

Economic crisis tightens grip on Sri Lanka's hinterland

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Amid shortages, families are forced to ration tea, meals

As Sri Lanka's economic crisis makes global headlines, estate worker B. Sundararajan is watching it manifest in his teacup.

In recent weeks, he has cut his usual, two cups of tea a day to one. "Milk powder is not easily available. When it is available it is not affordable. There is no other option but to cut down our tea," said the resident of Doloswala village in Sri Lanka's southern Ratnapura district. Besides the irony of a tea plantation worker, producing the famed 'Ceylon tea', rationing his own tea intake, Mr. Sundararajan's reality lays bare the severity of Sri Lanka's current economic meltdown.

Rising inflation

The country's fast-depleting foreign reserves — \$3.1 billion at the end of 2021 — have pushed the Rajapaksa administration into a corner. The government needs dollars to import basic food items, fuel, and medicines, which have frequently been in shortage in recent months. As has milk powder, which Sri Lanka mostly imports and widely consumes in place of fresh milk.

Scores of consumers are struggling to afford essentials such as rice, pulses, vegetables, fish, and meat whose prices are soaring, amid import restrictions imposed to save foreign exchange. Consumer price inflation hit 14% last week. Finding LPG cylinders, in short supply, remains a challenge.

And if the consumer is a daily-wage worker like Mr. Sundararajan, where his hard-won LKR 1,000 (₹366) wage is tied to tedious production targets, forgoing a cup of tea or even a meal, like in the case of many poor families, is the only option.

The story of Sri Lanka's economic crisis came to the fore amid the pandemic, which dealt a severe blow to the country's crucial, foreign exchange earning sectors. Colombo has foreign debt obligations totalling nearly \$7 billion this year, and Sri Lanka is "trying all options" to avoid a default, Finance Minister Basil Rajapaksa recently told the *Financial Times*.

India and China have extended emergency assistance by way of loans and currency swaps, but Sri Lanka is still on the edge. The national polity, policy makers and think tanks are debating if the country should opt for an IMF bailout. Some analysts are even arguing that Sri Lanka must prepare to default, and subsequently restructure its debt, although the government is determined to keep the country's unblemished record in foreign debt servicing.

Meanwhile, Sri Lanka's plantation workers, like the nearly 900 employed in tea and rubber estates in Doloswala village, did not have to wait until the pandemic to know deprivation.

“Over the last few years, the 1,000 rupee-wage struggle of our workers was in focus. They won the wage, but there are 1,000 other problems facing the community for decades,” said Anthony Masilamani, who works at the local administrative authority. He was speaking at a recent event organised by the catholic church in the village, to remember local heroes who had died fighting for the community’s rights.

“Our people are still living in crammed line room housing, no matter how big their families are. Our schools don’t have mathematics and science teachers for higher classes. We don’t have enough toilets. This is our reality,” he said, pointing out that the country’s recent economic downturn aggravated the workers’ misery, and didn’t create it.

Several youth who were employed in shops and restaurants in capital Colombo have returned to the village jobless after the pandemic struck, said Fr. Jeewantha Peiris, who organised the event. “Physical distancing is impossible in their line room accommodation. Many children were already malnourished. The situation has only got worse due to the current shortages.” Speaking of the event, he said it was “just to remember our local figures” who asserted the community’s rights in the past. “They didn’t fit into big movements, so they aren’t usually commemorated the same way,” he added.

Even otherwise, Sri Lanka’s rubber estate workers get much less attention, compared to their counterparts working in the tea estates largely in the central highlands. This, despite rubber being the third largest item in Sri Lanka’s exports basket, after apparels and tea, and fetching nearly \$1 billion in exports last year.

Lourde Manila works in a local rubber factory and says she must put in three people’s work to earn the maximum wage. “I have three children, and their education and future depend on what I am able to spend today,” she said. “But when cost of living is so high and wages are stagnant, how are we supposed to feed our children and pay for their education?”

Workers also spoke of long-denied land rights of the community that has left them economically vulnerable for generations. “If we had a piece of land to call our own, we might build a small home, grow some vegetables, seek a bank loan showing our documents to start a small business. With no ownership, we can’t do any of that. We can’t even cut the branches of a tree in front of our house to make a roof,” said A. Anton.

Most NGOs working on plantation sector rights tend to focus on the tea estates in the upcountry districts, according to Mr. Masilamani. “We live here, down south amidst a majority of Sinhala people. Sometimes even our own people elsewhere don’t consider us Malaiyaha [hill country] Tamils. It’s like we are invisible,” he said.

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