

# **Sri Lanka: Bitter sugar produced from our labour in our lands**

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**People in Rideemaliyadda-Dehigama area in the Badulla District are deeply worried about the Government's plans to allocate nearly 65,000 acres of land for sugarcane cultivation in that area. As part of the protest campaign organised against this action, a mass protest was organised in Bibila on 12 March this year. On 2 April, protesters removed fences erected by the company investing for the project on a 572-acre plot of land reserved for a sugar factory.**

As public outcry against this large-scale sugar production project continues, others are of the view that such foreign investment in Sri Lanka should not be avoided as the country is facing a massive foreign exchange deficit and a balance of payments crisis. Sri Lanka has had a number of bitter experiences of giving land for large-scale agro industries. The sugar industry is one of such failed experiences in Sri Lankan soil. The purpose of this article is to briefly discuss the outcomes of previous experience related to large-scale sugarcane cultivation (for sugar and alcohol production) and its impact on women in particular.

## **History of sugarcane cultivation in Sri Lanka**

The sugar industry in Sri Lanka has a history of over six decades. Within these six decades large-scale sugarcane cultivation projects were started associated with sugar factories. These large-scale enterprises are the Kantale, Hingurana, Sevanagala, and Pelwatta sugar manufacturing industries. Hundreds of thousands of acres of land have already been given for these cultivations and arrangements are being taken to establish the fifth sugar production company in Dehigama. In addition, an attempt is being made to provide nearly 52,000 acres of land for the Kantale Sugar Factory.

The Kantale and Hingurana sugar factories, donated by Czechoslovakia in the early 1960s, were among the largest sugar factories in Asia at the time. Although vast tracts of land and resources have been allocated for this industry with the aim of not only meeting 100% of the local sugar requirement but also earning a large amount of foreign exchange by exporting sugar, at present less than 10% of the country's total sugar requirement is produced locally. The remaining 90% is imported from countries such as Brazil and India.

The Kantale Sugar Factory, which used to employ more than 10,000 people in its heyday, was closed down in 1999 due to heavy losses. It is scheduled to be reopened as a partnership between a Government and a foreign company. But one of the main criticisms is that according to preliminary agreements, the Sri Lankan Government will receive over 50% of the profits from production after 30 years.

Sevanagala and Pelwatta sugar companies were privatised by the Government due to losses and were taken over by the Government again in 2011 as underutilised assets. The Hingurana Sugar

Factory is currently privately-owned. The main source of income for all existing sugar factories today is not the production of sugar, but the production of alcohol using molasses which is a by-product of sugar production.

Sri Lanka's experience of the sugar industry is not positive in any aspect. It has become a highly-unproductive industry not only economically but also made a number of negative impacts on environment, health, livelihood as well as land use in the country. It is against this backdrop that 65,000 acres of land is being prepared to be handed over to a Singapore based company for a large scale sugarcane cultivation and sugar production.

### **Women and sugarcane cultivation**

One of the problems that economic policymakers in Sri Lanka have repeatedly identified is the low labour force participation of women in Sri Lanka compared to men. Female participation comprises about 27% of the workforce.

According to liberal economic thinking, when considering the economic activity of women, their role within local micro economies in rural areas (especially in agriculture), and their unpaid care work are neglected. What is calculated as productive labour is only wage labour. It is in this unfair calculation that the argument is made that the economic participation of women is not sufficient.

The sugarcane and sugar industry in Sri Lanka is a strategy that has been used for decades to transform the labour of rural women in Sri Lanka into wage labour. The problem is that neither the economic status of women in this country nor the contribution of that industry to the gross national income has made any progress through this. What has really happened is that the situation of women is getting worse and they are being pushed further into debt.

Many large-scale sugarcane plantations in the country operate on outgrower basis on State lands granted to the public under permits and grants. Here the farmers cultivate sugarcane on their lands and the seeds and fertilisers are provided by the sugarcane company. The harvest is purchased by the company after harvest (usually 14 months) and the company's expenses for seeds and fertilisers are deducted from that amount. A basic condition here is that the farmer is obliged not to cultivate anything other than sugarcane on those lands. What really happens in this system is that the farmer becomes a labourer on his own land. It is the same model which will be implemented in the proposed 65,000 acre sugarcane plantation in Dehigama.

Small-scale sugarcane cultivations have existed in Moneragala-Pelwatta area since ancient times and were used to produce jaggery. There were more than 400 small-scale sugar mills in the area, all of which had to be closed with the opening of the sugar factory. This traditional sugarcane cultivation was done primarily by women farmers engaged in multi-crop cultivation.

Women farmers on small holdings play a vital role in food production in Sri Lanka (also worldwide) and account for about 40% of the total food production in the country. Their multi-crop farming is the key to ensure the diversity and quality of the local food. These women farmers also play a key role in conserving traditional seeds and farming methods and passing them on to future generations. Within their multi-crop farming women have considerable independence in decision making. She engages in agriculture while fulfilling her unpaid care duties within the family. But unfortunately no Government has acknowledged this crucial economic role of women farmers.

Even in the efforts to formulate a national agricultural policy for the country, women farmers have been identified as a group who are engaged in home gardening. The Government has reduced the contribution of 40% of the local food production to mere home gardening. Therefore, women farmers

have never received the support they deserve from the State. It extends from land ownership to water management and land use decision making as well as market access. What governments have done in all of this is to encourage her to become a rural wage labourer.

The false argument of lack of economic participation of women is used to support the large-scale agricultural projects. The results we witness today and in Pelwatta and many other places is a social catastrophe. Women are simply shedding labour under male supervisors without any agency. Women who once were farmers on their own lands have become voiceless labourers.

Booker Tate, the world's largest sugar producer at the time, which had invested in the factory, left the industry in the face of declining yields after more than a decade of successful cultivation and gradual depletion of soil. Now the income of farmers cultivating on the barren soil is only enough to cover the company's input on seeds and fertilisers. The result is that they fall into debt.

It was women who fell into poverty who were exposed to the exploitation of predatory microfinance companies. The glamorous offices of more than 50-differently named microfinance institutions established in Monaragala town are a symbol of this indebtedness. Arrangements are now being made to inherit the same result for women in the Dehigama area in Badulla.

### **Listen to them**

Today, 74 years after independence, the only attraction we have to offer to attract foreign investment is the lands of the people (which produce food for the people and a habitat for wildlife) and cheap labour (primarily of women). At least now we need to rethink our development model which brought us to this poor state. The sugar industry in Sri Lanka is the best example of that failure.

The devastation inflicted on women is only one aspect of it. It has destroyed the environment, the health of the people, the food production of the country, and the land ownership of the people. The Government must now listen to the voices of women protesting in Dehigama in Badulla. This is not a problem limited to Dehigama or Rideemaliyadda. It is a voice against the failed economic policy pursued by the country since independence. They ask "if land is ours and labour is ours, why do we have to cultivate sugarcane to produce sugar that will have bitter consequences for us?"

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