

# Sri Lanka: Trapped at the Katunayake Free Trade Zone

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## Contents

- [Working conditions](#)
- [Accommodation](#)
- [Indebtedness](#)
- [A precarious urban sector](#)

The opening scene of 'Modern Times', a satirical comedy written and directed by Charlie Chaplin, portrays a line manufacturing process during the Great Depression in England.

Chaplin, a factory worker, is bolting screws and loses track of his work as he takes a few minutes off to scratch his hand. He fights with his supervisor and chases a fly that lands on his nose. The scene gives a sense of the oppressive factory environment where every activity of the worker is measured in relation to productivity.

While the film may have depicted the working environment in a factory almost seven decades ago, recent visits to the Free Trade Zone (FTZ) in Katunayake by members of the Collective for Economic Democratisation in Sri Lanka revealed that the working conditions of the factories where hundreds of young women and men are employed is no different.

"I take a water bottle to work and keep it beside me. But I notice in the evening that the bottle remains full, untouched. I would not have had the time," said a worker who has spent nearly a decade in Katunayake.

The FTZ were introduced to Sri Lanka in 1978, following the guidelines of the International Monetary Fund and World Bank soon after the liberalization of its economy in 1977. Also known as Export Processing Zones (EPZ), the FTZs at the time of their introduction drew rural youth, mainly women, to assembly-line work. Ideas of modernity, urbanisation, a fixed salary and the promise of a better life seemed attractive to thousands of youth who had few options in their respective hometowns.

In addition to creating jobs, economic liberalization brought along demands of a capitalist market economy, targeted at maximizing profit and minimizing cost. This meant that workers were given daily targets in production, very limited break time and other myriad regulations that dictated their work and activities within the factory.

The EPZ creates precarious working conditions. Precarious as the workers are not protected with the rights of permanent workers and subject to problematic employment relationships. According to the Ministry of Labour, in 2012 there were 126,366 persons employed in the EPZs and from that the largest EPZ in Katunayake had employed 39,535 workers, about 31.3 per cent of the total number of EPZ workers.

## **Working conditions**

Given that a considerable workforce is employed in the sector, why are working conditions not given due importance? According to a worker employed at one of the FTZ factories, there are around 500 employees in one section and around 1000 in another. In each of these sections there is one canteen for the workers to use. During their 30-minute lunch break, workers sometimes wait for up to 15 minutes in the queue. Workers at the end of the queue have barely a few minutes, just enough time to hurriedly gulp down some food.

Recent instances of food poisoning have become a serious concern among workers. On September 4, around 500 workers employed at the NEXT factory took ill after a reported incident of food poisoning. As many as 85 workers were admitted to a hospital in Negombo. Two had to receive treatment at the ICU.

One of the workers died two days after the incident. The management brushed aside her death attributing it to “her own illness”, something the family continues to dispute. According to a Board of Investment (BOI) official, the report issued by the Medical Research Institute (MRI) following the investigation of the deceased worker, confirms that the food which was offered to the workers was not suitable for consumption. This year alone there were three reported incidents of food poisoning in the Katunayake FTZ, two of which were at the NEXT factory. The lack of hygiene in the kitchens where the food is prepared was brought to the notice of the management several times, but it was not taken seriously, a worker said.

Work is strenuous, with workers spending eight hours a day, five days a week plus 5 ½ hours on Saturdays in the factory. Even though her legs hurt every night, a worker said she chose to stand and work as it fetches an additional \$8. Sanitation facilities are inadequate, workers said, pointing to double standards in maintenance of their restrooms and the supervisors’ restrooms.

## **Accommodation**

Most of the workers live in cramped hostels that are built like prison camps. They evoke images of one of the housing lines in the estates, except they are two-storied. They cook, sleep and live in that space. Even this accommodation is not affordable for many of the workers, who pay a third of their salary as rent. Electricity charges are to be paid at commercial rates.

Despite such financial pressure, workers joined the FTZs as their options are so few. Each worker has a compelling story. A worker, barely 17, said she joined the FTZ to support her old grandmother. Her brother was training to be a priest, she said. An older worker said she had been living in one such room for the last 19 years of her life and also that this is the only life she knows of.

## **Indebtedness**

Indebtedness emerged as a running theme among the FTZ workers. The workers are provided breakfast and lunch on weekdays by the factories for which a deduction is made from their monthly salary. They pay out of their pockets for the dinner and on many days they end up eating on credit as they do not have enough money with them. Further, they buy essentials on credit from the shops in the FTZ where the owners maintain a book for its debtors. Every month on pay day the workers go to their creditors and close the accounts, fearing they would be at their hostels demanding immediate payment.

During one of our visits to the FTZ, workers spoke of an incident of a worker committing suicide. He had left a letter and mentioned that he owed a small shop keeper in the area \$40. The fact a seemingly payable amount pushed him to the extreme step showed the intensity of the financial pressure many of the workers are subjected to.

### **A precarious urban sector**

Most of the workers we talked to came from farming families and have to an extent been involved in farming. They have come to the FTZ as there were no jobs for them in their villages and agriculture was no more a sustainable livelihood option.

One worker who came from Ratnapura had been involved in the gem-mining industry. He said that with the introduction of machinery to mining, the work they did for five years is now done by the machines in two days' time. This had made his labour redundant and he had joined the FTZ for employment. One young man who was in to vegetable farming said in order to obtain a yield of 50 kg of potatoes they have to invest around \$300 on cultivation. Yet he sees this as a gamble, and if they do not find the market for their harvest, which is an issue at present, then in his own words "the investment goes down the drain".

Even if they explore other avenues briefly, many of the older workers said they eventually end up returning to the FTZ. A worker who had worked in the FTZ went to the Middle-East as a domestic worker. On her return, she joined the FTZ again and has now been working there for eight years straight. It is only after exhausting other options that the workers resign to being employed in the FTZ.

In the Budget Speech for 2015, the President claims the garment industry has shown 15 per cent growth and is expected to generate \$5 billion in export earnings this year. He has announced new tax concessions for textile companies, but for the workers there is hardly a few dollars increase to a minimum of \$75 if their wages are less than that, an additional 2 per cent of employer's contribution to their EPF and a vague, often repeated promise of a pension plan.

All this is a reflection of the crisis of the state, the economy and our society. Such a large number of our youth have no place in their villages and the rural economy and their life in the urban garment factories is a return to the tragic portrayal of life in Charlie Chaplin's Modern Times. Should this not concern us? Will their situation be considered in the upcoming elections?

**Buddhima Padmasiri and Swasthika Arulingam**

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**P.S.**

\*<http://www.sundaytimes.lk/141130/business-times/trapped-at-the-katunayake-free-trade-zone-129478.html>

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