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**LABOUR PRODUCTIVITY OF TEA PLANTATIONS IN  
SRI LANKA AFTER PRIVATIZATION:  
A CASE STUDY ON RATNAPURA DISTRICT**

by

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## ABSTRACT

Labour productivity plays an important role in the development of any country because by improving the effectiveness and quality of manpower, an increase in Gross National product is produced. We have to find out the trend of labour productivity in tea plantations, because tea is one of the major agricultural export crops in Sri Lanka and further the effects of privatization on labour productivity.

In respect of the explanatory nature of the study a case study was used. The privatized estates that are situated in Ratnapura district were selected. The Cobb-Douglas Production Function was employed here to find out the technical correlation between labour, capital and total production. Further, it applied Least Square Estimation Method F-distribution and T-distribution and variance analysis.

Most of the tasks of tea production is done manually. The major characteristic of tea plantations in the post privatization period is the diminishing returns to scale. Further, it has a higher efficiency rate and negative marginal productively of labour. These characteristics prove that the Tea plantations sector during the post privatization period has an optimum labour capital mix.

In this context it can be concluded that by improving the worker efficiency, management efficiency and operating efficiency the labour productivity can be improved. Especially by providing financial and non-financial benefits and welfare facilities the labour efficiency can be improved. And also by changing the colonial arrangement of management structure and institution arrangement and applying modern technology the labour productivity can be improved.