tea they'll stay only for a short while." (Youth FGD, Tea, RPC, Nuwara Eliya)

6.2 Own aspirations

The majority of the youth respondents were optimistic and forward looking in their outlook, envisioning a better life for themselves than their parents. This was not limited to employment but also included education, living conditions and aspirations. Higher levels of education, increased levels of awareness and information were cited as enablers to development and upward movement. Whilst many stated that they were far behind their urban and rural counterparts, they did envisage the possibility of improving at an intra-sectoral level. Many noted progress in comparison to those who were in the same age cohort ten years ago, for example, an increase in prioritisation of education to the extent that some students attend 'tuition' (supplementary fee based classes). They also acknowledged the ripple effects of the movement out of the estate by youth of the previous generation which played an important role in shaping the aspirations of current youth. Their ambitions were influenced by what they 'saw' in this previous generation. Among the youngest respondents who were still in school the desire to be of service to the community also played a role in their job aspirations.

'If I become a teacher I can give tuition free of charge for poor children', 'As a doctor I can treat poor patients' (Youth, FGD, Rubber, RPC, Kegalle)

The discussion on aspirations relating to employment brought out information that varied between the tea and rubber sectors as well as differing significantly from the popular view of aspirations of estate youth. The diversification from estate work to off estate work was evident in the increase in the number of those who wanted to work in the private sector / engage in self-employment. However, whereas employment in the private sector and to a slightly lesser extent, state sector, was the preference for rubber sector youth, remaining in estate employment was the overwhelming preference of the tea sector youth respondents.

Figure: 4.2 Youth aspirations in relation to employment

The reasons given for preferring to remain in the tea sector revolved around the desire to remain 'at home', a feeling of familiarity with the work, and their awareness that they lacked the qualifications to carry out any other work. The earning capacity of estate work was not mentioned either in a positive or negative context. The tea sector youth discussions tended to be dominated by male participants, hence the ideas expressed did not sufficiently capture the voice of the young women who, as reflected in the macro level conditions, form the greater majority of youth working on the estate. The location of tea estates (based on the nature of the crop) also results in a higher level of isolation, which translates into a lower degree of awareness and opportunity for youth in the tea sector in comparison to their counterparts in the rubber sector.

"We feel comfortable in the estate since that is what we have been doing for generations; we also want to go to work from home, as we have to take care of our parents." (Youth FGD, Tea, RPC, Nuwara Eliya)

"We have not got much of an education and this is where we belong. What ever it is we are safe in the estate." (Youth FGD, Tea, State, Kandy)

"This is the life we know and when we go out of the estate we face a lot of problems like not having IDs and end up in the remand. In the estate we do not face these problems so if we are paid properly and given a proper place in the community this is where we like to be." (Youth FGD, Pvt, Kegalle)

Government sector jobs were sought primarily due to the stability of employment and security offered through the pension system. Interestingly, no one mentioned improvement of status and related factors as a reason for seeking government jobs. However, given that work on estates too provide a degree of long-term security through terminal benefits it could be surmised that state sector employment is also sought due to the nature of the work.

In general, the private sector was a preferred sector primarily because of the perceived higher levels of income. The youth in some of the estates in both the tea and rubber sectors (irrespective of level of remoteness) were qualified and saw the private sector as being able to provide opportunities that matched their aspirations and in some less frequent instances, qualifications. Many worked in preparation for obtaining such positions.

“Almost all the youth are doing commerce for A/L in order to do chartered (accountancy) or other professional courses in the future, the idea is to work in the private sector” (Youth FGD, Rubber, RPC Kalutara) – non remote estate

“We have studied up to A/L and some have even done the external degrees and also we have gone for training on soil testing and can do research in other areas but funding is the problem” (Youth FGD, Tea, RPC, Nuwara Eliya) – remote estate

In terms of gender parity in employment, female mobility was lesser than males. Off estate work was limited to wage labour in smallholdings or as salaried employees in garment factories. Although some adult females worked as domestics in houses in the surrounding villages, female youth were less likely to do so. Female youth also did not shift to jobs that required them to change residence. The ‘work out’ period was limited to between 2 to 4 years for females who returned to estate work after marriage in contrast to males who continued to work out and in other regions for a longer time.

“Girls go to garment factories; they see this as the only way to access external employment at least till they get married” (Youth FGD, Tea, RPC, Ratnapura)

In addition to formal sector employment, an increasing number of youth show an interest in self-employment with a considerable number possessing the primary skills required. Youth are the most highly mobile group in the sector and they have a good understanding of the market needs of the estate and the periphery.

Despite the separation of sectors when discussing youth aspirations in employment, attempts to develop a strong livelihood portfolio lead many youth to work both on and off estate, especially in the tea sector where they engaged in wage labour on smallholdings or in vegetable cultivation. The latter was carried out by some as a business enterprise where they leased the land and controlled the entire production process from cultivation to sale.

A minority of youth focus group respondents were still within the education system. While longer term aspirations included employment, the immediate concerns were to secure a better education.

6.3 Challenges in realising aspirations

Given that employment and education formed the core of youth aspirations, provision of education and its link to employment is a key issue in achieving youth aspirations.

Education in terms of access, service delivery, quality, usage, trends and application were central in the discussion of the youth FGDs. The state takeover of ‘estate schools’ in the 1970s saw a mainstreaming of education. As part of the national education system they should then have been afforded the same opportunities and standards as the rest of the country. However, historically the standard of estate schools was remarkably low; although there have been improvements, the quality of education does not match the standard of urban and rural sectors. The estate sector schools which often fall into the category of ‘difficult’ schools based on the level of isolation and the small population served are faced with severe shortages of teachers and facilities which affect the quality of education. With the exception of private estates most estates have primary schools however, the larger estates have secondary schools, and children in estates/divisions, which are closer to outside facilities, access state schools outside the estate.

“The estate school has classes up to grade 5 after that we have to go to the school in Kalutara, that’s far and so it costs more.” (Youth FGD, Rubber, RPC, Kalutara)

“There is a lack of teachers; they cannot come to work due to lack of transportation facilities.” (Youth FGD, Rubber, RPC, Kegalle)

“The estate school is only up to grade 6 and for further education we have to go Dehoivita (nearest township) and most of the children cannot do that. The fact that we have to go out of the estate to attend further schooling discourages most of the people” (Youth FGD, Rubber, RPC, Kegalle)

In addition to quality constraints, a critical constraint identified by youth in relation to education was the high level of poverty, which meant that schooling was unaffordable for those households. This was corroborated in the individual life stories where respondents assessed their households based on the school-going status of eligible children. The majority of dropouts were due to the inability of parents to meet the costs of education such as books, uniforms, transport, etc. Expenditure related disruptions were seen in households facing death and health related shocks as well as an inability to handle the expenses due to low incomes, and large families.

“*Aiya* [older brother] and *Akka* [older sister] go to school, others (siblings) don’t go” (Youth FGD, Rubber, RPC, Kegalle) This 13 year old male respondent was upset that he was not going to school – other respondents stated that he liked to learn but his household could not afford to educate all children

“Poverty - the poor people are trapped; there is no way out for them. Some people drink and waste their money, in some instances the families have broken up which means even school going children have to work” (Youth FGD, Rubber, RPC, Kegalle)

“Most of the children are leaving school and their looking for jobs. They go out of the estate to look for better jobs than rubber tapping and they do not like to do it also. Parents also cannot afford to give them a better education” (Youth FGD, RPC, Kegalle)

“The estate school is only up to grade six and for further education have to go to Dehoivita (the nearest townships) and most of the children do not do that. The fact that we have to go out of the estate to attend further schooling discourages most of the people” (Youth FGD, Rubber, RPC, Kegalle)

Other reasons for dropping out of school included disturbance due to household level shocks, and attitudinal or behavioural issues

Household level shocks primarily related to death of a parent or serious sickness, which disrupts the household income pattern and necessitates care giving, was very frequently cited as a reason for dropping out of school.

“When we see the difficulties at home we drop out of school to support the family” (Youth FGD, Tea, RPC, Badulla)

“I studied up to grade 6, things were difficult so I stopped schooling and went to work – both parents were working but my mother was sickly. Now I am better off” (Youth FGD, Rubber, RPC, Kegalle)

Behavioural issues were linked to alcoholism of parents, negative attitudes of parents and students. It was interesting to note that certain divisions within estates were identified as ‘more developed’ by key informants based on the levels of educational attainment and school attendance of its youth populace. Youth who were part of a minority group in their divisions to attend school stated that general conditions such as loud music, drunken brawls etc created an environment that was not conducive to study.

“No privacy at all and when the next door switches on the radio the children cannot study on the other side” (Youth FGD, Tea, RPC, Nuwara Eliya)

“I have 8 members in my family. Only mother did a job. Father was a drunkard. We did not think of school” (HH interview, Rubber, RPC, Kegalle)

“We went on vacation to see my aunt; I did not come back for some time ...so I did not go back to school” (HH interview, Rubber, RPC, Kalutara)

Despite these difficulties, the youth felt strongly that the estate sector is rapidly catching up with national rates for primary enrolment and years of education, with some students pursuing education up to tertiary level. This was also substantiated in the individual life stories where respondents assessed their households’ income earning capacities and potential for mobility based on the current/future level of education of its members.

“Now it is not like those days, there are children who go to school and are exposed” (Youth FGD, Rubber, RPC, Kegalle)

“Parents are more concerned about education now and they do not want their children to end up in the same way” (Youth FGD, Rubber, Pvt, Kegalle)

Debate amongst the youth participants highlighted the central relationship between education and movement. Whilst some placed a high premium on education as an enabler of mobility and development, others did not identify it as a causal variable for increased potential for income generation or overall development. This could be attributed to the bottlenecks experienced by educated youth in securing employment. Hence, education was not viewed as a stand-alone ‘push up’ factor. Access to opportunities, information, social networks and capital, and life skills such as entrepreneurship were also viewed as important for a smooth and secure transition to adulthood and associated responsibilities.

“Young people without qualifications have good jobs. Even if they do get a good education they don’t get suitable jobs. Even if we have a good education we don’t get good jobs, we end up in the tea bushes.” (Youth FGD, Tea, RPC, Nuwara Eliya)

“Most of us are educated up to O/L but we don’t have jobs to match our qualifications. Also we are not willing to work as tea pluckers but a minimum of at least 10% end up working in the estate” (Youth FGD, Tea, RPC, Badulla)

Box 6.2 High Achievers of a remote estate

Macro level conditions of an estate, which impacted overall development trends for the community, also trickled down to its youth constituency. For example, despite being a fairly remote estate, this 'model' estate in the Central Province had a high percentage of highly educated youth.

"We have all studied up to A/L and some have even done the external degrees. We have gone for training on soil testing and can do research in other areas as well".

"I finished the GAQ at the Open University. I am working as a teacher in an informal educational institute; also involved in an UNICEF project to educate the illiterate" (Youth FGD, Tea, RPC, Nuwara Eliya)

This estate is an outlier in that it is a well developed tea estate in a remote location. Despite this disadvantage the youth on the estate have shown remarkable progress thus reinforcing the benefits of macro level structural changes and reinvestment.

Obtaining external employment frequently does not call for more than basic literacy due to the nature of employment currently sought. Overseas employment, which is one of the strongest employment related push up factors, does not seem to require a greater number of years of education; both men and women within the sample with less than 8 years of education as well as one with no education, were currently overseas in the capacity of unskilled labour. This is in comparison to those in the rural and more specifically the urban sectors who go overseas as semi skilled / skilled labour.

Migration for employment is age selective and sees 90% of youth in the rubber sector and 60% of youth in the tea sector working off estate during the 'prime' years. The strong dislike for taking up estate work was evident in the many number of FGD respondents who were temporarily employed in ad hoc ventures such as gem mining¹⁷ and those who were voluntarily unemployed, awaiting a job that matched their aspirations.

However, there is a general trend of an inverse relationship between low levels of education and external employment. The achievement of O' levels and A' levels were closely linked to external employment, with all such achievers working off estate or in skilled occupations on the estate such as that of crèche attendant. Professional employment such as teaching or nursing required A' levels while those working in the garment industry had over 9 years of education.

All other levels of education were associated with mixed occupations. However, complementing the age based analysis; those with equal levels of education under the age of 30 were more likely to be working outside than the older age group.

¹⁷ This cohort of youth (RPC, Ratnapura) engaged in illegal gem mining on the estate

Table 4. 6: Does education effect employment? Employment on the estate by education

Education	A/level qualified		O/Level		>9 years		6-8 years		1- 5 years		No education	
	Tea (T)	Rubber (R)	T	R	T	R	T	R	T	R	T	R
Pluckers / tappers			2		5	13	6	19	9	15	5	11
Sundry work			1		4	2	3	1	7	6	1	2
Factory and other	1	1		1	1	7		9	3	12	1	2
Crèche, dispensary, cook etc.				1						2		

Table 4. 7: Does education effect employment? Off-estate employment by education

Education	A/level qualified		O/Level		9 or more years		6-8 years		1- 5 years		No education	
	T	R	T	R	T	R	T	R	T	R	T	R
Wage labour			1		0	2			1	2	2	
Self-employed					0				0		0	
Agricultural	1		1	1	1		1		0		0	
Three –wheeler	0		0		1	3	0		0	1	0	
Tailoring	0		1	1	1	2	0		0		0	
Other	0	1		1	2	1	0		1	2	2	
Industry												
Garment factory	0	2	2	1	1	2	2		0		0	
Other factory workers ¹⁸	0	2	1	1	2	1	0	1	0	1	0	1
Carpentry / Masonry	0		2		0	3	1	2	1	2	0	1
Other	0	1			0	1	0		3		1	
Services												
Retail related	2	2	3	6	4	3	3	8	1	4	0	2
Transport related	0		0	1	0	1	1		0	4	0	
Other	1		1	1	0	3	0		0		1	
Overseas employed			1	3	1		1	2	1	1		1
Professional												
Principle	0	1	0		0				0		0	
Teacher	0	2	0		0				0		0	
Nurse	0	1	0		0				0		0	
Other	1				0				1		0	

The weak link between education and securing non-estate employment arises for a number of reasons. The type of work accessed does not demand high levels of education, possibly also because employment is sought primarily in the informal sector.

“I had my primary education here and then for 5 years in St. Mary’s College, Kegalle, which is a better school. I am satisfied with my education, but I do not think it helped in getting my job. I got it because I am talented/clever (*dakshai*). What is needed is vocational training to get a proper job.” (24, M, Rubber, RPC, Kegalle).

The perception of being 'educated' i.e. studied up to (not necessarily passed) the O' Level does not always correspond with a marginal increase in literacy, numeracy and comprehension.

"If the children go to school for 10 years, even if it is due to automatic promotion, they consider themselves 'educated' but in fact they are not."
(CTL, Rubber, RPC, Kalutara).

In terms of securing higher-level positions in the private sector, apart from those who focused on their education with the aspiration of gaining access to the private sector, the perception of the majority was that the sector was inaccessible to them as estate youth who have to compete with better-positioned urban and rural peers.

Access to sources of seed capital was the biggest barrier cited by those who were considering starting small-scale business activities. Secondly, the lack of support systems in the form of technical training and capacity building was highlighted. It was evident that youth in non remote estates had given considerable thought to and spent time planning business activities, possibly because of the opportunity to engage with those in the same or similar industries. Youth in remote estates stated that they would 'like' to engage in self-employment schemes but did not substantiate their ambitions. The reduced level of youth initiative in remote estates could be attributed to the availability of fewer opportunities for such ventures and constraints in infrastructure, facilities, equipment etc.

"We want to start businesses on our own- a tailor shop, a video shop, buy a three wheeler, start sewing" (Youth FGD, Rubber, RPC, Kalutara)

An improvement was noted in youth mobility with increased opportunities, especially in the rubber sector where the estates are located close to rapidly developing townships. The decade between 1995 – 2005 saw a great deal of large scale investment in these areas in industries such as garment factories. Expansion in small industries such as communication centres, retail stores, restaurants etc., has provided opportunities for young people to move out of estate work. Some venture to the capital of Colombo while others go to the Middle East. Some young people also engaged in wage labour outside the estate. There was a marked preference for off estate work, because of higher levels of education) and the stigma associated with being an estate labourer^{19,20}.

"Most of the youth in the estate are educated and they do not get any training to make them employable. We do not want to do rubber tapping like our parents with leeches everyday". (Youth FGD, Rubber, Pvt., Kalutara)

This was identified by the Presidential Commission for Youth²⁰, which cites the "secondary school leaver who wants to leave the estate" as a specific target group for planning and service provision. Migration and movement of youth in the sector has been

¹⁹ The stereotype is generally associated with unskilled, uneducated labor force who are limited to manual labour

²⁰ The Commission which was convened by the then President to look at youth issues in Sri Lanka presented its findings in March 1990

the focus of many studies and has become a point of agitation for a variety of stakeholders for different reasons. For example, management were faced with severe labour shortages because of current trends, which see estate youth being employed in other sectors and showing a marked disinterest in entering the sector (this was more pronounced in the rubber as opposed to the tea sector). Some companies had put in place initiatives to attract and retain their youth labour force. Trade Unions on the other hand were criticized by youth respondents for failing to develop and implement youth focused development mechanisms. This could be attributed to a hidden desire on the part of trade unions to retain youth on the estate for fear of losing their voter base.

Off estate work was not always viewed as sustainable and continuous, echoed in sentiments such as “there is no continuation in Colombo jobs”. In terms of skills development the responses reflected a high level of discontent in relation to opportunities for training and, especially in relation to income generation/vocational training.

“There is nobody to recognize our needs and push us forward. We like to start some sort of self-employment but we do not have the necessary training for that. “The children stop schooling halfway and so they have no other option but to work in the estate in the end” (Youth FGD, Tea, RPC, Nuwara Eliya)

The lack of avenues to secure capital for small scale self-employment activity was a crucial problem for youth in this sector. Some donors such as WUSC have recognized this limitation and have started support programmes for entrepreneurial activity. Salaried employment in the non estate sectors was not easily available as they had to compete with better educated and socialised/exposed peers from the rural and urban sectors who were clearly preferred by employers, relegating them to openings at a low level as domestic workers, shop assistants or construction workers. A minority is able to secure jobs as semi-skilled workers, e.g. drivers, mechanics. The high levels of literacy and education achieved by their rural and urban counterparts serves to further underscore the limited education and awareness of estate youth.

“No one is helping us and we have not completed our education as well. So we are badly in need of training for employment of some sort” (Youth FGD, Rubber, RPC, Kalutara)

“The estate has no loan scheme designed for people and since we are estate people we can’t get loans from the banks” (Youth FGD, Rubber, Pvt., Kalutara)

“No one believes us enough to give us loans, we are branded as poor” (Youth FGD, Tea, RPC, Nuwara Eliya)

“We have done A/L but we are still at home jobless. For us to get a job in the office, our parents being rubber tapers even if we are qualified we can’t work in the estate” (Youth FGD, Rubber, RPC, Kalutara)

Many respondents cited marginalisation because of ascribed status as an obstacle for progress, even in instances where they possessed the required qualifications and

expertise. Problems resulting from their Indian Tamil ethnicity and their identity ('estate worker'³) were cited recurrently by the youth FGDs.

"No one is there to give us a helping hand, our identity as estate workers is the biggest obstacle for improvement" (Youth FGD, Tea, RPC, Ratnapura)

The high economic and cultural transaction costs of labour migration were identified as barriers to looking for employment outside the sector:

"We have to spend all we earn – can't even think of saving. Even though we go out for work, when the food and transport expenses are considered there's nothing left." (Youth FGD, Tea, RPC, Badulla)

"There are some who go out of the estate to work but the girls can't so this because they often face a lot of gossip, such as sleeping around – these become a problem at the time of their marriage." (Youth FGD, Tea, RPC, Badulla)

"There are people with driving licenses. But when we go for interviews they ask us what our parents are doing. If the parents are labourers, then we also have to be labourers." (Youth FGD, Tea, RPC, Nuwara Eliya)

"We can start some sort of a self employment scheme but the estate does not have enough facilities or space to do that kind of thing." (Youth FGD, Tea, RPC, Nuwara Eliya)

6.4 Youth as drivers of change

Young people identified themselves as an able and active group with 'raw' potential. There is a need to hone this potential by enhancing and updating skills (technical, vocational and educational) to match the demands of the job market and better position their entry into the labour force.

Respondents describe mobility in the broad context of increased opportunity, income, awareness and understanding and living conditions. While the benefits of education were acknowledged in other areas, "education has helped us – it has taught us about the ill effects of alcohol and we in turn educate our parents", its impact in raising the potential for income generation was debated because of constraints to accessing employment. Educated youth were not willing to work on the estate. Increased interaction with the non estate sectors through employment, education and social activity combined with increased access to media and telecommunications (young people are the highest user group) has led to broader diversification of awareness, outlook and trends.

In comparison with their parents' era many youth stated that while their parents focused on meeting basic needs, they (today's youth) had better life chances in terms of access to outside opportunities and increased awareness. Some deliberated on this and cited these 'improvements' as a cause of high levels of discontent arising from an inability to meet these aspirations.

6.5 Understanding of power, democracy and freedom

Freedom was explained at two levels; in relation to personal space and in relation to its operation in society.

“Freedom means one’s own freedom; the freedom to do what we want”.

Freedom was also defined as lack of restrictions and impositions

“If we go off the estate and if the government takes over the estates we will be free” (Youth FGD, Rubber, RPC, Kalutara)

“Our lives are very tiring! We get up to go to school, then it’s tuition till late night. Even the weekend and holidays are full of tuition. We hardly have time for play / hobbies. We don’t have any freedom – for us freedom means having some time to ourselves.” (Youth FGD, Rubber, RPC, Kalutara)

As outlined above the chores and responsibilities of daily life were viewed as an impediment to freedom and the enjoyment of available freedom. Freedom of opportunity and choice was discussed in a comparative framework which contrasted the estates and villages - those in the estate don’t have as much freedom as those in villages (freedom of opportunity/choice), they have better access – computer classes, facilities, interactions. Youth being the most mobile cohort in a given estate were aware of the facilities and opportunities that were available outside.

It was seen as an abstract metaphoric concept - “it is good we have freedom”, “Getting away from being under domination or being caged is freedom” - and as a tangible right that was accessible or restricted.

“We have the freedom of movement but not where we want to live. We don’t have the freedom to choose the job that we want to do.” (Youth FGD, Tea, RPC)

Freedom of movement was discussed extensively at the FGDs not only in relation to freedom but also in terms of its positive impacts on mobility and access to opportunity:

“We can go anywhere now. Earlier they used to check IDs and other documentation. By now we are not scared. So we have our freedom now.”(Youth FGD, Tea, RPC, Nuwara Eliya).

The signing of the MoU in 2001 saw a drastic rise in the number of youth venturing out of the sector not only to surrounding regions but also to Colombo, which is the perceived epicentre of opportunity (“*in Colombo if you step out to the pavements it’s money no*”) for employment. Prior to the MoU and resultant ceasefire, estate youth were under the constant supervision of security personnel because of their ethnic identity, hence only a minority who were in possession of complete documentation ventured out for employment.

Youth in two of the tea FGDs propounded the premise that the structure of the estate sector was designed and continues in a manner which confines the workers to the estates and actively limits their freedom.

“All the things are provided for the people inside the estate – school, hospital, barber saloon. It is one way of preventing us from going out of the estate.” (Youth FGD, Tea, RPC, Nuwara Eliya)

The discussion on democracy was closely linked to politics and was also synonymous in many instances with inequality. Although there was a lack of clarity in defining democracy the negative outcomes arising from a lack of democratic practice was elucidated.

“We can vote, talk any language and practice any religion. We can travel around and now we can go anywhere freely.” (Youth FGD, Rubber, Private,)

“Estate Tamils are cornered by everyone. No one respects us. We are considered as a caste of the lowest status.” (Youth FGD, Tea, RPC, Nuwara Eliya)

“Democracy is good; only the Ministers have given it a foul meaning. Though we say that Sri Lanka is a Democratic country what we see is a democracy for some; there are double standards.” (Youth FGD, Tea, RPC, Nuwara Eliya)

“We can’t talk about democracy because we do not have the voting rights. In this estate only 180 out of 500 have voting rights.” (Youth FGD, Tea, RPC, Badulla)

“Here people receive facilities based on their ethnicity. The estate favours the Sinhalese. There is a playground for them. They don’t allow us to play there.” (Youth FGD, Tea, RPC, Ratnapura)

The discussion on power was negative as many felt that they were ‘powerless’. Collective powers and enhanced capacities as a result of working together were emphasised.

“We have no power. We live under someone and their power. If we get together there is power. If we achieve something by ourselves that is our power.”

“It is a motivation. If someone is powerful that person can do anything. One has to believe in oneself.” (Youth FGD, Tea, RPC, Badulla)

“If you have power you can do anything ...If you have connections with Ministers you can get things done.” (Youth FGD, Rubber, RPC, Kegalle)

Outlier definitions of power:

“Power is talent. Talking about mother’s power when she asks me to go and work when I don’t want to go for work.” (Youth FGD, Tea, RPC, Nuwara Eliya)

The lack of power as a characteristic of vulnerability:

“What power for us we are sucked out even by the leeches.” (Youth FGD, Tea, State, Kandy)

Inter-linkages between various aspects of power, democracy and freedom were elucidated in the following discussion:

“We have been ignored as a useless group of people and it’s the fault of the Management. The problem is with the Management. They think only about themselves. They don’t think about the Youth’s education or wages. We don’t see any union working for us as well. The pay sheet is in English. They deduct money for so many things and think we don’t realise (*gonata andala*). The workers don’t know the reasons for the deductions and when they question they just give false reasons. We are not strong enough to protest. We are scared of losing our jobs. To get our EPF, we have to bribe the EPF brokers. They know a bit about these things. If we get Rs 300 000 we have to give them 50 000/=. Sometimes the excuse for not giving the EPF is a wrong name.” (Youth FGD, Tea, RPC, Nuwara Eliya)

Poverty and escaping poverty were also seen in terms of entrapment and lack of power:

“Poverty is an obstacle to progress and development - the very poor people are trapped, there is no way out for them. Some people drink and waste their money, in some instances the families have broken up which means even school going children have to work.” (Youth FGD, Rubber, RPC, Kegalle)

The key point of discussion in the youth FGDs across both sub sectors centred on youth mobility. The shift from estate work to off estate based occupations was underscored by many youth who discussed many reasons for this shift ranging from higher aspirations, better educational attainment and the exposure and wider interactions that off estate work enabled. Whilst a majority acknowledged intra sectoral developments they also highlighted deficits in services provision, infrastructure and facilities.

7. Impact of the estate sector's structure on movement out of poverty

The preceding chapters discussed the characterisation of poverty and factors that help and hinder estate household movement out of poverty.

This chapter looks at the bigger picture to try and understand, why, despite the potential to earn above poverty incomes from a diversified portfolio of employment; many estate households do not move out of poverty and remain in unfavourable conditions. The analysis combines the perceptions of households, management and other key stakeholders, with the overall context within which the estate sector operates and finds that the structural form of the sector is the core factor causing system failure.

7.1 Earning potential in the estate sector

The current wage rate negotiated under the Collective Agreement is considerably higher than the minimum wage but lower than the market rate of economically dynamic areas of the rural sector. The earning capacity of an estate worker in a well-managed estate can be considerably higher than the poverty line of Rs.1423⁵. According to the management of RPCs, a worker has the potential to earn a maximum of Rs. 7000 during peak season and a minimum of Rs. 1500²¹ during the off season.

The workers in RPCs confirm this:

“Those in the middle level earn about Rs. 4000 to 5000 per month per worker. Those at the top level work every day and get the attendance incentive for working 75% of the maximum days. They earn more.” (Female FGD, Rubber, RPC, Kegalle)

“During the year, the number of days of work available to us varies – in the high season for three months, we have 30 days of work a month, in the low season for 3 months we have only 12-15 days of work a month. During the rest of the time, we might have about 18-20 days a month.” (CTL, Tea, RPC, Badulla)

The capacity of a household to increase its earnings through diversification of the portfolio with non-estate work during the low season as well as some members working full time outside the estate, enable households to move out of poverty. A pattern of out-migration has been developing since the period of nationalisation, and has increased more rapidly over the last 15 years. The proportion of the estate sector labour force engaged in self-employment has increased from 3% to 10% and participation in the informal private sector increased from 19% to 34% between 1996/97 and 2003/04 (CBSL: 2005).

“We developed with our own effort, no drinking, house is well-constructed. I earn about Rs. 8500 tapping rubber. From the money my wife sent from Middle East I started the shop and bought the three wheeler from the money saved from rubber tapping.” (40, M, Top/Improving, Rubber, RPC, Kegalle)

²¹ Average of wage bills provided by the individual estate offices in the sample.

Despite the potential to move out of poverty using a diversified livelihood portfolio anchored in estate work, this system has often failed. Many households in the estate sector have very low earnings from estate work. Even though the majority of households earn an external income, household incomes remain low averaging around Rs. 7,346 per month, which is 56% of the national median monthly household income (HIES, 2002). Moreover, while real household incomes increased by 10% between 1996/97 and 2003/04 nationally, the increase in the estate sector in the same period was only 5% (CBSL: 2005).

“With increase in the price of goods, our food expenses are higher. Our expenditure is high and our income is low. We get loans from the store in town and buy on credit from the village store.” (28, F, Medium/Improving, Tea, State, Kandy)

7.2 The estate sector as a ‘plantation system’

The estate sector in Sri Lanka was established during the colonial period as a ‘plantation system’ as defined by Beckford (1972:5-13). The ‘plantation system’ covers all the institutional arrangements surrounding the production and marketing of a crop and is characterised by an all pervasive social system stratified along ethnic lines as a result of importing labour, and an economic system which extended from the location within which it was situated to the wider world economy. The practice of commercial agriculture, crop specialisation, and the employment of a large resident labour force directed by highly skilled supervisor-managers were also characteristic features of plantations.

“The plantation system had relied, on the one hand, on strict regimentation of workers whose wages had been kept at the lowest possible levels and, on the other, on lavish incentives in the form of high salaries, bonuses and a variety of fringe benefits to those performing supervisory and managerial functions, from whom the system demanded personal accountability.” (Peiris, 1996:218)

The ‘plantation system’ characteristics include the way the estates operate as an enclave - most services needed by the labour force are offered within the boundaries of the estate. As the employer, the estate not only looks after the welfare of its workers but is also responsible for all aspects of household welfare. The management is expected to maintain the workforce from ‘cradle to grave’ and is responsible for housing the labour force and their families. The fact that such housing is provided within the estate boundaries gives rise to the concept of ‘resident labour’. This system binds the workers to the estate not just as workers but also as residents, and the boundaries between work and home are blurred. A high level of control of every aspect of the residents’ lives was historically a feature of the ‘plantation system’.

“The planter with perhaps 2,000 souls living in a completely self-contained life on his estate had to act towards them in the mixed capacity of commanding officer, labour manager, business advisor, peace maker, and Dutch uncle.” (Shanmugaratnam, 1997)

Although Sri Lanka is no longer a plantation economy, and significant changes have occurred in many aspects, including the labour force, managerial methods and influence of

trade unions, many fundamental features of the estate sector as a 'plantation system' have survived into the 21st century.

These structural features have contributed directly to tensions between the different stakeholders and to the marginalisation of 'resident labour' from mainstream society. This in turn has impacted households' ability to take advantage of the earning potential on the estates and to move out of poverty.

7.21 Structural tensions: The clash between the economic perspective and the rights perspective within the plantation system

The structure of the plantation system polarises the positions of the different stakeholders (the management and workers, as well as the trade unions) and tension is evident in the many instances where stakeholders take equally legitimate, but contrasting positions.

As an industry, the sector has to ensure economic efficiency and productivity. Export crops in Sri Lanka have suffered in the face of fluctuating world market prices, changes in world market preferences, the entrance of new competitors and the loss of its market leader position. Within the national industry, reforms have led to the re-privatisation of management. The RPCs face high debt-ratios, rising production costs, and profits being skimmed off to brokerage houses. This combination has led RPCs to focus on increasing the productivity and profitability of the sector.

The estate population, who have historically been considered primarily as a production factor, are now sufficiently aware of their situation to articulate their rights to greater integration into the mainstream socio-economy of Sri Lanka;

"Our parents had confined lives; their world was the estate, nothing else. Our parents did not learn so they were not aware of the opportunities that existed. We have a better idea of managing money than our parents. Schools are better today – there are more teachers and the subjects are interesting. We are aware of the opportunities we have." (Youth FGD, Tea, RPC, Badulla)

The tensions caused by the different perspectives and motivations of the labour force and the management are particularly manifest with regards to housing. The residents take the position that it is their home therefore they have the right to decide how they live and work, while the management takes the position that housing on the estates is workers' quarters requiring at the minimum the employment of at least one HH member on the estate. Both positions are equally legitimate, but contradictory. The position is further complicated as the historical structure of the plantation system leads residents to expect housing improvements to be carried out by the management, but the significant reduction in residents providing labour to the estate means that it is now unproductive for the management to carry out overall maintenance as they previously did.

The contradictions and tensions which cause housing disputes run right through the structure and implementation of the worker remuneration and welfare package. The total package is an outcome of the historical paternalistic structure and the subsequent unionised collective agreements of the industry. The wage rates are set out in the Collective Agreement. In addition, the workers receive efficiency based incentives that

are agreed as part of the Collective Agreement, state regulated labour benefits, and specific incentives decided by individual RPCs and estates to attract labour. This can include insurance schemes, loan schemes, health, education and child care benefits which are tied to participation in the estate work force.

While the management feels that it is providing a package that very few other employers provide, the residents view many elements of this package from a rights perspective and strongly feel that they are exploited and forced to stay on the estates, primarily through housing which ties them to the estate.

“Half the estate youth work in Colombo and in nearby towns. The management does not give us proper work on the estate but they don’t like us working out either. They threaten to take back our houses if we don’t come back and work. So some of us are forced to come back and work on the estate.” (Youth FGD, Rubber, Pvt, Kegalle)

Another example that highlights the difference in perception is the mandatory provision of a minimum of 25 days of work. This minimum provision of work is seen by those who negotiated the Collective Agreement as a major contribution towards workers’ security. However, workers who wish to retain the full benefits of working on the estate while also benefiting from the flexibility of working outside complained bitterly:

“We work hard and don’t get paid. How can we work for 22 days? It’s inhuman to ask us to work for 22 days a month. The managers - they do nothing and get paid.” (35, F, Top/ Improving, Rubber, RPC, Kegalle)

“We get paid only if we work. If we stay at home a month we’ll die of hunger and no-one will care.” (24, F, Medium/Improving, Tea, RPC, Badulla)

“The estate has to help us to educate the children so that they can get better jobs outside the estate. When the country develops we also can develop.” (35, F, Medium/Improving, Rubber, RPC, Kegalle)

Such factors can lead to serious dissatisfaction among labour, tensions with the management and a situation in which both the management and the workers try to manipulate the system to their advantage, and neither party is satisfied with the outcome.

7.22 Structural boundaries: Facilitating perceptions of marginalisation

While there have been significant changes that have blurred the boundaries, the plantation sector has yet to be fully integrated into the mainstream socio-political structure of Sri Lanka. What was originally a captive immigrant labour force gained citizenship rights by 1986 and now has the legal right to move out of the estate structure. While large numbers do migrate out for employment, the estate remains the home space of the population. In the final analysis, the residents of estates feel strongly that they are still excluded from the benefits of the changes that take place in the rest of the country.

“The political process has helped to develop other people but not us.” (Male FGD, Rubber, RPC, Ratnapura)

“There are good changes through politics. But we don’t receive them.”
(Male FGD, Tea, RPC, Badulla)

“There might be changes in the country but we don’t get any benefits.”
(Female FGD, Tea, RPC, Ratnapura)

These perceptions are further strengthened by the stratification of the estate population along ethnic/racial lines. The identity of the workforce is based on their historical immigrant status, and Indian Tamil ethnicity. This identity is further strengthened through unionisation, which has given them a worker or proletarian identity that is absent elsewhere in the rural sector, and providing them with a vocabulary to articulate their grievances.

“Estate Tamils are cornered by everyone. No-one respects us. We are considered as a caste of the lowest status.” (Youth FGD, RPC, Ratnapura)

“Here people receive facilities based on their ethnicity. The estate favours the Sinhalese. There is a playground for them. They don’t allow us to play there.” (Youth FGD, Tea, RPC, Ratnapura)

“The management of the estate can change these things. If not the head office in Kandy or Colombo can. Failing the estate, the ministry can do something. The government gets the biggest profit out of the estates. But we are not even considered as human beings. We don’t know whether they consider us not good enough to change anything.” (Male FGD, Tea, State, Kandy)

The difference in access to benefits, their place in Sri Lankan society, the lack of any ‘real’ change, and the perception that the plantation system is stagnating and deteriorating has led to a sense of frustration amongst the workers.

“Democracy is everyone having the same. Some 100 acres have been distributed to villagers. We are here for four generations but nobody has given us a piece of land. We’ve taken care of this estate and fertilized it. We’ve always been cheated.” (Male FGD, Tea, RPC, Ratnapura).

7.3 Impact on poverty and moving out of poverty

The feeling of marginalisation and exploitation, the tensions that are inherent in the plantation structure and the constraints imposed by the industry as a whole all have a direct impact on the poverty of households and their ability to move out of poverty.

The strong feeling of marginalisation and exploitation among the estate households is a dimension of poverty in itself. Even households that have incomes significantly higher than the poverty line feel strongly that they are members of a sector that is being given a ‘raw deal’ in comparison to the mainstream socio-economy.

In addition, this sense of marginalisation and exploitation influences economic and livelihood decisions. The adversarial / dependent relationship with the estate management, and the popular view that estate work is degrading and unsuitable leads many residents to shun estate work and attempt to gain external employment.

Households are therefore unable to take full advantage of the available earning capacity on the estate because even when it is available, estate work is not taken up.

The result is that a large number of tea estates report deficit labour even though the residents maintain that,

“Job opportunities are decreasing. Even the educated do not have proper jobs. We don’t have work in the estate. About 45% of us are unemployed. If we don’t work for 19 days they reduce the daily wage to Rs.135. There is land with water nearby but the estate does not let us cultivate vegetables.”
(Male FGD, RPC, Badulla)

The decrease in estate work identified by the residents is also influenced by the manipulation of the system by the management. While seasonality is an inbuilt agricultural variation, many estates also attempt to maintain more casual labour than registered labour, thus aggravating labour-management tensions.

In the final analysis, the structure of the plantation system as it stands today creates non-economic forms of poverty within the sector, which in turn influences economic decisions of the households. Moreover, it is less than successful at creating a dynamic and profitable industry, thus once again constraining the upward mobility of residents within the sector. It should be kept in mind, however, that the majority of households in the study believed that conditions were improving; they attributed this primarily to employment outside the sector.

8. Conclusion

8.1 Overview of findings

The majority of the population living on the estates feel that while conditions in the estates have deteriorated over the last 15 years, the living conditions of individual households have improved significantly. At a general level this variance in perception can be explained by the fact that households have developed livelihood portfolios with high levels of non-estate input and have thereby separated household fortunes from those of the estate. A further contributory factor is the tendency for workers to compare conditions on the estate to an idealised view of the past. Other significant factors are the workers' high welfare expectations and their sense of marginalisation and exploitation as a result of the plantation system structure.

More specifically, the main drivers of household improvement have been

- Access to external sources of income enabling most households to develop a diversified and more lucrative household livelihood portfolio
- Greater institutional provision of health, education and welfare services in both the state and estate sector.

However, these improvements have not been sufficient to bring the standards of the estate population on a par with the majority of the country. In addition to the chronically poor households, most households continue to fluctuate around the poverty line and are extremely vulnerable. This is primarily due to the fact that their cash income does not keep pace with the rising food and non-food expenditure of households, let alone allowing households to make savings enabling them to move up the poverty ladder.

The vulnerability of households – even those that have moved up the ladder – is reflected in their limited ability to withstand shocks (such as illness or death of a family member), in the strong links household welfare and lifecycle position, and in the high impact certain behaviour patterns, such as alcoholism, hard work or good household management, have on household levels.

The majority of those who have moved out of poverty have done so by combining a strong external employment bias with the advantages the estate system offers. Evidently households that moved out of poverty by physically moving off the estates were not part of the study.

Despite the preoccupation with external employment, estate work remains a very important component of household livelihood strategies, and many people return to the estates after periods of external employment. The advantage of estate employment, as often articulated by the residents, is the stable and secure nature of work.

The relatively low wages paid within the sector are seen as a critical problem by the residents. The wages remain fixed at the level decided by the Collective Agreement and tied to the plantation system structure which blurs the boundaries between work and home through the 'cradle to grave' welfare concept. This total remuneration package is attractive to those households fluctuating around the poverty line, as evidenced by the village labour that chooses to work on estates, particularly where the estate wage rates are higher than that available in the village. Estate wages alone, however, do not give the estate population the ability to significantly improve their living standards to the standard perceived as acceptable in the rest of the country.

Looking at the bigger picture, Sri Lanka has moved away from being a primary commodity exporting economy and its socio-political structure has been transformed. Despite multiple changes that have enabled estate residents to have a high level of employment mobility, the sector remains a structural outlier both in the Sri Lankan economy and society. The feeling the current estate populations have of being marginalized, exploited and 'different' result primarily from the forces that bind them to a structure which minimises choice in relation to many economic and non-economic aspects of life. Any advantages the system may offer are constantly undermined by the fact that the institution is 'forced' upon them.

8.2 Seeking solutions

The successive reforms in the estate sector reflect the constant search for solutions to both industry and labour problems. The impact of changes resulting from these reforms, as well as other changes in the economy, are reflected in the strategies households use to cope with and move out of poverty. When considering which solutions will facilitate such strategies, it is critical to take into account the structure within which change can take place, what attempts are currently being tried, and most importantly, what future households aspire to.

Attempts to accelerating the process of moving the estate sector population out of poverty can be considered on a continuum of structural change. At one extreme would be the complete mainstreaming of the sector to reflect the structure of business in other sectors in Sri Lanka. Despite the risks involved this proposal reflects the estate residents' desire to enter the mainstream, in order to address the strong feeling of marginalisation which effects all aspects of household decision making. Other less extreme scenarios for improvement would fall within the existing structure of the employer-worker/household relationship.

Strengthening the existing structure

Within the existing structure of the estate sector the primary issues are access to and the quality of the drivers of moving out of poverty.

- *Increased access to work and methods of coping with the cost of living:* The income from working on the estate is insufficient to meet the needs of households, mainly due the lack of regular work. This could be due to the estate not providing sufficient work or the workers opting not to take available work. Both factors need to be addressed to ensure a worker earns the maximum possible over a year. Steps need to be taken release pressure on household expenditure, particularly on food. Other aspects that increase the cost of living and the indebtedness of households also need to be addressed, such as alcoholism and buying household assets on credit.
- *Increasing access to and quality of health and education:* The quality of on-estate services is an area that is receiving considerable attention and a range of stakeholders are running many programmes. However, much improvement is needed. Residents are increasingly accessing both health and education services outside the estates and improved transport would enable better access and provide residents with greater choice.

- *Improving housing and access to land:* Multiple programmes are being piloted to improve housing and the residents themselves are also carrying out improvements. Land is usually used for housing, or for income generation, as in the case of cultivable land. A variety of initiatives are also underway to provide greater access to land. These programmes should gradually improve the stock of housing and access to land.
- *Improving communication:* This is an area that requires greater attention at all levels and from all stakeholders. Communication between managers, workers, trade unions, state, development programmes and donors needs to improve. Efforts need to be made to reduce the adversarial relationship between most stakeholders in the sector and ensure everyone provides clear, factual information. This will reduce misunderstanding and conflict.

Accepting and encouraging natural change

The gradual breakdown of the rigid plantation system can be ignored, restricted or encouraged. Given the strength of change factors and the positive impact this breakdown is having on households moving out of poverty, a positive approach would be to accept change. This would include both encouraging the factors that have a positive impact on households as well as those that minimise risks.

- *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 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. This however, needs to be an industry-wide strategy rather than the ad hoc company or estate level efforts seen currently.
- *Facilitating mobility and migration:* Mobility is greatly facilitated by increased security, and possession of citizenship and identification documents. In addition, 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 centres to provide information and links to employment opportunities. This would give workers greater access than they have when relying exclusively on their own 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 state welfare:* State welfare programmes which 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. Programmes should ideally be built to reflect the fluctuating fortunes of households during the life cycle.

Actively mainstreaming the sector

Unless some of the most fundamental factors of the structure that characterise the plantation system are addressed, only a limited amount of movement can be achieved by estate sector households. The captive feature of the system is the most critical factor that limits movement and, more importantly, creates a strong feeling of marginalisation. Moving the sector into the mainstream economy appears to be a prerequisite to ensuring households are able to move out of poverty and progress up the ladder.

The most enduring link to the enclave plantation system is the fact that labour continues to live on commercial property. This issue lies at the crux of the employer-worker relationship and the blurring of household boundaries. As the estates are a profit motivated, commercial entity they, legitimately, consider the population living on the estate to be 'labour'. On the other hand, the population that lives on the estate considers it to be their home and therefore expect to make choices independent of the estate.

Separating housing from the estate would relieve management of any responsibility towards the estate population. Equally it would relieve residents of the obligation of having to provide labour to the estate. The estate sector would therefore become part of the mainstream economy, working on the basis of a conventional employer/employee relationship. Households would be responsible for their own welfare, and the state would be responsible for macro level service provision, as is the case in the rest of the country.

These options have been discussed and trialled to a limited extent at various different times. However, the fact that wholesale change has not occurred can be explained by the risks that all stakeholders face in the breakdown of such an institution. The estates risk labour shortages, the trade unions risk losing their constituency, the state risks losing foreign exchange earnings and budgetary pressures, and the population risks losing the safety net provided by the current structure both in terms of employment and welfare. These risks are certainly important issues that need to be factored into any plans, however, the current structure is the most fundamental feature limiting people's movement out of poverty and any serious attempt to facilitate movement out of poverty requires a mainstreaming of the estate sector.

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