



Institute of Social Studies

Graduate School of Development Studies

**Shall the twain ever meet?
Bridging the gap between Industrial Relations and
Productivity: the role of Social Dialogue**

A Research Paper presented by:

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To the men behind my success: my father and husband

And

**My children
Tharini and Pranavya**

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4. The Commission has also received information from the Ministry of Health and Family Welfare, Government of Karnataka, that the Government has decided to set up a National Institute of Health and Family Welfare, which will be a premier institution for the study and research in the field of health and family welfare. The Government has also decided to set up a National Institute of Health and Family Welfare, which will be a premier institution for the study and research in the field of health and family welfare.

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LIST OF ABBREVIATIONS

ILO	-	International Labour organization
SD	-	Social Dialogue
IR	-	Industrial Relations
TUs	-	Trade Unions
CB	-	Collective Bargaining
HRM	-	Human Resources management
CTA	-	Chief Technical Adviser
UI	-	Union Identity
BPL	-	Bogawantalawa plantation Limited
CWC	-	Ceylon workers Congress
RPC	-	Regional plantation companies
MA	-	Management Agent
LTTE-		Liberation of Tamil Tigers of Ealem
NPC	-	National Project Coordinator
SMT	-	Self-Managing Teams

CHAPTER 1

CHALLENGES OF GLOBALIZATION TO INDUSTRIAL RELATIONS

The last quarter of 20th century has brought new changes in each of its decades that have transformed the lives of workers. Especially, in the last decade, globalization has rapidly changed the work-place environment. Many enterprises have changed their structure, “dismantling the kind of hierarchy that underpinned traditional systems of industrial relations”(ILO:1999:39). The main objective of this research paper is to analyze the implications of the change at the enterprise level and how the traditional industrial relations can be improved from the perspective of International Labour Organization (ILO).

This first chapter will look into the background, research problem, objectives, research questions, main assumption, methodology, and sources of data and organization of the paper.

1.1 Background

The onset of globalization has resulted in privatisation and competition. While neo-liberalism allowed markets to function freely, it also challenged industrial relations (IR). As a consequence, the role of government including tripartite consultations and negotiations has been limited (Trebilcock et al.:1994:VI). A major outcome is the shift of certain issues from the domain of IR to that of predominantly management-determined “human resources” policies indicating that substantial weakening of trade unions could have a negative impact on tripartite consultations and negotiations (ibid.). The trade union movement that flourished in the middle of the 20th century with the status of “us” – with the workers and “them” – as the management, received a set back when the roles reversed as “us” pointing to management and workers while “them” – the union. Human Resource Management practices (HRM), in some sectors continue to pose a challenge and create permanent barriers to union entry and organization

(Bhattacharjee:2002:332). Transformations in the world of work created a challenge for unions to strengthen their role as guardians of social cohesion (Jose:2002:18).

This paper will contribute to the discussion where unions moved towards positive IR situation. The concept of Social Dialogue will be used to discuss the increased communication channels that, in turn, result in enriching relations between workers and employers and increasing productivity.

The International Labour Organization (ILO) was founded in 1919 to improve the situation of people at work. The ILO, in 1999, introduced the “Decent Work” agenda with its four pillars – Fundamental Rights, Employment, Social Security and Social Dialogue. Through the “Decent Work” agenda, ILO targeted enterprise promotion:

Enterprises are the key to growth and employment in open economies. Their activities have an impact on all the areas of ILO concern and have a crucial bearing on future patterns of IR, skill development and employment. A focus on the enterprise is essential if the ILO’s work is to be informed by workplace practices and realities (ILO:1999:10).

ILO’s introduction of Social Dialogue provides a platform for unions to voice their views. Dialogue is a tool to achieve a solution in the conflict between capital and labour if both the parties are willing to arrive at a consensus. Social Dialogue requires participation and freedom of association. It is also a means by which rights are defended, employment promoted and work secured and also a source of stability from the enterprise to the society (ILO:1999:4). Social Dialogue is further emphasized to balance the inequality between countries as a result of globalization (ILO:2004a:65).

Let us look into a country that has been affected by globalization.

1.2 Identification of problem

Douglas North concluded in his Nobel lecture that, transferring the formal political and economic rules of successful western economies to Third World...is not a sufficient condition for good economic performance. Privatization is not a panacea for poor economic performance (Dunham and Jayasuriya:2001:18).

Privatization in Sri Lanka has ensured that it is not only an insufficient condition for good economic performance but also could create a little short of social and economic disaster in a specific setting (id.:19). "The privatisation process has made more transparent the institutional challenge of restructuring labour relations for enterprise development" (Shunmugaratnam:1997:03).

A country's growth potential, worker aspirations, recent history and experience of plantation economies in almost all part of the world point to labour motivation and better labour management as crucial ingredients in management strategies (Dunham Arunatilake and Perara:1997:60). But, the management strategies of plantation sector in Sri Lanka were mainly focussed on profitability without any consideration for labour resulting in adversarial industrial relations (id.:3).

Further, the adopted process of privatisation led to decline in productivity (Ranaraja:2003:274). It can be attributed to: i. Lack of transparency and political motives by the government (Dunham and Jayasuriya:2001:8). ii. Lack of cooperation among employers, employees and state¹ when there is a major concern for productivity. iii. Declining market for the agricultural products. iv. Inter and intra-union rivalry among trade unions and v. Out-migration of workers.

¹ The objective to crush Trade Unions were tried by the successive governments from 70's and as a result trade unions were seriously weakened in 1980 leading to confrontations and adversarial climate in the industrial relations (Dunham and Jayasuriya:2001:4-6)

Under these conditions, a need was felt to strengthen dialogue (Trade Union representative quoted in Joshi:2000:225). Hence, trade unions were inclined to conduct bi-partite dialogues to improve cooperation and understanding focusing on the enterprise rather than on their own (Venkataratnam and Naidu:1999:118). Trade Unions will be referred as TUs from here onwards.

Confidence-building measures were required from both management and labour to solve the problems through dialogue (Venkataratnam and Naidu:1999:118). To facilitate that, a technical cooperation project of ILO funded by Norway on workplace cooperation was launched in Sri Lanka in 2000 at the enterprise level. This study will focus on one enterprise that participated in the plantation economy to assess the impact of SD in focussing on the aspects of productivity and labour relations. From this perspective, this paper will also analyze if the ILO project has addressed the problems identified and how sustainable are the results obtained. Above all, it will analyze the value addition of the project to the workers in terms of development in the plantation economy.

1.3 Objectives of the study

The objectives of the present research paper are to review and analyze the impact of Social Dialogue at the enterprise level with a view to explore in detail the ramification of the work done in the field and reflect on it academically.

To examine whether Social Dialogue, as a tool, can facilitate to bring in harmonious relations to increase productivity.

To study the implication of Social Dialogue on unions that participated in the process.

1.4 Main assumption and research questions

Experiences at workplaces from countries of South Asia demonstrate that Social Dialogue provided scope for transparency and innovative partnerships to combat the challenges of globalization (O'Donovan:2003:25-30).

Hence, the main assumption is that Social Dialogue brings harmonious labour relations and productivity increase at the enterprise level.

In order to test the validity of this assumption, a few research questions are formulated:

- Can Social Dialogue be used as a tool to increase productivity?
- What kind of change may be required of the social partners towards social dialogue process?
- What does the process mean for workers, is there any improvement in their lives?
- What kind of unionism emerges in the process?

1.5 Methodology and sources of data

The study uses both qualitative and quantitative research methodology. As it is an explorative study, it analyzes primary and secondary data on qualitative and quantitative basis through a case study approach. Case study research is a widely accepted, time-honoured traditional approach in social science and management (Garson: 2002). There are four applications presented for a case study model. They are: to explain complex causal links in real life interventions, to describe the real life context in which the intervention has occurred, to describe the intervention itself and to explore those situations in which the interventions being evaluated has no clear set of outcomes (Yin:1994).

A single case study can be used to confirm or challenge a theory, or represent a unique or extreme case. Systematically walking with key informants through an area, observing, asking, listening, discussing, identifying different zones, local technologies, seeking problems, solutions,

opportunities and mapping and/or diagramming resources and findings”
(Yin:1994).

This case study is based on the detailed analysis of one plantation for a period of 4 years (2000-2004). Since this study compares one division with that of the company, it can be categorised as a Snapshot case study (Garson:2002). The reason for selecting this particular enterprise is that the situation is quite relevant and finds its place in the plantation economy. The study is mainly based on observations over a period of 4 years. Information is gathered from men and women regarding their work life using group discussions, personal interviews and walking and talking at workplace (transect-walks). My observations of this enterprise for a period of 4 years provide first hand information and good understanding of the social impact of problems before and after the implementation of the project.

Data on annual productivity is collected from the management, which is crosschecked with the union leaders and workers². Their line houses were periodically visited to assess the quality of life. Visits were made to the field offices and latex collection centres to collect the views of field officers and workers. Information on wages and productivity are collected from company records. First hand information is obtained from union leaders, workers (men and women) and managers periodically in conferences and workshops. Information on sustainability is gathered from the ILO office, Colombo. In addition, information is collected from national union leaders, employers’ organizations and government officials in periodical workshops and conferences. Besides, ideas on Social Dialogue are also collected from the International Confederation of Free Trade Unions and various specialists of ILO. Telephonic interviews and electronic mail were also used to obtain clarification on the information provided by the management.

Secondary data is taken from publications, newspapers, monthly reports, articles, workshop reports and conference papers of the ‘Social Dialogue project’ of ILO.

² Wages are fixed on the quantity of latex tapped on the logic that if the productivity increases, monthly income also increases.

Keeping the outcome of the pilot Social Dialogue project (2000-2002) at the enterprise level as a base, this research will focus on the impact and sustainability of the Social Dialogue process towards labour relations and productivity from 2002 till 2004.

1.6 Organization of the paper

This paper is organized in five chapters.

The second chapter provides a theoretical and analytical framework of the concept of Social Dialogue. The first part will discuss the concept of Social Dialogue, its relations to Industrial Relations (IR) and the reason for its success in various countries. As the objective of this study is also to identify the model of unionism that would emerge from the process, the second part will look into the union identity model concept of Hyman. The outcome of Social Dialogue will also be analysed in the light of the comments made by Kelly on “Militant and Moderate” trade union orientations.

The third chapter will bring forward the facts related to the macro context of IR in the plantation economy, effects of the process of privatisation and the resulting changes in terms of productivity and labour-management relations. It will analyze the case of Bogawantalawa Plantation Limited (BPL) that was involved in the ILO project for promotion of labour management relations at the micro level.

The fourth chapter will look into the theory, research objectives and provide an analysis of the case study and examine the answers to the research questions through solutions arrived at the enterprise level.

The fifth and final chapter will provide the conclusions and recommendations for further improvement.

As we have seen the various components required for a research study in this chapter, let us move on to the next chapter.

CHAPTER 2

SOCIAL DIALOGUE AND TRADE UNION IDENTITY

The first part of this chapter will look into the concept of Social Dialogue and its association with the industrial relations. It will also look into the theoretical and analytical framework of Social Dialogue. The second part will analyze the TU Identity model and the various forms of work organization that could evolve out of modernization. Social Dialogue will be referred as SD in the subsequent chapters.

2.1 SOCIAL DIALOGUE: What is it?

Based on workplace experiences that suffered a change in the 1980's in Sweden, Gustavsen's "Dialogue and Development" is a theory of communication, action research and the restructuring of working life. In this, he argues a need for communication that can be promoted through democratic dialogue.

He also brings out certain characteristics that are important for democratic dialogue. They are: i. Dialogue is a process of exchange of ideas between the participants allowing all to participate. ii. Participations need to be active in providing their ideas and help others to contribute their own. iii. All are equal and work experience is the basis for participation. iv. Some of the experiences that each participant has at the time of entering the dialogue must be considered legitimate. v. It must be possible for everybody to develop an understanding of the issues at stake. vii. All arguments pertain to the issues of discussion need to be considered legitimate without rejecting as illegitimate source. viii. Participants need to dialogue verbally. ix. Each participant must accept the fact that other participants can have better arguments. x. Work role, authority of all the participants can be made subject to discussion. xi. Participants should be able to tolerate an increasing degree of difference of opinion. xii. Dialogue must continuously produce agreements, which can provide platforms for practical action (Gustavsen:1992:3-4).

The major strength of the democratic system is that it draws a broad range of opinions and ideas and enables to make decisions to gain the support of all participants (ibid.).

Why do we need this democratic dialogue?

Economic liberalization has escalated the role of market to enhance the competitiveness of enterprises but plummeted the traditional forms of tripartite consultation. The government and TUs no longer have the same control as before over economic and social development due to the partial loss of legitimacy (Trebilcock et al.:1994:VI). Even though consultations and negotiations have not disappeared, they have become flexible and the topic shifted from the distributions of the fruits of prosperity towards the enhancement of the competitiveness of enterprises (ibid.).

In order to achieve a balance between the requirements of economic efficiency and social protection, partners require regular tripartite consultations and negotiations (Trebilcock et al.:1994:VII). Even though emphasis on consultations among government, employers and employees (tripartism) is a timely concept to promote relations but certainly not a panacea (ibid.). Tripartism and bipartism (relations between employers and employees) are two sides of the coin that reinforce each other. The prerequisites for the success of both are the notion of equality among partners, freedom of association, right to collective bargaining (CB) and democratic decision-making (Venkataratnam:2003b:89).

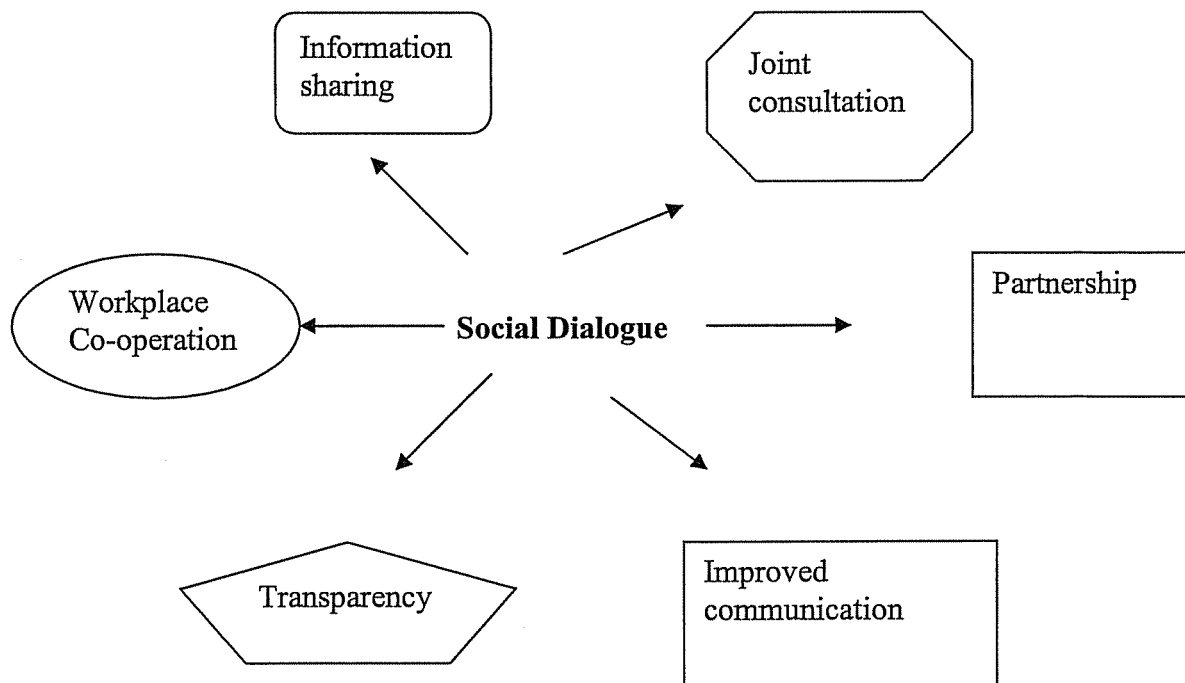
The ILO, a tripartite organization, promotes SD. SD defined by the ILO to include,

all types of negotiations and consultations or simply exchange of information between or among representatives of government, employers and workers on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the

government as an official party to the dialogue or it may consist of bipartite relations only between labour and management with or without government involvement. Concentration can be informal or institutionalised and often it is a combination of the two. The main goal of SD is to promote consensus building and democratic involvement among the main stakeholders in the world of work (in Kuruvilla:2003:1).

SD accommodates all concepts ranging from transparency, information sharing, partnership, workplace cooperation, democracy at the workplace, joint-consultation, negotiation and also act as a supplement to collective bargaining (CB). Labour-management partnership is seen as the source of symbiosis between decent work and enterprise productivity and competitiveness (ILO:forthcoming:6-8) that can be promoted through SD.

Figure 1. Concepts of SD



(Source: Author)

Why do we need SD? What is so novel about SD? Were these features not present in IR? How does it differ from IR? How does SD complement IR? Let us look at the role of SD in IR.

2.2 Industrial Relations (IR)

IR can be defined as “the activities and institutions associated with relationships between employers and groups of collectively organized employees” (Watson:1995:283). It revolves around conflict and resolution, the nature and distribution of power, equity and justice in contractual relationships and the role of institutions in resolving the issues of conflict, order and peace. Specialists like Dunlop, Hyman and Kochan provided theoretical orientations to this discipline of latest origin (Ramaswamy:2000:93).

There are three analytical frameworks available in IR. The unitarist framework assumes that management and labour share mutuality of interests and unions are viewed as either unnecessary or anachronistic (id.:102). In the pluralistic view, management and labour have recognized conflicts that can be solved through negotiations (Watson:1999:285). In theory, there is no undue concentration of power in any one group and the power of capital is more or less balanced by that of labour and the role of state is impartial without being subjective to any influence from any quarter (Ramaswamy:2000:98). The radical perspective differs from the pluralists in digging deeper into the social structure (Crouch in Watson:1995:289). The depth of the conflict between labour and capital may not permit a stable pattern of mutual accommodation (Ramaswamy:2000:103).

If both labour and capital aim for a long- term perspective, trust leads to positive IR. In the words of Watson quoting Fox, “Without accompanying norms of trust and reciprocity ...the system would collapse”(1995:223).

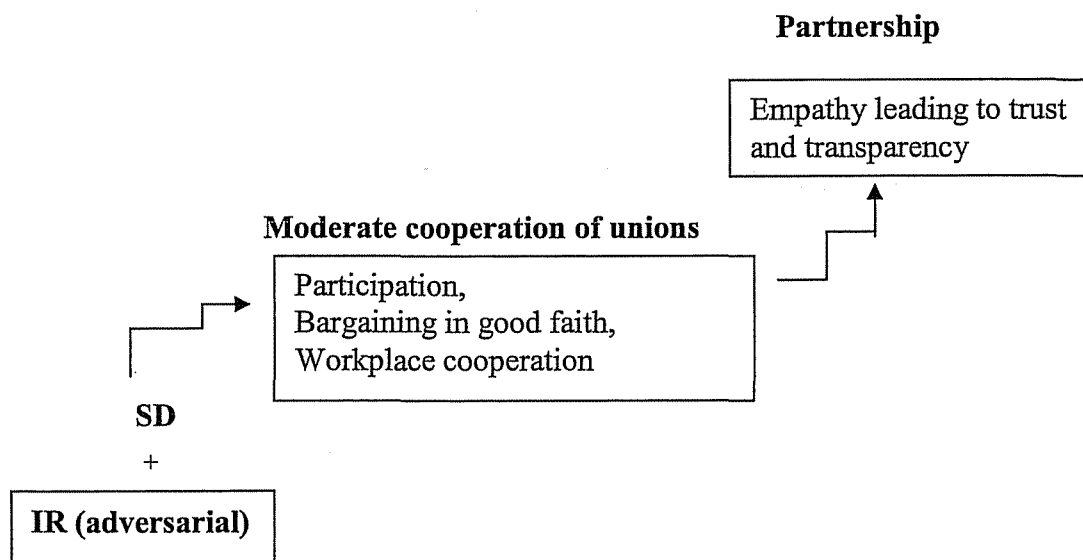
But as Armstrong observes trust is expensive and there arises a contradiction between its indispensability and employers' economic interest in substituting for it (Watson:1995:293). As a result, the untrusting management policies and control techniques lead to 'low trust industrial relations' where the loss of one is the gain of other, a zero-sum game (Fox in Watson:1995:292). Then it becomes a way of institutionalising conflicts and encompasses a low-trust perspective leading to adversarial approach.

In this scenario, let us see how SD adds value to IR.

2.3 What is SD in IR?

The link that is established through SD is empathy and willingness to coordinate. Close association enrich the interpersonal relations thereby gaining a foothold for trust and transparency that was absent in the adversarial relations even though hidden in the concepts of IR.

Figure 2. Process of SD



(Source: Author)

SD can be seen as a process of increased interpersonal communications among the actors with a positive mindset to arrive at a consensus where each actor has empathy

towards the other leading to trust to realize the goals of mutual benefit. The moderate relation eludes distrust paving the way for cooperation. This process, if done, on a political platform of bipartite and tripartite consultations gets enriched and effective with recognition.

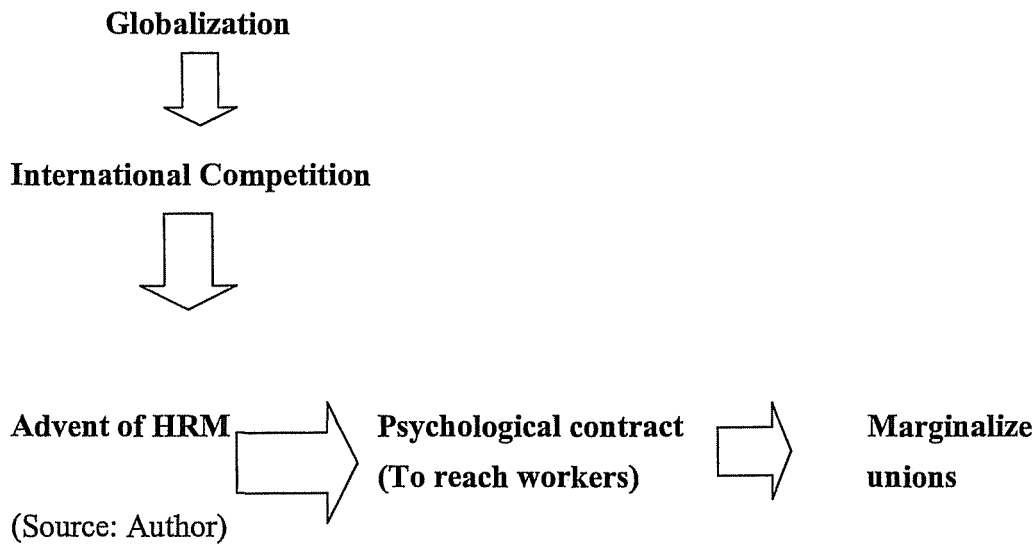
2.4 Role of SD after globalization

Intervention of SD in the field of IR created a difference after the neo-liberal policies had given rise to liberalization, privatisation and finally when globalization made the competition intense among countries. Profitability has become the objective of the companies on all occasions. The changes in the social and economic environment affected union structures. It challenged the “viability of the regulatory instruments and labour market institutions which the unions helped create and administer in the past” (Jose:2002:17). In order to maximize the profits, different ways are sought.

Human Resources Management (HRM) is one of the ways through which management tries to reach individual workers. A notion has been introduced on the existence of a quasi-contractual arrangement between an individual employee and the employer – a psychological contract. This ‘contract’ is based on mutual trust and reciprocity. “The concept of psychological contract indicates a challenge to industrial relations as the custodian of worker’s perspective” (Bacon:2003:82). Guest’s findings reveal that there is a strong association between positive psychological contract and evaluation of employment relations because better psychological contract widens the scope of participation among workers (2001:108). The rise of HRM coincided with a decline in membership and reduced interest in collective bargaining (CB) (Ramaswamy:2000:225-226). Even though it is difficult to argue that HRM is against unions, the methods adopted towards competitive advantage result in either marginalization or elimination of unions (ibid.). TUs that enjoyed participation at all levels in IR had lost the floor by participative management of HRM (Bacon:2003:73-75). As the trend of management has shifted towards HRM rather than IR for productivity gains, it is very difficult for unions to maintain their voice and identity (Ramaswamy:2000:228).

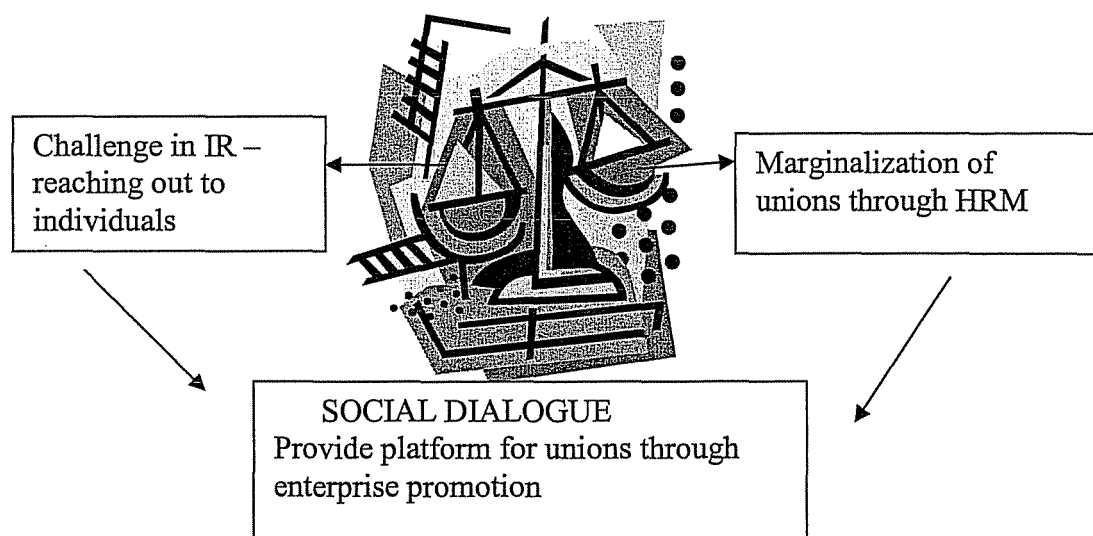
SD may facilitate to adjust their social and economic systems in some Asian countries, where freedom of association is not fully guaranteed, TU density has decreased and IR institutions have been eroded (SAVPOT Team:2005:1).

Figure 3. Challenges to unions



In this scenario, the introduction of SD allows a platform for collaboration of the unions through partnership, joint consultation and workplace cooperation.

Figure 4. Balancing the inequalities



(Source: Author)

SD regains the platform for equal footing for unions that was lost in the implementation of HRM. It also provides each actor the platform to participate, defend and negotiate. Adversarial unions also underwent a metamorphosis due to the realization of the existing conditions of competition and the nature of demand for survival.

Let us look into the perspective of ILO in Asian countries and how SD is successful in these countries.

2.5 SD - relevance and effectiveness from ILO's perspective

SD established its relevance towards promoting good governance and economic development (ILO:2004a:124). Experiences suggest that there is a need for political will and commitment and a respect for fundamental rights of association and collective bargaining to exercise SD. The requirement of an effective SD varies from building capacity and technical information on the part of the workers and employers organization to the role of state in promoting stable policies and a conducive climate for employers and workers organizations to operate freely, without fear or reprisal (Sivananthiran and Venkataratnam:2003:ix).

SD is also meant to arrive at a consensus in social and economic fields without any interference by external parties. It depends on the willingness and mindset towards the solutions of the problem. If the parties are similar in their approach, SD can be a tool in the hands of the workers and employers to give a competitive edge to the resolution of conflicts between labour and capital (Sivananthiran:2003:ix), similar to the ideas expressed by Habermas in his theory of communicative action (1989).

There is no hard and rigid definition attached to the notion of SD. There is no model of SD promoted by ILO, as the organization is aware that IR is cultural-specific and is rooted in the traditions of a country. Even though there are similarities in SD processes and practices across countries and regions, ILO's advice is not to transplant, as SD is not a universal phenomenon to fit into the institutional and social aspects of a

country. There is no condition that is pre-requisite, but it is imperative to have enabling conditions for the development of constructive and effective SD to result in sustainability (O'Donovan:2003:26).

Let us look into cases of Asian countries where SD is successful.

2.6 SD in Asian countries

Japan

SD determines the working conditions of employees of Japan through consultations with enterprise-based unions. Out of the various types of channels developed in Japan, industry-labour consultation body is the oldest and not established by law. The interesting feature is that it is a forum for free discussion and information sharing among top representatives of the three partners and academicians (Oh:2003:43).

India

SD has played an important role in organizing welfare funds for agricultural workers in informal sector. Kerala is known for radical trade unionism and anti-capitalist policies (Kannan:2003:202). Introduction of welfare funds in Kerala was the result of SD process that involved state, employers (beneficiaries of work provided by informal sector workers) and the organizations representing the informal sector workers.

Communication is improved through SD in the automobile companies of India in different forums (eg: Quality Circles, Grievance Committee, Safety Committee, Employee Relations Development Committee) leading to the contribution of higher efficiency and productivity in the organization (Sodhi:2005:56).

Bangladesh

Interviews with Chief Technical Advisers (CTA) of the SD project for the period 1999-2002 highlighted the happiness of the employees about SD as it has improved the communication between the management and the workers. One of the CTAs, a Psychologist, expressed the emotional involvement of the workers in Bangladesh. Another CTA of the project also had similar experiences in a garment factory in Dhaka where a female employee expressed that this process had helped them to get a generator in their working place that was otherwise a long process³.

Sri Lanka

“Sri Lanka Telecom” was dominated by the problems of union multiplicity with decline in productivity. Information sharing facilitated through SD (various communication channels) helped the process of privatisation smooth (Salih:2000:197).

The Independent Evaluation Team of the SD project of ILO indicated that SD provided leverage to trust building at the enterprise level in some Asian countries (O'Donovan:2003:30).

Partnership does not produce the desired good results always. Martinez Lucio and Stuart have a different experience. Let us see what it is!

2.7 Trust and partnership

Martinez Lucio and Stuart (2005:214) applied a framework of analysis to understand trust in partnership. It is felt that the factors like organizational structure and socio-economic and political context are important to understand the politics, strategy

³ Personal Interviews

and implementation of partnership. Findings also revealed that support for partnership as a form of involvement and information sharing was seriously undermined even within the moderate approaches. However, they have concluded that their analysis was only based on context and deliverables of partnership (excluding process) making it difficult to evaluate partnership when the relations of trust and the roles of contingent are unclear. Their study indicates the important role of the process in the development of trust in partnership arrangements (id.:227).

One of the objectives of this paper is also to analyse the union model that would emerge from the SD process. Globalization has placed employers at an advantageous position due to the market role and subjected trade unionism to face challenges.

Recent literature views “Modernization” as a key force for change in union identity. As a result of change, unions will either regain their place by taking up the moderate identity (more service oriented, company specific and narrow in their focus) or become militant expanding their union agenda and interests while losing focus on workplace (Pegler:2003:38).

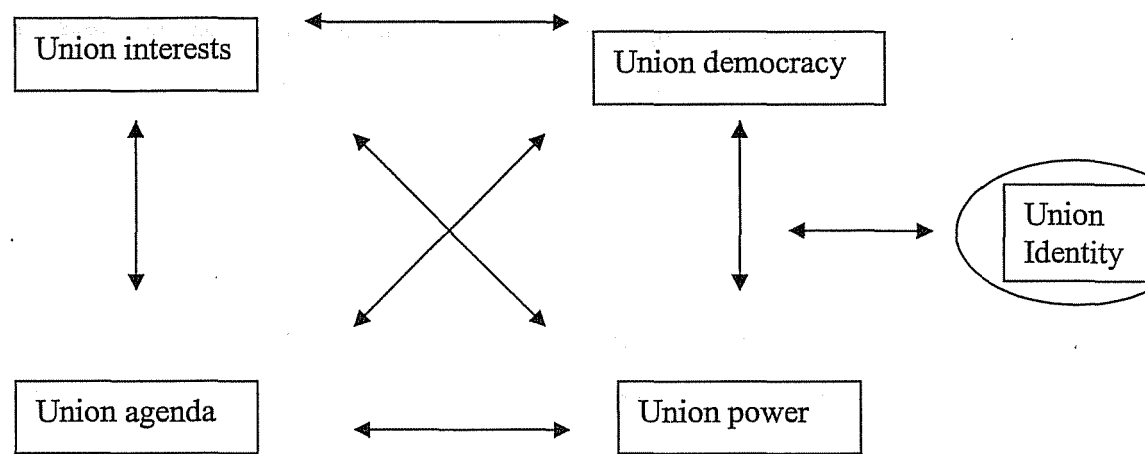
But what happens by the introduction of the concept – “Social Dialogue” that balances the power by providing an equal footing to unions and enhancing union’s democracy for protecting the interests and agenda by opening up the communication channels at different levels? Does it encourage the union to become moderate? Or does the equal footing provided by SD allow them to hold on to the traditional “militant” position? Moderate or Militant? To answer this question, this study will look at the model put forth by Hyman.

2.8 Union Identity Model

Hyman (1994) discusses about the changing trade union identities in the context of European industrial relations. There, he vividly explains the importance of union

interests, agenda, democracy and power to identify the union identity without citing any example.

Figure 5. Trade Union Identity



(Source:Hyman:1994:120)

But, Pegler applied this union identity model in Brazil and concluded that a variety of union identities might emerge as a result of modernization (2003:38).

Let us look into the components of union identity model.

Union interests

A union's interests relate to people and types of issues. Challenges common to most unions are whether they can expand their interest base and still be representative. Unions may have more difficulty (than in the past) in resolving their interests in an environment where internal factory conditions take on relatively greater importance (for workers) than factors external to the firm, as happens in an HRM context (Pegler:2003:6-7).

Union agenda

Union's agenda is formed from its policies, constitution and also from the priorities implicit with its strategies. In this regard, quantitative demands fit more easily within unions' traditional orientation. On the other hand, qualitative demands, results of

modernization, are more challenging of managerial authority (ibid.). In the face of modernizing employers, a union's agenda could become more collaborative and narrow in scope or actively questioning the employers and broader in focus (ibid.).

Union democracy

Pegler finds this as a problematic issue (ibid.). Modernization has brought conflicts between union efficiency and democracy. The demands of the organizational effectiveness would lead to divisions between leaders and led. This would be perpetuated by leaders' increasing interest in remaining in power and, that an antagonism of interests would grow between a radical workforce and growing moderation by union leaders (ibid.). The important factor is whether active collaboration exists between workers and the union. Pegler feels that participant representation may be more difficult to achieve as modernization proceeds. It may be because of two reasons: fewer workers interest in the union and/or viewpoints of a union's role becoming more diverse or even diametrically opposed (2003:7).

Union power

Workplace unions will tend to become less powerful and influential at both the workplace and political level. Optimist's suggestions are that moderate unions with workplace themes will be able to regain or retain their influence and power (id.:8). Pessimists, however, fear that unions will lose their traditional identity.

With these concepts, this paper shall analyze the case study to find out what sort of union identity emerges from the process of SD at the micro level. As many components are required to assess the Union Identity at the enterprise level, this study initially, will look into TUs and how they represent the members in terms of power, democracy, interests and agenda before and after the SD project. It will analyze the different levels of communications that have taken place between the management and

TUs, TUs and workers, management and workers directly and indirectly before and after the SD project.

The emerging relations would either be militant or moderate. Let us look into the arguments of a few analysts on this subject.

2.9 Result of SD: Militancy or Moderate?

Monks (General Secretary of Trade Union Congress in United Kingdom till 2003) is optimistic about the fact that closer partnership with management would provide possible returns (Bacon and Blyton:2002:301). On the contrary, Kelly's argument support those militant TU policies as opposed to moderate policies are more likely to secure union survival and recovery (ibid.). Kelly argues; i. Moderate trade unionism inhibits the growth of union activity in the workplace by eroding the willingness and capacity of union members to resist employers. ii. Moderation involves 'ideologies' of partnership and co-operation that reduce the perception of conflicting interests between employer and employee. In this component, Kelly states that unions will make too many concessions to management in the absence of 'a body of shop stewards with an adversarial ideology'. iii. Management will take advantage of union moderation specifically to restructure employment at the expense of workers and conditions leaving a continued sense of injustice and grievance felt by employees (id.:304).

These arguments will be analyzed with the emerging relations and reactions between workers and unions, workers and management and finally TUs and management at different levels.

2.10 Relation between the branch (local) and central unions

What kind of relations will develop between the local branch leaders with that of the national TU leaders at the macro level as a result of SD, practised at the micro level.

O’Hehir and O’Mahony have suggested a few options for unions to face the new forms of work organization.

O’Hehir and O’Mahony’s (1993:42-46) findings of the research at the workplace supported the fact that global competition has forced the traditional work organizations to change everywhere. It is evident that management has taken the driver’s seat in formulating strategies to increase productivity giving rise to different forms of work organization. These new forms of work organization pose a challenge for the survival of TUs. In order to combat the challenges, O’Hehir and O’Mahony provide a few alternative options for TUs. They are: i. Opposition, ii. Local response, iii. Minimalist approach, iv. Proactive approach and v. Promote with own agenda (1993:42-46). The details are as follows:

Opposition

By this option, TUs could oppose the introduction of any work organization initiative that disturbs the status quo. Members would be instructed not to co-operate with management who tried to introduce the concepts of teamwork and Just In-Time etc.

Local response

Under this option, TUs could allow local officials and leaders to decide their approach on a case-by-case basis without having any formal policy stance on the question of cooperation. The local union official can make a decision on co-operation without referring to the central TUs.

Minimalist Approach

By exercising this option, TUs can co-operate with the initiatives of new work organization under certain conditions. TUs will formulate clear policies and provide

specific guidelines to their officials on these new initiatives. These guidelines would provide a “floor” below which unions would not be prepared to go.

Proactive Approach

Under this option, it is assumed that TUs believe that the introduction of work organization initiatives will be of benefit to their members. Considering the best interests of their members, TUs would respond positively and have as much input as possible into the decisions of new initiatives.

Promote with an Agenda

This would involve TUs in actively promoting the introduction of work organization initiatives within companies. This would also be a result when the TUs believe that the introduction of these new approaches would help their members in long term. Management would actively promote their initiatives to get the involvement of TUs.

With these concepts of new form of work organization, this study will analyze the kind of response that develops between the micro and macro level leaders of the same union.

This chapter has dealt with the main idea of research analysis and theoretical background of the concept of SD and union identity model. It also analysed the concepts of militant or moderate unionism and the possibility of a new form of work organization.

Let us see what SD has in store in the next chapter in relevance to the country of Sri Lanka.

CHAPTER 3
SOCIAL DIALOGUE IN ACTION
A PLANTATION LEVEL CASE STUDY FROM SRI LANKA
(BOGAWANTALAWA PLANTATION LIMITED)

The next two chapters deal with the role of SD in a case study that has a strong macro context of industrial relations. While the first part of the chapter will throw light on the difficulties in the field of IR and the need for SD to improve the situation, the second part will focus on a case study where SD was applied to improve relations and productivity at the micro level.

3.1 Sri Lanka

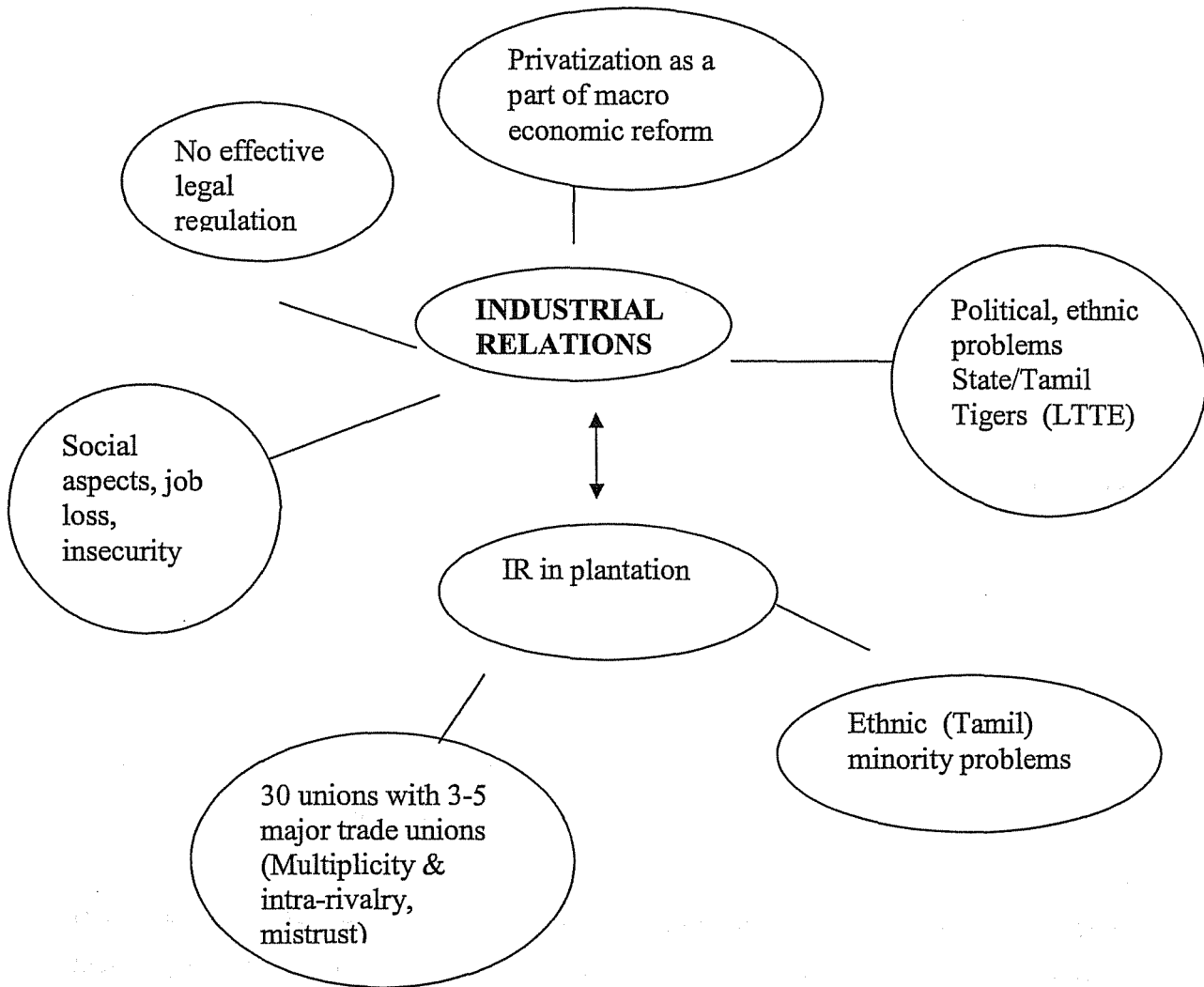
The Democratic Socialist Republic of Sri Lanka is a tropical island nation of the Indian Sub-continent. It has an area of 25,332 square miles. It has a population of 18.1 million (Valli:2005:40). About 73.9 % of the population belongs to the Sinhalese majority, while the Tamils constitute 18.2 % of the population. Tamil population further comprises two communities, native Tamils (12.6%) and immigrants from India (5.6% or approx. 910,000 persons) majority working in the plantation (Ranaraja:2003:274). While minority Muslims occupy 7.4%, Burghers and Malays make up for 0.2% and 0.3% respectively. The total labour force of this country is 7,394,029 and as of 2001, around 23% of labour force is engaged in agriculture (Department of Census:2004).

3.2 Industrial Relations (IR) in Sri Lanka

The origin of IR in Sri Lanka can be traced back to the mid-nineteenth century in the plantation sector. Nevertheless, employment relations were based on laissez-faire policy (non-interference of state) in plantation until 1930's (Kurian:1989:347). The TU movement started in a low-key from the urban-based working class in 1931 and resulted more militant in course of time (Kurian:1989:254).

The following framework can demonstrate the analysis of IR as:

Figure 6. IR in Sri Lanka



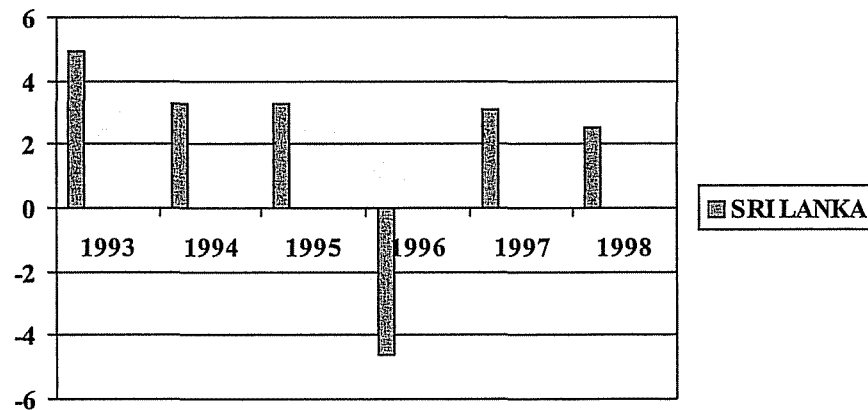
(Source: Author)

ILO conventions 87 (Freedom of Association) and Convention 98 (Collective Bargaining - CB) and 144 (Tripartite Consultation) are ratified. Sri Lankan law neither made it mandatory for employers to recognize TU nor provided an established procedure for TU recognition important for CB until 1999 (Gunatilaka:2001:20). Even though rate of unionisation is low, varied and declining in the late 90's, TU activity is clearly absent outside plantation sector (Ranaraja:2003:288). CB usually takes place between Employers organization and TUs at the national level for plantations (ibid.). The

number of registered TUs has grown rapidly from 100 in 1948 to 1800 in the 1990's (Venkataratnam and Naidu:1999:100), but it declined to 1557 in 2001(Ranaraja:2003:288). This is the common system, yet a separate IR pattern has been adopted in the plantation economy. Before we get into it, let us see how important this sector is to the growth of Sri Lanka.

3.3 Importance of Plantation economy

Figure 7. Annual Growth rate by Agriculture, Forestry and Fishing
(in percent)



(Data from Central bank of Ceylon Source: www.adb.org: Fig.: Author)

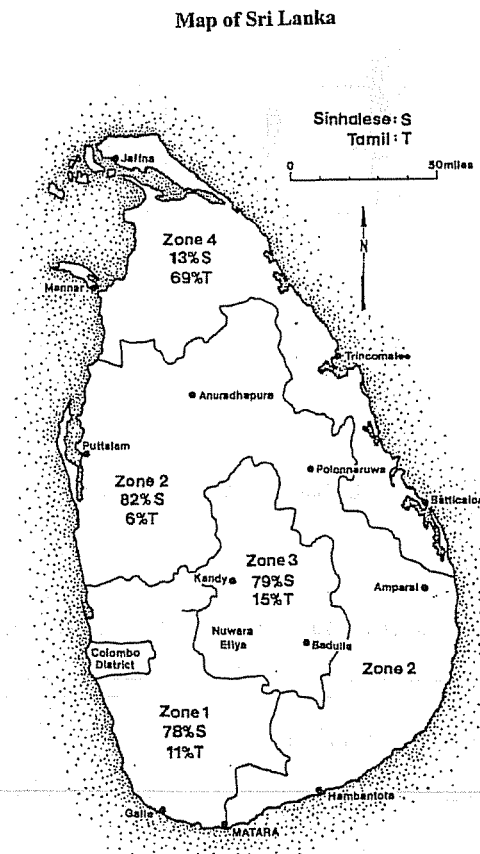
Tea, rubber and coconut are the three main plantation products accounting to 12.6%, 0.5 % and 2.18% of export earnings respectively (Thamarajakshi:2002:19). Even though the country maintains its leading position in the supply of tea to the global markets, the contribution of plantation sector to the Gross National product had declined from 37% in the 1940's to 4 % in 1996 and 2.5% in 2001 (Ranaraja:2003:274).

Figure shows the decline of annual growth of a major determinant of Gross Domestic Product and Gross National Product due to the adopted process of privatisation and the adversarial results that followed (ibid.). This sector is also subjected to the challenge of declining market condition (id.:273).

3.4 IR in plantation economy

The labour-management system in the plantations was semi-feudal and based on a strict pyramid of hierarchy that left no room for dialogue (Jayawardane in Chandratilleke:2003:155). Unlike IR in the urban-based industry, the colonial state exercised limited intervention to regulate the employment relations of Indian migrant workers.

Figure 8



Sri Lanka ethnic distribution by zones.
The estates are situated mainly in zone3

(Source:Valli:2005:I)

Human beings were treated as a commodity to maximize profitability (Shanmugasundaram:1997:2). Under the authoritarian and hierarchical regime, workers

were subjected to discipline similar to the military with the colonial superintendent resorting to institutional violence, where all aspects of lives of the workers are controlled. Not only controlled and confined, they were denied freedom of movement and freedom of association (Manikam:1995:30 and Valli:2005:vii).

Plantation workers were forced to take political measures to get their rights since the beginning of the TU movement in 1930's. It is a natural development within a community totally isolated from the labour movement that was predominantly nationalist, and under the influence of Sinhala, Buddhist leadership. The outcome of this political necessity is that TUs are registered as political parties (Ranaraja:2003:289). Induction of Sinhalese workers into the sector laid the foundation for union rivalry. The present structure of the TU in plantation is fragmented due to the political differences and inadequate power sharing amongst the leadership (ibid.). "TU links to political parties is unique to the plantation sector and tend to be an obstacle to the development of a bi-partite body to promote dialogue between employers and employees" (Sivananthiran and Venkataratnam:2002:20). Involvement of political parties brings undue advantage to unions at the CB process with non-compliance of agreed terms of collective agreement (especially prior notice to employers) (Bandara:2002:219). TUs links with political parties often gave them strength through lobbying. But this also splintered the movement and the resultant disunity weakened them (Venkataratnam and Naidu:1999:101). Despite leaders represented by political parties in the parliament, difference in political agenda failed to resolve the issues of landlessness, homelessness and relative deprivation of plantation community (Ranaraja:2003:290).

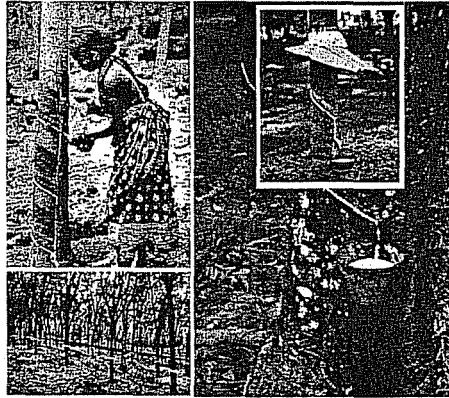
A good comprehension of the background is essential to understand the existing IR in the plantation economy. Hence, let us look into it briefly.

3.5 Life in the plantation

Labour in the plantation economy carries a different meaning of life. Due to the non-availability of locals and also to foster control on labour, "outsiders" were brought from India (Kurian:1989:332). As they could not mix with the rural community, employers

accommodated them inside the plantation in small line-rooms with the family but without any basic facilities (Valli:2005:viii). This served the double purpose of exploitation of working hours and limitation of mobility.

Life at plantation



(Source: Company presentation)

International competition and flexibility is not new to the plantation economy. They co-exist with the origin of plantations in Sri Lanka as their life depends upon the international market price of their products for exports. Not much of development in terms of mechanisation had taken place in the sector and the cost factor is only on labour. Fluctuation of the market price results in fluctuation of wages of labour. So, flexibility is adopted in wages and in working hours depending upon the demand of product in the international market. Due to demand of labour and also to surpass rules on recruitment, different techniques were adopted to make the labour “a bonded slave”, without any escape.

The cheap migrant workers settled as a weak force. Gender issues have been highly neglected even though women constitute more than 50% of workforce (Ranaraja:2003:285). Women are considered inferior to men. Conditions of work and wages deteriorated due to flexibility. The cost control was the devising of a system of flexible labour deployment by which labour inputs could be adjusted to the varying demands of production which is consciously supported by state policy for controlling labour costs, leaving the labour regime as harsh and coercive (Kurian:1989:332).

The role of the state posed a direct threat to the interests of the workers. These were: i) discrimination due to ethnicity, ii) subject to lower wages iii) policy of non-interference iv) denial of citizenship v) cease the right to exercise their franchise in order to curtail their growing dominance even after restricting the number of seats reserved for Tamils in the state assembly vi) trying to deploy Sinhalese workers in place of Tamils by terminating the services of Tamils in plantation (Kurian:1989:252-254). In the meanwhile, awareness of political activities regarding independence helped them to organize a union, - "The Ceylon Indian Congress" (id.:274-279).

Due to the pressure of leaders, the state declared a policy to discontinue the employment of more Indians. Considering the seriousness of the problems faced by the Indians in Sri Lanka, Government of India issued a ban towards immigration. After the ban in 1939, the situation worsened due to surplus of labour force and shortage of work that otherwise would be mobile. But planters who were interested in the profitability and productivity were more concerned that these developments would create an adverse climate.

Amidst protests, discrimination, injustice and cry for humanity and rights of workers to citizenship, the country attained independence in 1948. While workers continue to remain dependent on the goodwill of other parties and government, the country was dependent on the earnings from plantations. Government after independence has brought out a provision that denied citizenship to immigrant workers. The Ceylon Indian Congress criticized this act as humiliating, discriminatory and anti-social. Although, this state of statelessness is removed in 1989, it has not altered the isolated situation of the workers (Valli:2005:228).

Then in the 1970's, Government withheld many benefits and unemployment is commonly spread coupled with non-payment of wages leading to confrontations between the workers and the management. The most serious was the denial of rights to organize with the rationalization that there would not be any need for TUs (Kurian:1989:268-276). These acts fuelled agitation

Agitation of workers is followed by the reduction of rations by the government resulting in starvation deaths. Protests and struggles for a monthly wage continue to reign and gained consolidation among TUs. TUs strikes were organized with support from the anti-government unions. Taking the labour supply and demand into account, as a response to the strikes, government introduced guaranteed work for 108 days instead of monthly wages (ibid.).

The period of early 1970's witnessed marginalization of Tamils in education policies by the government. The willingness of the state to address the grievances of the Tamils received serious blows from the other community and the period that followed 1975 till late 1980's witnessed communal violence resulting in loss of lives and property to the Tamils (Kurian:1989:282). Workers were forced to take weapons to protect the onslaught on them due to the failure of protection by the management at the time of severe communal clashes between the Singhalese and Tamil. In 1981, Ceylon Workers Congress earlier known as Ceylon Indian Congress, condemned the lack of protection by the management and justified the militant nature of workers as a result of all forms of discrimination. Workers lost faith and along with unions support have become militant enough to oppose the state and its machinery to protect their interests (id.:284).

Against this background of mistrust on one another, this sector went in for privatisation in June 1992.

3.6 Privatization

At the national level, shifting from nationalization to privatisation in 1992 created upheavals among workers leading to social unrest (Manikam:1995:16). Sri Lanka carried out privatization to reduce fiscal deficit and decided to off load loss making enterprises. This has not inspired the private sector that entrenched workers in large-scale and the response to worker redundancy was also not very effective. Further, the absence of strategy in the process of privatisation has caused loss to the public sector. Added to this, the restructuring experience by the government has not been

satisfactory due to its political motives and nepotism in the plantation economy (Shunmugartnam:1997:24)(Joshi:2000:7-8).

At the plantation level, the government created 23 state owned Regional Plantation Companies (RPCs) in 1992. Each of 23 RPCs entered into an agreement with a private company, the Management Agent (MA), chosen through the open bid procedure but limited to Sri Lankan firms only. The contract was initially for five years and the extension is also based on the profit ascertained. The contract's insistence on long-term profitability and corporate planning contradicted with the short initial time-frame it stipulated and the terms of rewarding the MAs both of which served as incentives to maximise short time gains. This limitation contributed to dissatisfaction among the MAs and the plantation workers and invited criticism from the World Bank. It referred to the government's solution as a highly unusual management contract approach that enshrined labour distortions, prohibited foreign involvement and retained marketing controls (Shunmugaratnam:1997:20-25). As a result of the formation of RPCs, unions demanded 300 guaranteed workdays a year with increase in wages and cost of living allowance to compensate for inflation in line with other comparable sectors. Government's intervention to the dissatisfaction of the MAs had helped the workers to get these benefits. The study commissioned by Asian Development Bank in 1993 concluded that companies were trapped with high costs of production related to surplus labour, guaranteed work days and high age rates in relation to productivity but with little ability to rectify this situation in terms of retrenchments, movement of labour or increasing labour productivity (Shunmugaratnam:1997:26).

In 1995, amid social unrest and political agitation, as a largest move in the agricultural sector of the world, government allowed foreign purchasers to take a stake of 49% of the company with controlling conditions. This process of privatisation was criticised as against the interests of the national economy and the workers by the opposition political parties. Later, when the Public Enterprise Reform Commission decided the first batch of sale, labour unrest had reached its peak (Shunmugaratnam:1997:31).

Due to social unrest, communal clashes, protests, workers were frustrated and de-motivated. Process of privatisation has further aggravated the situation and the labour productivity has declined. TUs insistence for a tripartite collective agreement went unheeded and there was hardly any measure taken to promote effective joint consultation even though tripartism is well established since 1935 (id.:17-18) .

Next, Let us look into the other effects of privatisation besides decline in productivity.

3.7 Social effects of privatisation

A number of workers issues were affected. Important among them were: i) Worker redundancy ii) Retrenchment of workers, iii) Stagnation of employment in organized sector and iv) Growing casualization of labour. In plantation, casualization of labour led to out-migration. The complexities were exacerbated because the legal and policy framework did not account for labour issues during privatisation (Salih:2000:199). To quote the words of a union representative, “Plantation worker welfare, as a result of privatisation, has not improved but rather worsened”(in Joshi:2000:225).

3.8 Impacts of privatisation on Trade Unions

With Ceylon Workers’ Congress (CWC) at the lead, TUs were successful in getting their demand of 300 guaranteed workdays with salary increase for 1992 and 1993. This happened due to the united stand of the unions along with the political influence of the CWC leader who was also a minister in the cabinet.

Even though CWC accused the management for deliberately cutting employment and manipulating laws, CWC along with another major TU did not oppose privatization (Shunmugaratnam:1997:28). But smaller unions under the umbrella of “Joint Plantations

Trade Union Centre” opposed the two major unions to defend the state (Shunmugaratnam:1997:30) leading to inter-union rivalry.

Later on, irrespective of their stands, all unions were more actively engaged in agitation for demands like housing and living conditions. The communication gap between the TUs and the government was getting wider despite the presence of CWC leader in the cabinet. Violent strikes, conflict between workers and unions, with Management Agencies on the one hand and with the government on the other have become common (Shunmugaratnam:1997:30-32). Sri Lanka is also one among the countries in South Asia where the situation has been worsened and both labour and management have rarely bothered to see the distinction between consultation/cooperation and conflict. Even the consultative fora for bargaining purposes were used with non-cooperation as the basic motto. “Both labour and management have been fighting a lose-lose battle of asking for higher in a shrinking pie” (Venkatataratnam and Naidu:1999:6-7).

3.9 Solution to the problems

It is evident that trust hardly exists in this context of a separate IR pattern practised in the plantation right from colonization. Communal clashes between LTTE and government aggravated ethnic problems. The process of privatization has fuelled up these problems that resulted in intensified division between TUs. The need of the hour is to construct trust between employers and employees against the background of mistrust in IR, ethnic differences, social effects of privatisation and divided TUs. How to build trust? SD aims to improve the existing relationship in the plantation sector to one of partnership (Sivananthiran and Venkatratnam:2002:32).

At a time, when dialogue has been suggested to improve productivity, quality and quantity and uniqueness of plantation produce, “TUs in Sri Lanka have taken the initiative to conduct bipartite dialogue with employer organizations” (Venkataratnam and Naidu:1999:118).

Let us see how the process has taken shape to improve the situation by involving in a SD project at the enterprise level in the next part of the chapter.

3.10 Participation in the project

The constituents of ILO identified enterprises. One among them is Bogawantalawa Plantation Limited. Maha Oya is the unit of case study. As this company had benefited by many reformation projects like “Worker Education and Training” and “Social Welfare Trust Programmes”, the management decided to make use of the opportunity of participating in the project (Chandratilleke:2005:83).

As a requirement of the project, union and management representatives were asked to present the results of SD conducted at the enterprise level in the workshop held once in six months for a period of approximately eighteen months (Methodology of the project in Appendix 1).

3.11 SD in Bogawantalawa Plantation Limited (BPL)

Factors like high absenteeism, strikes, ill health, mistrust, unfavorable working conditions dominated plantations with low performance and productivity when BPL joined the SD project. BPL is one the 23 plantation companies established in 1992. Chandratilleke, consultant for the project and familiar with IR of the country coordinated and facilitated the process between the management and the employees. As the process is well documented, the study will use his figures and facts till mid 2002 as a background.

Maha Oya is located 56 kilometers away from the capital, covering 2006 hectares of land in Southwest Sri Lanka. There are 8 divisions in this company. The principal product of the group is crepe rubber and is exported. The total workforce including managers and supervisors is 920. Of this number 65% are females.

The highly unionized workforce⁴ is split among the major three TUs even though 30 unions exist in this sector (Ranaraja:2003:290). They are: Lanka Jathika Estate Workers Union, CWC and Sri Lanka Nidahas Sevaka Sangamaya. The management team comprises Group General Manager, a Senior Manager and a Deputy Manager (Interview data).

3.12 Orientation Phase at Maha Oya

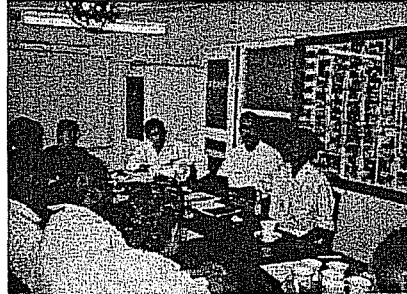
Process

In the beginning, Chandratilleke, visited the plantation and met with workers, union leaders, supervisors and welfare officers informally and briefed the benefits of the project. But the formal process of monthly SD went on from March 2000 till August 2002. As he was also involved in the monitoring of the SD project to document the process, he developed a relation with them. Union leaders were initially sceptical and workers were disinterested. Frequent visits to identify the problems from the workers improved communications. Workers expressed their problems of low wages, loss of production time in carrying latex from the fields to the collection centre and also their poor health conditions. The coordinator brought up these issues with the management who were willing to solve the problems. These problems were addressed by the introduction of mobile vans to collect latex from the fields and supply of porridge for breakfast to improve the nutritional value. These actions developed their confidence leading to co-operation. Periodical formal meetings of SD in the meeting room of the Manager with the union leaders were held and the fruits of the meetings gradually earned trust of the workers in the process. "Seeing is believing" – This happened when the wall that divided the manager from the rest of the staff in his office was broken down and at the project workshops where union leaders presented their ideas and outcomes of SD with other enterprise counterparts. While this was an informal process that helped to gain trust towards SD, let us analyze how the ideas were formally

⁴ The density of the union is unclear.

transformed into actions. Section 3.13 and 3.14 will draw heavily on the findings of the coordinator, Chandratilleke.

Formal meeting



(Source: Company presentation)

The coordinator convened the first formal meeting with three managers and nine branch union leaders representing several divisions of the group. This was an unusual meeting that turned out to be a brain storming session. The result was the identification of major issues among TU leaders with the coordinator. Management refrained during this session to allow union leaders to associate freely with the coordinator (Chandratilleke:2005:84). Union leaders could not believe the change of behaviour from the management. The first meeting discussed the following topics very interestingly.

Main topic:

Loss of revenue due to inadequate fertilization, overgrown weeds, use of low quality tapping knives and poor welfare facilities for the workers

Sub-topics:

- Out-migration of estate labour for more attractive employment
- Low work motivation
- Poor communication skills of supervisors
- Absence of a sense of ownership of the estate among workers

(Source:Chandratilleke:2005:84-86).

The first SD meeting lasted for 45 minutes. Then the managers were called in to review the issues. Dialogue commenced with the management by the union leaders and it was found that revenue and welfare are interlinked. The session started with uncertainty but ended with consensus to implement the following measures to improve the overall performance of the estate. The idea to hold monthly sessions to review the following issues and outcomes provided hope towards the process (Chandratilleke:2005:84-86).

- Introduction of rain guards (protection cover for the slit where latex is tapped) to the rubber trees as a means to improve worker attendance during rainy days
- Training of supervisory staff in communication skills
- Re-roofing of worker dwellings on self-help basis while the material will be provided by management
- Introduction of a new production incentive scheme to enhance the individual earnings of workers.

(Source: Chandratilleke:2005:84-86)

With these identified issues, the union leaders along with Managers attended the first workshop conducted by the ILO project. Initially, the union leaders were quiet. Slowly they came out of their shell and added their views. After many rounds of dialogue sessions, both the partners decided to settle in for issues (Chandratilleke:2005:84-86) stated below:

- Rain guards
- Wage system
- Opening of bank accounts

Let us see how the representatives handled these issues.

3.13 Handling of issues in the implementation phase

3.13.1 Rain-guards

As the plantations were located in upcountry that was prone to rainfall, rain guards (polythene sheet) were meant to protect the bark of the trees that was cut for tapping latex. But, union leaders were suspicious of their sustainability. After several rounds of dialogues, there was a consensus to set up a rain-guard committee involving workers, supervisors and managers to monitor and follow up the process. In the meanwhile, management welcomed economically viable alternative suggestions from workers (Chandratilleke:2005:86).

3.13.2 Wage-system

As everywhere, employers aimed for profitability by introducing an incentive scheme (beneficial to both sides) that allowed workers who exceed 240 kilograms of latex per month to be paid an additional sum of Rs. 15/- per kilogram. This invited attention among the enterprise TU leaders and a serious concern was expressed about the workers inefficiency of understanding the formula and the calculations. Normally, this is an item that has been discussed with the national TU leaders of political nature who control the labour force of plantations in CB. At times, it created serious havoc like prolonged strikes and lockouts (Chandratilleke:2005:85-88). Management realized the importance of building awareness among the workforce and to educate leaders on these measures during the monthly review meetings (ibid.). A consensus was arrived between the management and union regarding the trickle down approach of the methodology. Union leaders along with the supervisory field staff agreed to be responsible for the whole process. In the words of Chandratilleke,

The experience suggests that while negotiations are going on at the national level, there is room for managers and union leaders at the enterprise level (in this case the estate level), to use SD to discuss compensation issues that can have an immediate impact on productivity and the economic well being of the workers (2005:88).

3.13.3 Bank accounts

The introduction of banking practices among plantation workers was an innovative and challenging idea that mooted among management for two reasons. One is to cultivate the idea of savings and the other is to avoid cash in hand to refrain them from the habit of drinking. Initially, the union representatives did not agree because the workers were illiterate to understand the figures and formulas used in the banking system. But the management invited the local bank manager in a monthly review dialogue session. He explained the simplified process that assured easy access within the estate for the workers. Even though the union leaders were not convinced with the whole process initially, the presence of the manager made a difference. The ideas were accepted gradually. This incidence shows the expansion of scope of dialogue outside the frontiers of estate, which is a self-contained premise (Chandratilleke:2005:87).

3.13.4 Extending SD to cover corporate values

In one of the meetings, management moved a motion for a motto. Union representatives took it as a rewarding task. After a round of dialogue, there was a consensus, which reads after translation, "*Strength of Maha Oya hands earns gold to the nation*" (*ibid.*). This reflects the workers hard work and the reality of foreign exchange to the country - a unique event in the history of plantation management in Sri Lanka (*ibid.*). This also enhances the creativity of the workers in indulging in innovative activities, which is otherwise impossible due to the widened gap between the employers and employees in this economy. This particular event might look small in the eyes of an academic reader but for plantation workers, it is significant to boost their motivation that lacks in this sector.

3.13.5 Focus of the outcome

Let us see how the focus related to the lives of the workers and productivity.

Focus of the Dialogue	Related Theme
Introduction of rain guards	Introduction of new technology. Productivity enhancement
Opening of bank accounts for the workers	Social security
Re-roofing of worker dwellings	Employee welfare
Introduction of an incentive scheme linked to latex intake	Compensation practices
Development of a motto for the Group	Corporate values
Supply of water and electricity to worker dwellings	Employee welfare
Re-construction and rehabilitation of estate roads	Infrastructure development

(Source: Chandratilleke:2005:88)

3.13.6 Approaches towards SD

Self-Managing Teams (SMT)

One way of institutionlization of SD is through SMTs. Even though this concept also originated from the management and a supplement of other reformation projects, SD is used as an organizational strategy to implement SMTs. Each team comprises 5 to 8 workers with an elected leader responsible for operations at the field level. This team provides a major platform for communication and allows the workers to get involved in production functions like latex collection, quality maintenance, tapping panel, fertilizer application and weeding of respective fields (Chandratilleke:2005:89). SMT leaders' dialogues with union leaders provide more scope for the unions to get involved in production not focusing only on redistribution. This shows the concern of workers and unions towards productivity issues.

Regular Meetings

Monthly meetings resulted in divisional meetings. Horizontal learning is promoted by involving a field officer of another division in the same group during SD sessions (Chandratilleke:2005:89). These meetings promote dialogue with the highest body at the apex level.

Quality Circles

This quality circle meets monthly and is presided by a senior manager. A former TU leader is the Secretary, who keeps the minutes. Issues that are dealt by quality circle are i) sustainability of plantation, ii) controlling the cost of production, iii) out-migration of workers due to low wages and iv) planting high – yielding clones to maintain a high level of land productivity. Problems that are not solved in the lower levels are brought to this level (ibid.).

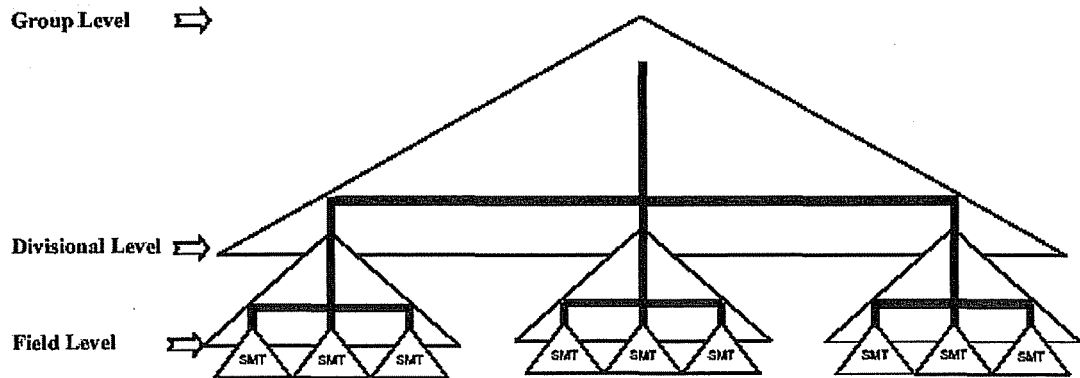
Suggestion Schemes

To strengthen the consultative process, management initiated suggestion schemes, where worker is expected to provide at least one suggestion per week. This is aimed to tap the potential that produced encouraging results (Chandratilleke:2005:93).

SD process opened up the communication channels at various levels without any control. On one side, it has increased the level of transparency and on the other side; it elevated the status of workers. In short, SD provided them income benefits through incentives, a better treatment and attitudes from employers that made them change from adversarial to cooperative approach.

Let us see a framework of the communication channels established due to SD process.

Figure 9. An abstract model of institutional framework



(Source: Chandratilleke:2004:16)

3.13.7 Impact of SD on relations

The success of workplace cooperation cannot be attributed only to SD in isolation but the success owes also to plantation reforms programmes (Chandratilleke:2005:90). Nevertheless, the ILO project is seen by the management as a common thread to tie the progress (ibid.).

To assess the change, attitudes and also awareness of the workers, the ILO project administered a questionnaire to the 316 literate workers of all divisions (ibid.). The contents of the questionnaire, as shown in the following table, capture the essence of workplace cooperation.

Table 1. Impact of SD on plantation workers

Measurement Indicator	No. of Positive Responses	%	No. of Negative Responses	%
Awareness of the ILO Project	270	85.4	46	14.6
Awareness of the social dialogue concept	280	88.6	36	11.4
Awareness of the concept of workplace co-operation	271	85.7	45	14.3
Confidence in resolving workplace issues through social dialogue	288	91.1	28	8.9
Contribution of social dialogue to resolve workplace issues in the respective division	266	84.2	50	15.8
Effectiveness of social dialogue and workplace co-operation as tools for interacting with estate management	271	85.7	45	14.3
Impact of the ILO project on labour management consultation within the estate	276	87.3	40	12.7
Opportunities created by the project for workers' suggestions	241	76.3	75	23.7
Self-confidence in operating in self managed teams (SMTs)	220	69.6	96	30.4
Adequacy of knowledge on the two concepts (social dialogue and workplace co-operation)	194	61.4	122	38.6

(Source: Chandratilleke:2004:19)

Table 1 shows the positive outcome of the project. 85% of the employees are aware of the project, 91% of respondents strongly believe that workplace issues can be solved at the enterprise level. This shows the initiative of workers unlike the past where they were passive listeners. Under this mechanism, communication channels have been

opened and above all, workers developed confidence to solve the problems. Union leaders observed that the establishment of SMTs reduced their presence in solving problems in the estate that is widespread for many kilometres. In the past, union leaders had to be physically present by walking many kilometres that reduces their productivity and income as well⁵.

Out of 316 respondents from various divisions belonging to the same plantation more than 280 have responded positively on the necessity of SD in resolving issues. This shows the effect of SD in promoting labour relations at all levels. During the implementation period, Maha Oya group did not participate in the strike in which the other adjoining estates participated⁶.

From the results, it seems that confidence-building measures have been put in place and good relations have been established between management, union leaders and workers. Let us move to see if it has influenced productivity.

3.13.8 Productivity: Role of SD

In this plantation company, productivity is measured using the following indicators

Latex intake per tapper (worker) - a measure of labour productivity

Yield (volume of latex) per hectare - a measure of land productivity

In order to assess the productivity, an in-depth case study was carried out in the Glassel division by the same coordinator for the period 2000 to mid-2002.

Interview

⁵ Union leaders

⁶ TUs and workers

Background

The division is spread over 170 hectares and produces monthly 11,000 kilograms of latex and scrap rubber. It has a workforce of 75 workers of whom 60 are on the permanent payroll. 50% of the workers are resident on the estate (Chandratilleke:2005:94). The hierarchy is strong with a field officer, assistant and senior manager. Initially, Glassel division had a poor performance record both in terms of output and labour management relations. Absenteeism was a major factor. This indicates lack of discipline among workers and mistrust existed between the parties (Chandratilleke:2005:94) before the SD process. Let us see what happens after the sessions.

Table 2. Increase in Labour Productivity

Tapper Intake (per day)	2000		2001		2002 (Upto August)	
	No. of tappers	%	No. of tappers	%	No. of tappers	%
Over 20 kg.	0	0	14	34	14	33
Over 15 kg.	0	0	15	37	17	41
Over 10 kg.	18	32	7	17	3	7
Below 10 kg	38	68	5	12	8	19
Total	56	100	41	100	42	100

(Source: Chandratilleke:2004:24)

Table 2 shows the increase in labour productivity over the years. In 2001, the number of tappers increased under the category of “over 15 kgs” to 37% and “over 20 kgs” to 34% per day compared to 2000, which is nil. In 2002, within eight months, the labour productivity has reached the maximum of 2001 with 33% of workers tapping “over 20 kgs” and 41% of workers tapping above 15 kgs. If we compare the percentage of workers below 10 kgs between 2000 and 2002, two third of workers have risen above the level of “below 10 kgs” and the rest are evenly spread between the highest two categories. The increase is largely due to the production incentive scheme implemented

through dialogue that took place initially between managers and branch TU leaders and subsequently between TU leaders and the workers (ibid.). Now, let us look into the land productivity that adds to the profitability.

Table 3. Increase in Land Productivity

Year	Yield Per Hectare (in kgs)	% Increase
2000	733	-
2001	852	16.2
2002	1041	22.2

(Source: Chandratilleke:2004:24)

Table 3 shows increase in the yield. Dialogue between TUs, SMT leaders and management improved the maintenance leading to high yield.

From the case study, it is clear that SD paved way for improved relations and enhanced productivity. Introduction of incentive scheme through SD at the enterprise level is pioneer and innovative as it is otherwise very cumbersome.

Let us look into the income of the tappers to reassure the findings.

Table 4. Income of Workers (Tappers)

Income Level	2000		2001		2002	
	No. of tappers	%	No. of tappers	%	No. of tappers	%
Over Rs. 10000	0	0	0	0	2	5
Over Rs. 7000	0	0	14	34	14	33
Over Rs. 6000	0	0	15	37	13	31
Over Rs. 5000	2	3	5	12	6	14
Below Rs. 5000	54	97	7	17	7	17
Total	56	100	41	100	42	100

(Source: Chandratilleke:2005:96).

Table 4 shows an increase in income from the year 2000 due to the incentive schemes through SD. In 2000, 97% of workers were under the category of “below 5000”. But in 2001, the percentage of workers under this category is only 17%. In 2002, 5 % of workers have also reached the category of “above 10,000” where as the 95% are widely scattered in all categories compared to 2000.

This increase in income has motivated the workers to work harder and to contribute ideas towards productions issues like replanting. Workers who were assigned younger trees could collect more latex than the ones with medium and old trees. Even though the allocation of trees was done on periodical turns, this provided some uneasiness among the workers. This issue was discussed with SMT leaders and forwarded through suggestions schemes. The latest development of 2005 is that workers succeeded in getting the management to replant at least 10 acres of land every year (Interview: Manager).

With this strong background that SD has enhanced relations and increased productivity, this paper will focus on the same issues after the project period 2002-2004 using the same indicators to assess the impact and sustainability of SD.

3.14 Labour relations during the period 2002-2004

As the project has withdrawn its support of the external consultant, the whole process has been solely set in the hands of management and workers.

3.14.1 Management

Initially, the realization on the part of management that workers are valuable laid a solid foundation for sustainability. Secondly, managers at all levels felt that workers possess the capabilities and are willing to contribute to the development of the company, if provided with sincere opportunities. Finally, SD in this enterprise has increased the scope of mutual understanding at all levels and proved the effectiveness in overcoming the hurdles faced by privatisation in plantation sector. These factors strengthened the management to go for dialogues to continue the good relations that were established by the SD project.

3.14.2 Workers

The transformation that occurred in the attitudes of the management during 2000-2002 created hopes for more working days and therefore, more income that could improve the life of workers. Insufficient income was one of the main reasons for out-migration. Workers' expectations for betterment have been strengthened by direct involvement in decision-making (SMTs) towards the production process and the recognition of their ideas in formulating a motto for the company. This has enhanced their self-confidence and quest for knowledge about the products and the market. Participation in the project workshops with the other enterprises has kindled interest in knowing the outside world. Change in treatment, participative representation through

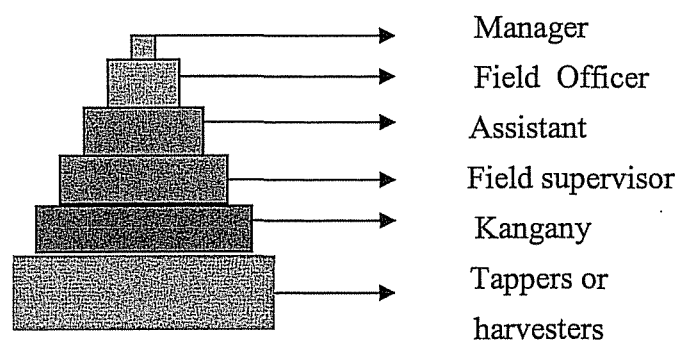
“Suggestion Schemes” and “Quality Circles” enhanced their self-esteem. The company had transferred ownership from Bogawantalawa to Lalin Rubber Company in 2003 without much of change either in the management or in the way of management that was set in.

3.14.3 Labour-management co-operation: Role of SD

The levels of dialogue have been kept intact and the frequency of dialogues has increased depending upon the issues besides the regular interval of a month. Even though the structure of plantation is pyramid and hierarchical, still it allowed scope for dialogues.

SMTs that were established during the project period had grown from 61 to 90 in number within a period of 2 years. An impressive improvement is that women occupy 50% of the positions of leaders (Interview data). This can be attributed to the development of a sub-project, “Empowerment of women by SD” in 2002 (Selvakumar:2004).

Figure 10. Present Structure of this plantation company



(Source: Company presentation)

3.14.4 Overall impact of SD

Keeping different levels of dialogue active help management and workers towards sustainability. Unlike the past, top management motivates workers, encourages them to participate and sustains these activities. Both unions and management felt that

this new channel increased understanding by reducing disputes and focussing on productive work. This change has narrowed the gap between management and workers. Workers were motivated by the incentive scheme. This motivated a worker to use his creativity and resulted in an invention of a knife with a mixture of certain alloys that gets sharpened by the usage. Union leaders had the support of workers to dialogue process. Since union leaders found the process mutually beneficial, they overcame their initial resistance and collaborated with the management.

The management has introduced another way to ensure dignity of labour. Labourers are identified as “harvesters” and sundry workers are addressed as “field craft technician”. The respect that was bestowed provided strength to communicate with the management on issues like productivity and workplace cooperation.

3.14.5 Institutionalization of Social Dialogue

In July 2004, an attempt to institutionalize SD was officially announced at the Employer-Employee Co-operative dialogue meeting. TU leaders representing different worker unions at the national level and estate level from the field, office, factory, participated. This was tripartite as the “Assistant Commissioner of Labour” represented the government. The meeting concluded with the decision to meet periodically to sustain this dialogue that was initiated (Interview: company manager).

3.15 Productivity Increase

Chandratillke’s findings are restricted to a particular division, Glassel, in terms of increase in productivity. But, this paper will look at the productivity of the company as a whole.

Table 5. Average tapping days of the entire company

	1998/99	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Average Annual tapping days	267	277	277	278	284	299

(Source: Company data)

Table shows the increase in the number of tapping days over the years.

Table 6. Harvester's income (average per day) of the entire company

1999/2000	2000/2001#	2001/2002#	2002/2003	2003/2004
U\$. 1.68	U\$ 1.58	U\$ 1.57	U\$ 1.82	U\$ 1.81

These figures were due to adverse market conditions that prevailed in 2000-2002.

(Source: Company data)

Overall annual income of the worker has increased from US \$448.56 (1998) to US\$ 541.19 (2004) Even though there is no difference in the average income of the harvester; there is a distinct improvement in the number of working days in line with the demand of 300 workdays.

Table 7. Harvester's overall attendance for work in the entire company

1998/99	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
75%	76%	81%	92%	94%	86%

(Source: Company data)

There is a significant increase in attendance for work over the years. But the decline in 2003/04 can be due to the reason that increases in income allowed aged people (who were earlier assisting the family) to stay at home. The introduction of mobile vans to collect latex from the fields allowed children (who were earlier helping their parents in collecting the latex) to attend schools. Slight increase in income suffices to their needs of one proper meal a day. Another reason could also be the out-migration of youth who want to pursue a different career.

Table 8. Profitability (profit per hectare) of the entire company

	1998/99	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Rs.	5508	1706	166#	(-6971)#	11300	19081
US\$	78.75	22.42	1.92#	(-73.42)#	116.81	194.91

These figures were due to adverse market conditions that prevailed in 2000-2002.

(Source: Company data)

Profitability of the company increased except when there is an adverse market condition. The adverse market conditions may be a reason for the change in the ownership in 2003 (from Bogawantalawa to Lalin Rubbers Limited).

This chapter has dealt with IR situation both at the macro and micro level with particular relevance to SD at the plantation. The assumption “SD improves labour relations and increase productivity” is found to be true if the management is willing to treat workers as partners on production with dignity and respect.

Let us move to the next chapter to analyse the case study in the light of the theoretical framework.

CHAPTER IV
DOES SOCIAL DIALOGUE WORK?
INSIGHTS FROM THE CASE STUDY OF BPL

This chapter is a specific case study analysis of labour relations before and after the application of SD, as a means to solve the problems. While the former part will deal with the description and analysis of the process, the latter part will look into the union identity model.

4.1 Background: Social Impacts

It is apparent that privatisation has acted as a smokescreen that has kindled political unrest where the social impacts have created turbulence to the country's economy especially in the plantations. It has become the immediate responsibility of the state to address these social problems. It is felt that labour-management dialogue can mitigate the problems of privatisation (Salih:2000:199).

4.2 IR in plantation

In the complicated scenario of adverse relations, it is hard to expect minimum relations among social partners even outside the plantation. But plantation has a history of political, ethnic and discriminatory problems. It is quite justified that lack of transparency during privatisation has aggravated the antagonistic relations of unions. Productivity has always been the major concern while workers are neglected. Unions' suspicions have been strengthened by the acts of the state that acted without transparency during privatization. Looking into the master-slave treatment that made the workers voiceless, it is the duty of the unions to voice their opinions at the national level. To make their voice strong, support of the political parties was sought. But, even with their representatives in the cabinet, the situation had not improved. Unions at the

enterprise are the branches of the national unions and reflect the views of the national level in every issue.

The need of the hour for all was to increase productivity and to improve their income. National unions wanted to settle disputes with the employers and supported SD. As a result, unions at this enterprise entered into SD.

4.3 Workers, their attitude towards life, SD and Management

Hierarchy has been a striking feature of the plantation making the control tight at every level. On the one hand, they were highly dependent on the prejudiced employers for survival and on the other hand, followed the herd behaviour towards unions and followed union teachings blindly. When this is the case with men in the patriarchal society, the status of women is pathetic. This can be attributed to the illiteracy of workers, which was taken advantage of by both the parties (employers and union leaders).

It was difficult to believe that there would be transformation in their lives. It was a distant dream that management would take them seriously. The only time a worker can see the manager is once in a week on any issue. But as the workers were treated like a commodity, workers were hardly listened to. This resulted in increase in complaints, disputes in courts, arguments with field officers and apologies for the uncommitted crimes with the higher-ups, which formed a pattern of life. The “Kangany” – supervisor, plays a crucial role in their lives. Even though the local unions are branch unions, not much of awareness exists about every issue. Workers are very much committed to their unions and leaders. TU leaders within the enterprise solve the workers problems both personally and officially. Since this is a resident sector, personal and official lives are very much integrated without any meaning for “privacy” in their life. Shortage of money coupled with hunger along with helplessness led them to frustration. It is a normal sight that frustrated men taken up to the habit of drinking and abuse wives after work.

Women, who toil hard both in the fields and in houses without any recognition, succumb to the pressure from all sides (starting from working at the plantation, in managing the house and in taking care of children and drunkard husbands). The only objective in their life is to earn for food. Men, in some cases, insist their wives to migrate. Women are the victims of emigration as there was a demand for domestic workers in the middle-eastern countries. Grown up children narrate the sufferings of their mothers who are away to earn money, at times, have sacrificed even their lives in a foreign country for reasons not known to them.

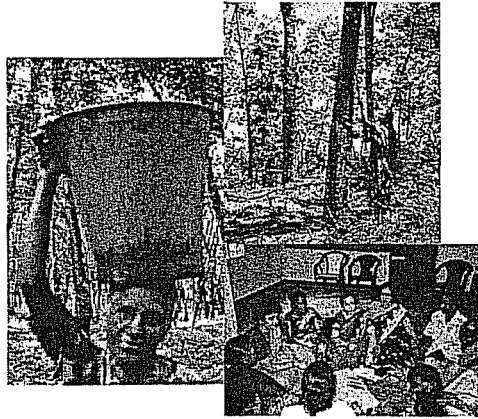
With this background, when the coordinator from Colombo explained the benefits of workplace cooperation, they were suspicious. There was no cooperation and instead non-cooperation existed and as a protest, new rain guards were removed initially. Turning point occurred when their ideas were voiced in public by the committed coordinator to the management in dialogue sessions. Workers were impressed when the management along with the coordinator brought the bank manger to explain about the needs of savings. Simple workers levelled the coordinator to their managers and addressed them as "Lords". Even though colonization has left the workers, but not these practices. Things changed when groceries were sold to them through the bank counter at subsidized price. Gradually, workers mustered up their courage and expressed their individual views whenever there was a platform provided, initially with the coordinator followed by union leaders, colleagues, SMT leaders and Managers. Workers found themselves respected by the participatory representations like SMTs and suggestions schemes. Women workers had made considerable progress. Workers had free time to discuss various issues after work, as they were not drunk in general.

Women workers

As women are considered inferior to men, the pattern of working is different in plantation. Women normally avoid to be seen by the supervisors. The empowerment process through SD specially conducted for a group of women has had its impact and spread its effects to the SMT leaders and to the workers. It has become a normal sight when women team leaders stop supervisors on their way to question about production.

Management also gave the responsibility of being leaders in the teams to women. The empowerment group also had a representative from management who would have been the key source to initiate this change.

In action



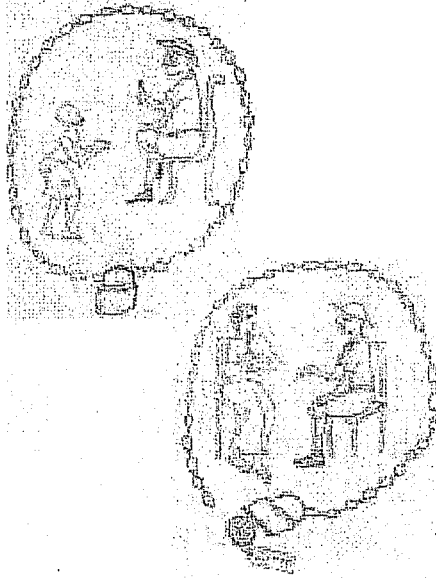
(Source: Author)

Management understood the potential of women and the need to empower them to realize their returns. This has improved the quality of life in line houses. Workers were able to meet their needs by their increased income. Women's preference was on sewing machines while men preferred fans and televisions in a place where they demand for electricity. It is a pity to note that they used battery to run these fans only for a short time in a tropical land of scorching heat.

Workers enthusiasm reached its zenith when asked to design a motto for their company. Periodical workshops of ILO provided a window to see the outside world. Over a period of 18 months, the meaning of dialogue registered in their minds and there was an involvement on the side of workers leading to collaborative relationships. Even though the participation of unions was restricted to the leaders, the management brought a few workers every time that helped in spreading the message that SD is not only creating difference in their enterprise but also in other enterprises. Management utilized this opportunity and arranged a visit cum picnic to the other enterprise, which is quite unique in the field of plantation. Visits of their leaders to the neighbouring countries and representatives of enterprises from neighbouring countries to their enterprise have been celebrated as a festival.

Language was not a barrier. Workers tried to communicate to representatives from other countries to express their development. It is an impressive moment when a worker drew this picture for a representative of another country to show what SD meant.

Figure 11. Meaning of SD to a worker



(Source: ILO- SAVPOT Project)

It is with the support of workers, union leaders moved further into the SD process.

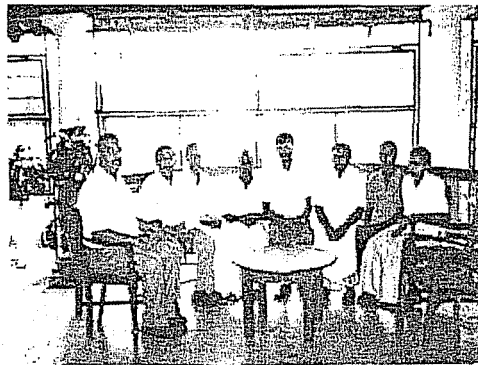
4.4 Enterprise Union's attitude towards SD

Even though all unions have supported SD, there are some reservations towards SD by certain factions of one particular union at the national level. While this is the picture at the national level, the enterprise level portrayed something quite dissimilar.

Among differences of opinions, union leaders of this enterprise joined SD. It is with a difference they found the management quite desperate to improve communications unlike the condescending past. The attitude of the union leaders

transformed very gradually when their ideas were taken seriously. It can be seen by their response and behaviour in the conferences that was held periodically. In the first conference in 2000, union leaders were unwilling to sit next to the managers. Later, workers acquired the ability of discussing with the managers without any inhibition. Finally, they related in an equal manner with the managers and made their presentation.

Equality and Empowerment



(Source: Company presentation)

While sharing the best practices of the project, a manager of an Indian enterprise exclaimed in a national conference (Mumbai, June 2002) about the empowerment of an illiterate plantation TU leader on products and markets of rubber and his ability to compare the price of latex in Indonesia and Malaysia with that of Sri Lanka (Personal observation). These incidences demonstrate that SD helps management to become more sensitive about labour market requirements and labour to be more sensitive about product market imperatives to meet the emerging challenges.

4.5 Employer's attitude towards SD, union and workers

SD in plantation carries significance because the managers wanted to bring in a change and improve productivity. Profitability may be a good reason. Besides, they had positive mind to set a change where everything is controversial. Emphasis on training, formation of SMTs, intentions to try to reach the individual by sending "Birthday cards" and trying to take part in their sad and happy occasions (personal observations) reminds one of the psychological contract of HRM to get commitment and loyalty. But in a

sector that has a history of own for hostile relations, where there is no necessity for softness, these efforts towards SD made a remarkable difference (Appendix 2).

It is struggle for the management to convince the workers that their intentions are targeted not only to increase productivity but also to benefit workers. It is easy to function and carry out orders. But, these two managers included the representatives at every stage. Even though, by default, the managers are placed at an advantageous position of being the employers, their willingness to solve the problem of low performance and to improve the quality of life of workers is remarkable. It is a common complaint that management encourage employees to the habit of drinking by opening liquor shops within their premises. But on the contrary, managers went for groceries to be supplied and bank account to be opened. Communications opened up to understand each other leading to Management's concern are explicit towards employees in curtailing the flow of fluid cash and measures for social security at a later stage. Moreover, the act of allowing the coordinator, to talk to union leaders without their presence shows the mindset to solve the problems (Chandratilleke:2005:84). Management's willingness to provide a platform for the other actor to discuss, debate and reassert their views indicates the recognition of dignified treatment. That was a stepping stone to progress along with mutual understanding. This can be validated by the incidence in glassel division monitored by the coordinator.

Table 9: Fluctuations in land productivity

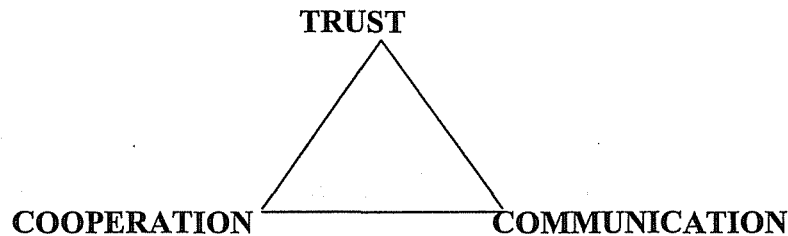
Year	Yield per Hectare (in kgs)	% Increase per year
2000	733	-
2001	852	16.2
2002	1041	22.2
2003	867	-16.7
2004	813	- 6.2

(Source: Chandratillke (2005:96) till 2002, company data for 2002-2004)

Table 9 shows that land productivity has increased and declined here (unlike the company as a whole) in the same way as it has increased till 2002. This can be attributed to the fact that a new field officer was recruited. This person had a different approach to

SD. There were not many fruitful dialogue sessions conducted on production and the field officer himself was subjected to interrogations for inappropriate conduct (Interview data). It becomes evident that SD needs institutionalization, effective implementation and support of the management to build trust. It goes on to prove that trust, communication and cooperation reinforce one another for better relations and productivity. But this has not affected the income of the workers as the wages were dealt with at the enterprise level (Appendix 3).

Figure 12. Important components of SD



(Source: Author)

Confidence is built on the acts of communication and cooperation that is crucial for trust.

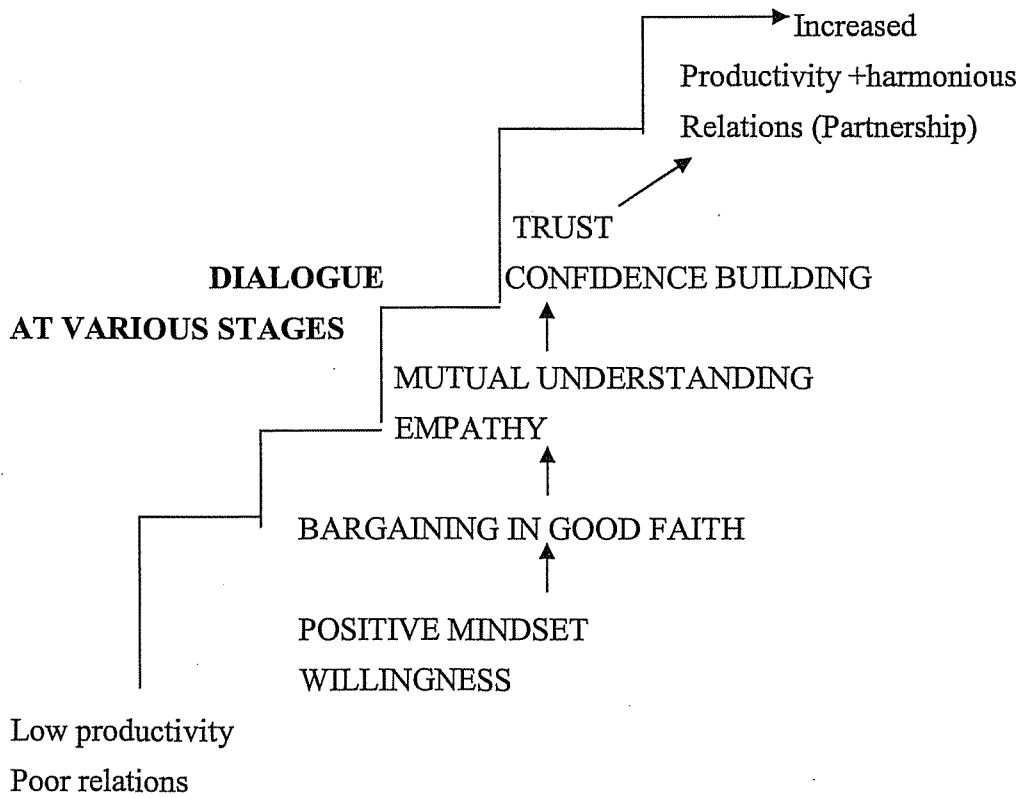
4.6 SD in line with democratic dialogue:

These experiences portray that SD is an interaction with improved communication that ascertained equal footing between the employers and employees. Both were at the compelling end and wanted to arrive at a consensus in this enterprise. Workers who were at the lowest rung of earnings wanted to earn money for livelihood. Employers wanted to increase productivity through labour relations. As Ramaswamy and Schiphorst indicate, TUs took advantage of HRM to make the best use. In BPL, workers and union leaders seized the opportunity⁷ of formation of SMTs to their

⁷ Ramasamy and schiphorst, based on their research in two companies in India where the unionism is strong and highly protected by legislation, have vividly explained the attempt of management and the failure of empowerment process due to the lack of support by trade unions. It becomes quite clear that HRM process can be advantageous if there is an inclination from union to support these acts to derive benefits as indicated by Guest (1995).

advantage and increased the productivity thereby enhancing their relations and quality of life. In the process, SD improved the communication channels and provided a platform for all the actors to participate with their rights.

Figure 13. Progress of SD



(Source: Author)

The next part will traverse through the real life to find out the transformation that happens to the unions in terms of its identity as a result of SD. Does SD modify their identity? Does the acquaintance of SD and its tools influence change in their identity? Does SD change the link of relations between the unions at the micro and macro level?

Let us see how the research questions will be answered with relation to the context.

4.7 Background of unionism with relevance to the case study

All three unions existing in this plantation are represented through a leader at the enterprise level. They did not differ in their views regarding SD. However, unions in the plantation sector by default take the command of the national unions.

Let us take a few issues to testify if SD has transformed the union identity from the traditional stand indicating “us” –the workers and “them”- the employers.

As argued by Dunham, Arunatilake and Perara (1997:62), any change to gain worker and union acceptance is more complicated in the plantation sector of Sri Lanka. The history of plantation has reduced them to the level of a commodity that made them controversial. Against the background of mistrust between employers and employees, the SD project that meant to introduce workplace cooperation was not seen as different. Let us see the stand of unions on a few issues before the dialogue sessions.

- i) Rain guards: Opposed by the unions and workers blatantly
- ii) Bank Accounts: Unions opposed on the grounds that comprehension of workers to understand the figures is low due to illiteracy
- iii) Wages: Enterprise unions do not indulge in any deal with the management as it forms the main agenda of national unions at the CB.

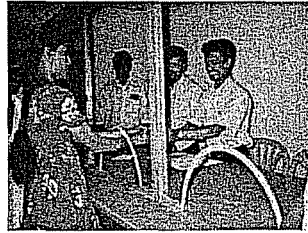
After the practical results of the dialogue sessions on rain guards, unions at the enterprise level are convinced with the process. This created a congenial atmosphere and willingness to co-operate with the management. The improved communication channels have changed them from the adversarial approach.

Let us see what sort of union identity emerges out of SD process with the issues identified by applying the union identity model of Hyman. This model was used as building blocks on the concepts of union interest, agenda, democracy and power.

4.8 Trade Union Identity

Union's interests relate to whom and in what type of issues it is interested (Pegler:2003:6).

Attention on gender



(Source: Company presentation)

Unions that opposed the bank account, gradually, altered their stand to support the bank counter due to the SD process. This also has a gender dimension. Interests of gender had either been neglected or never thought of before the introduction of SD. But through this support towards the introduction of a bank counter, unions won the appreciation of women workers. Men did not have cash to drink. Thereby, women are relieved from physical assault on them. Supplies through this counter also helped women to get genuine goods at subsidized rates⁸.

Men did not have any problems about women being the leaders of SMTs. Indeed, union leaders are content with SMT leaders, as they reduce their problems and increase their production time. So, introduction of SD marks a shift in interests.

Union's agenda is based on the policies, constitution and priorities (Pegler:2003:7).

Let us take the example of wages. It is unusual that enterprise leaders have agreed to discuss wages through SD. Normally increase in wages is dealt at the national level unions through CB. But at the initiative of management, after many rounds of SD

⁸ Interview:union leaders and women workers. Responsibility of food lies with women.

process, unions agreed for incentive schemes and also shouldered the responsibility to educate others, which is a trendsetter in the plantation industry (Chandratilleke:2005:88).

Rain guards were recommended by the management to improve productivity. But the unions were sceptical about the sustainability of rain guards. Through the SD process, a rain guard committee was set up to monitor the process. As there were diverse views on this, management welcomed alternative suggestions. But, gradually, rain guards were accepted through SD by the unions and workers (interview: union leaders and workers).

Unions at the local level never bargained before. After the SD project, local unions were involved in local level bargaining. The changes that occurred in the process of SD changed the hostile relations.

Union's democracy depends on the demands of the organization that would lead to divisions between leaders. The point in question is whether active collaboration exists between workers and the unions.

Since this highly unionised enterprise enjoys multiple unions (where each union has equal power and participation from the members), the question of division does not arise. But the process of SD through participative representation created transparency. Hence, the relationship between the members and the leaders is collaborative. Formation of SMTs, quality circles and representation at various forums on issues like productivity enhanced their morale and awareness on outside matters.

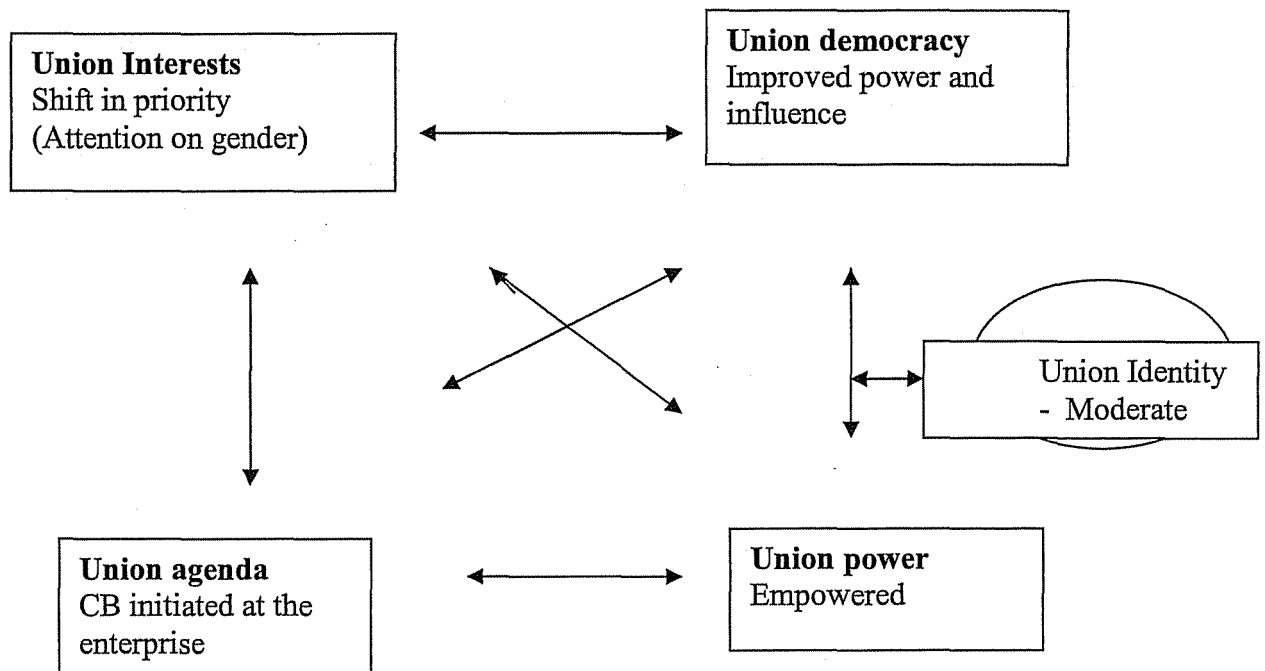
Union's power at the workplace will tend to become less powerful and influential as a result of modernization (Pegler:2003:7-8).

Unions are in a better position to communicate with the management than in the past. SD has provided a platform to voice their opinions. Union's voice representing

workers is heard and improved the relations. Unions have become influential in providing suggestions on all issues. The traditional adversarial nature of “us” pointing to workers and “them”- the management has changed towards cooperation. This goes to prove that SD has created partnership by mutual understanding.

As a partner of the decision-making process, unions have become powerful and influential than in the past (in the past decisions are made by the national level unions).

Figure 14. Outcome of SD



SD provided two-way flow of communications. The initial resistance on the part of TUs faded away with the progress of SD. Unions realized the importance of more earnings for the workers (through rain guards and wages) and also the need for the bank counter (welfare) for their workers. Participant representation through SMT’s, suggestion schemes and quality circles developed their confidence to work as a team. The emerging Union Identity is “Moderate” extending cooperation with partnership.

Let us see how this result tallies with Kelly’s findings.

Results of SD demonstrate that SD process turned out to be effective in cooperative partnership, in contrary to the views of Kelly by i) Unions retention of power ii) motivating the workers in participative management and iii) maximising their benefits by combining the techniques of HRM with that of IR.

Next, let us look into the type of “response” that develops as a result of SD at the enterprise level with national level unions.

4.9 Results of emerging “New form of work organization”

While it is the positive local response of enterprise-based unions towards SD, at the national level, it is a strange combination. All three unions are supportive. A leader of one union is involved in the formulation of a training manual for SD. One faction of another union that supports SD does not believe in SD. It is thought provoking. What is the reason? It is felt that SD undermines trade unionism and a strategy of employers to reach workers individually. Possible reasons could be i) background of plantation sector that has been subjected to denial of human rights. ii) As always, employers looked at increased productivity. So, when SD is followed with the same agenda with improved relations, it would have created suspicions in the minds of leaders. iii) Bitter experiences of the past where the efforts to benefit workers have been futile even with political support. iv) National unions did not like the attitude of the local union leaders who are with the management. v) With the traditional unionism, they would like to remain powerful to be representative. iv) Partnership might project the idea that local union leaders are puppets in the hands of the management. v) Lack of understanding between the enterprise and national level union leaders⁹. These findings support Martinez Lucio and Stuart that social and political context are also important while emphasizing on the process of partnership arrangements through SD.

⁹ A union in Sri Lanka often encourages its members to live in a group of isolation. It should open up and allow qualitatively better participation from among the workers. (valli:2005:228) “If this union provide its community with genuine and effective leadership, it must abandon fear and repression and open itself up to democratic and effective participation” (ibid.).

These reasons might seem right by a certain faction of union's point of view because SD is a pilot project that needs to prove the stability. Does this traditional past need to be changed? Unions can still be representative by retaining their militancy.

But, increasing competition is shaking the roots of strong union¹⁰ conditions everywhere. As HRM is expanding and unions face a number of challenges, strong unions need to adapt themselves for survival in countries like Sweden, Germany and Ireland (O'Hehir and O'Mahony:1993:10). But, the experience of plantation suggest through the channel of SD, if HRM and IR are combined strategically, unions can establish themselves without any compromise on dignity, respect and equality to benefit both the parties.

This chapter has dealt with the critical analysis of the situation in terms of relations and productivity with the theoretical framework related to SD where the assumptions are justified with conditions. It also provides the kind of union identity that emerged from SD.

Now, let us move on to the final chapter.

¹⁰ In India, where unions strongly defended workers, the outcome was a long-term decline in employment and wages. Finally, the companies were closed and the region harboured them became industrial wastelands (Sherlock quoted in Jose:2002:5).

CHAPTER 5
CONCLUSION: MAKING SOCIAL DIALOGUE WORK
FOR A BETTER TOMORROW

The objective of this research paper is to find out if SD improves relations so as to increase productivity. Let us see in this chapter the compatibility of SD and the requirements to make it successful with reference to the micro and macro context.

5.1 Findings

This project has demonstrated the possibility of increased productivity and labour relations through SD, when followed meticulously. But TUs of developing countries unlike the counterparts in industrialized countries have not crossed the stage of struggling to improve the basic conditions of work and living standards (Jose:2004:4451-4452). This is the main reason for the adversarial nature of pluralist IR. But, TUs can be convinced to engage in SD on economic issues by fulfilling their social needs.

The plantation experience shows two important points: a) fulfilment of the workers' basic amenities could enhance the capabilities of workers towards more productive roles as partners in development and; b) a shift from the adversarial relations offer efficient solutions like that of developed countries (ibid.).

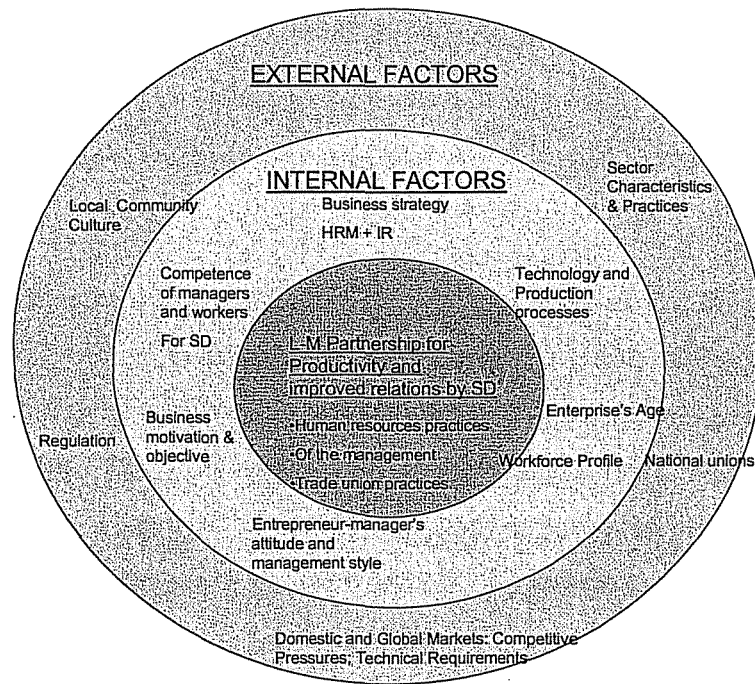
Union leaders have benefited by the empowerment of people. Empowerment of poor people will allow them to lead a dignified life (ibid.). Therefore, TUs, can adopt a strategy to empower workers, a way of safeguarding the interests of workers.

SD is not automatic or instantaneous. In an adversarial condition of pluralist IR, SD is a process of increased communication (through many channels) towards cooperation, which in turn builds trust and confidence to achieve the desired goals. There are many

internal and external factors that are necessary to ensure that the dialogue process runs smoothly in a highly democratic set up.

Let us see how each factor influences SD in line with the formulated research questions.

Figure 15. Related Factors



Source: originally from ILO (forthcoming) and modified by author

5.2 External factors

- SD will be successful with the willingness of the stakeholders in an adversarial IR situation. Legal/Administrative institutional framework is an essential platform to bring stakeholders together. Effective tripartite consultation and negotiations¹¹ may lead towards the path of decent work in agriculture (Naidu

¹¹ In India, SD is based on the tradition of evolving consensus on policy issues among partners through tripartite consultation. But agriculture sector due to its unorganized structure and non-representation enjoy limited benefits. Still, this sector make use of the village level platform for representation (Naidu:2002:16).

and Navamukundan:2003:16). This may be feasible in this plantation sector, which is organized and represented by political parties.

- Conflicts are political and ethnic in nature that lay foundation for labour problems, multiplicity of unions and, intra-inter union rivalry. To attain industrial peace through SD, political and socio-cultural factors¹² are significant.
- This project is also an experimental project that needs to prove and sustain itself. Social development takes its course according to the results and culture of the areas.
- At the national level, unions did not develop their capacity to bargain and negotiate effectively due to their multiplicity (Ranaraja:2003:305).

5.3 Internal factors

- Even though SD needs support from all levels, middle level managers feel that genuine and commitment of the top management determines the success of SD. Labour is not seen as a cost but workers with dignity.
- A change in the lower level of management has indicated decline in land productivity. It shows that willingness and strength of the management is crucial towards the maintenance of good relations to improve productivity.

¹²

It is a common understanding that settlement between Tamil Militants (LTTE) and state would bring peace to the country. But, the killing of the foreign minister who is the key person would hamper the peace process and there lies a threat of civil war (News channel, NDTV, New Delhi on 18.8.05). Settlement might improve the conditions of the minority Tamils in the plantation.

- Regular observation indicated that apart from the initiative of the management, a committed neutral person is necessary to instil confidence and trust in a traditional adversarial IR climate.
- Worker's response is the backbone of the process. Women employees are willing to take on new responsibilities if their ability to work hard is recognized.

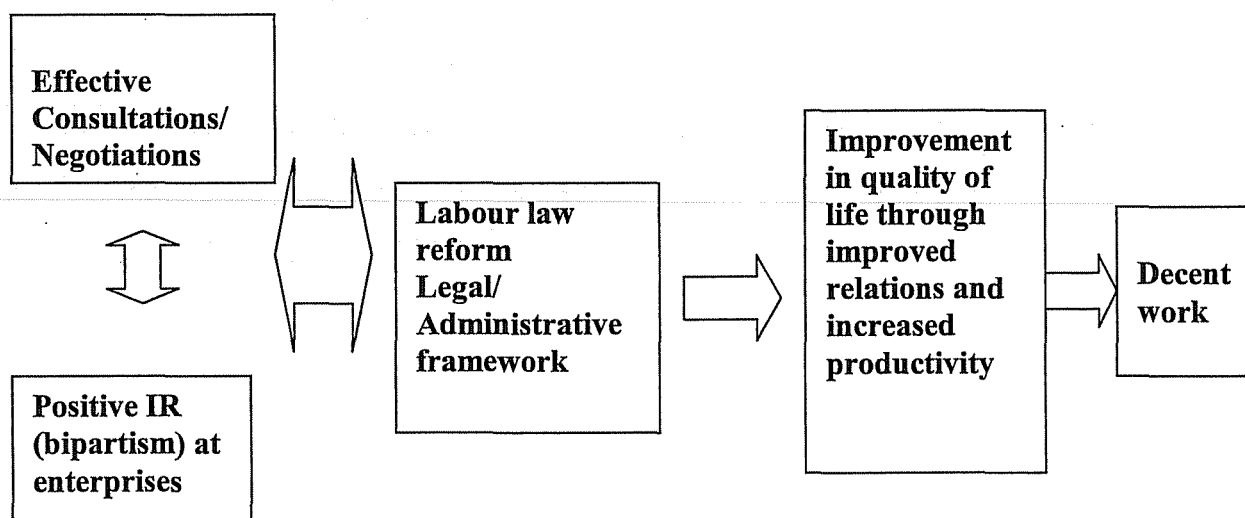
A picture (Page 58) drawn by a worker shows that the master-slave relation has been unlocked to enjoy equal status with the employer, which is a history that is created in the plantation. It is development by change that needs to be cherished.

Based on these conclusions, the latter part of the chapter would look into the recommendations.

5.4 Recommendations

Macro level

**Figure 16. Development of SD: Bipartism and Tripartism
In enterprise promotion and decent work**



(Source: Author)

- Government has introduced SD (in 2003) as an alternative way of settling disputes (Ranaraja: 2003:305). By promoting sound IR through effective tripartite consultation machinery, industrial peace and human rights can be restored. Labour rights and human rights are inter-twined in this sector. An external person to instil confidence may also be facilitated by the government.
- If labour law reforms facilitate competitive pluralism and lead to efficient CB and to tripartism, effectiveness of unions would not diminish even if modern HRM practices were introduced in enterprises (Bhattacharjee:2002:332).
- To put an end to multiplicity of unions that leads to inter-union rivalry, unions can cooperate and initiate a dialogue to equalize the power of unions by forming “Confederation of Trade Unions”. Even though confederation is not a panacea to solve the problems, it might be of help. Unity of unions can be promoted by retaining their political ideologies.
- When new forms of organizations emerge to marginalize unions, SD provides a platform for unions. As the business world is changing rapidly and countries with strong unions go for partnership programmes to increase productivity, leaders of the same union at different levels can improve their understanding by dialogue.

In addition, organized labour movement may come to terms with global competition by establishing links with communities; urban movements and regional NGOs to enhance their effective power (Bhattacharjee:2002:340).

- Intra and inter-union rivalry is a major hindrance for the development of unions. Instead of nurturing the situation with the traditional negative attitude, unions can assess the situation and adapt to it. If not, realistic unions will be benefited and radical unions will be marginalized.

- Union's initiative to include women representatives in responsible positions and inclusion of gender issues in their agenda might increase the union density.

Micro level

- As this company has demonstrated the success of SD, dissemination of the concept could be lifted to the national level by the regional body responsible for plantations.
- Workers can opt for a democratic (confidential) vote process in their election instead of an open election that violates confidentiality.
- Unions can maintain their allies with political parties instead of having outside political party members as leaders¹³.
- As it is clear that manager's initiative is necessary to conduct SD, institutionalization and effective implementation of SD on productivity issues is imperative. Higher management may facilitate SD with a fixed date and time to conduct SD.

In summary, the effects of globalization have intensified international competition and the process of privatization has created social problems. Plantation is a sector that has been affected adversely by the process of privatisation, which prevented a major contribution to the economy of the country.

¹³ In India, the rise of enterprise unions, generally independent and non-affiliated to apex bodies or political parties has been reported. "The new structure offered efficient solutions, better wages and more fringe benefits compared to the earlier ones that catered to large numbers in an environment of militancy and solidarity" (Jose:2002:6).

Plantation sector is volatile due to political and ethnic problems that have widened the gap between the workers and employers creating mistrust, suspicions and lack of cooperation. The process of privatization has further infuriated both workers and management and as a result, productivity declined. In this scenario, the employers of BPL realized the need for increasing productivity and went in for SD. Participative representation by improved communication channels avoided “voice deficit” of the poor, a characteristic feature of plantation. By keeping the union leaders on board, management could achieve productivity increase. The initiatives and the good intentions of the employers have been rewarded with trust, commitment and co-operation from the workers and the unions. The outcome of the process demonstrates that political and social factors are also relevant to be considered in the process of cultivating trust (in partnership) in a setting like plantation.

SD provides a successful platform and a competitive edge for the unions. The efforts of ILO in providing an equal platform for all its stakeholders through SD have succeeded in creating an atmosphere for “Decent Work” for workers through enterprise promotion. The experience of SD proves that a) success of SD is not automatic or instantaneous. b) It is a process that inculcates understanding and partnership. c) It requires capacity building measures and willingness from employers and; d) above all requires dignified treatment and respect from employers instead of a focus on maximising profitability.

In this paper, it is argued that SD could be used to gain the competitive edge if it is built on trust, communication and cooperation, which is the basis for harmonious labour relations. However, all the stakeholders involved within the enterprise and national level are required to realize the importance of this tool for success. The fruits can be reaped only with the efforts of all the participants collectively.

“Together we aspire: Together we achieve”.



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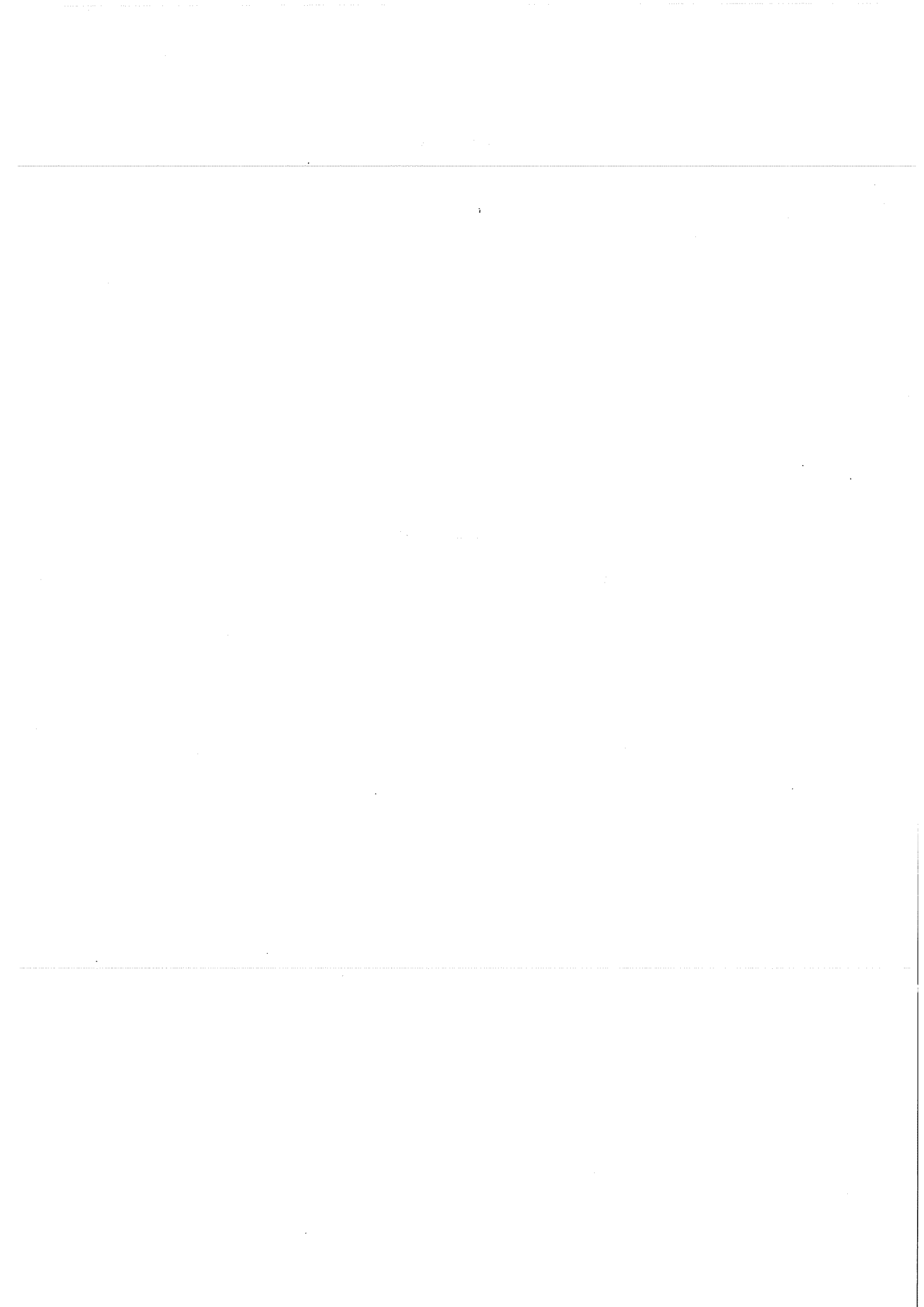
ANNEXURE 1

PARTICIPATION IN THE PROJECT

All participating enterprises had to comply with certain terms of ILO project. They were: i. Enterprises affected by globalization would be subjected to research on and document the process of SD. ii. The National Project Co-ordinator (NPC), recruited by ILO would monitor to document the process. iii. During the project period of 18 months, three seminars would be conducted. Participation by two management representatives and two union representatives were mandatory. iv. Same representatives were required to attend all the seminars to present the process of SD in the plenary. v. The participative workshops made the representatives of management and TUs dialogue with each other to prioritise the issues of importance. vi. The representatives were to take these issues for implementation through SD. Vii. Suggestions for improvement were collected from counter parts of other enterprises in the second meeting. vii. The third seminar is the conclusion of the process of SD (Sivananthiran and Venkataratnam:2005:3-5).

ANNEXURE 2

**REACTIONS OF UNION, FIELD OFFICERS AND WORKERS ON
SOCIAL DIALOGUE**



I am Prakasam
Trade Union Leader
Representing from Yogama Division of Mahaoya Group

AYUBOWAN EVERY BODY!

I am a crop master and a member of ILO. I am very glad and proud to say in front
Of you all, that Bogawanthalawa Plantations Ltd, in Sri lanka helped lot to the workers
Those who are working in the Plantation to get to know about ILO.

Accoding to my experience in Yogama Division we have not get the time like now
To discuss labour matter with the management. Also the management fail to come
For a round table discussion with us.

The Social Dialogue and Workplace co-operation has changed the attitudes of the
Management.

We are so happy. Also happy to work with Mahaoya Group.

The Social Dialogue and workplace co-operation helped me to get the workers benefits
Such as Retiring gratuity, Holiday pay, Labour wages in time.

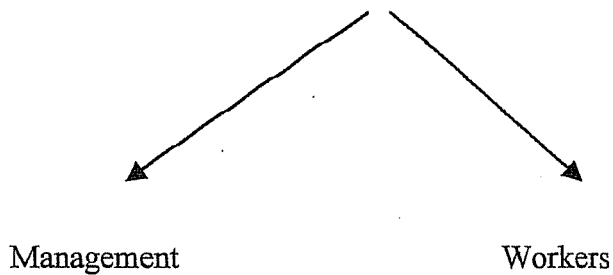
I am regard to ILO and My masters.

AYUBOWAN.

I am K.K.S.Kottingoda
Asst. Field Officer
Representing from Woodend Division ILO Member of Mahaoya Group.

Ayubowan!

Ladies and Gentlemen, the ILO is trying it's level best to open a gate in the fence.
You can see the improvement when you speak with us.
Workers and the management have stood on opposite sides of fence perceiving
Their interests to in conflict. Workers made demands, raise slogans, go slow
Or go on strike.
ILO hopes to change this attitude and initiate through Social dialogue between the
Two sides.



We are opening a gate in that fence so that each side can cross over and understand
The others problems and made adjustments in their attitudes.
The management gets the fullest co-operation from woodend division workers in order
To improve the productivity.

I am sure ILO encouraged us!

Thank you.

Output

2000	2002
58%	62%

>1000
30% 24%

Hello AYUBOWAN!

I am G.K.S.Ananda kumara
Field Officer
Representing from Rangegama Division of Mahaoya Group

International Labor Organization! What is this? Why are we so closer to this ILO?
It is a learning Organization.

ILO is a keyboard to us. Through the Social dialogue we can adept ideas, suggestions
And technics.It helps the management and the workers to have a round table discussion
And to solve the workers issues and demands.
Ladies and Gentlemen! I am happy to say here the ILO encouraged us to carry out
The most positive things to have a participatory management between the workers.
Problems have been solved through the Social Dialogue and found that there are no LT/MC
cases in my division.

This dialogue has a tremendous potential to do a world of good only if you practice it
Closer to their hearts.

Thank you.

The world best welder tree!

I am W.A.Pemaratne
Representing from Woodend Division ILO Team of Mahaoya Group.

AYUBOWAN EVERY BODY!

We find that the ILO opened our eyes to improve a lot. Attitudes, work place
Co-operation, self management & productivity improvements.
The work conditions for the workers at the Mahaoya Group of Bogawanthalawa
Plantations Ltd. (BPL), Sri Lanka have changed after participating in ILO workshops.
Our group workers are so happy that they have developed a slogan for their enterprise

“ Strength of Mahaoya Group hands earns gold for the nation”

I am very proud to say here upto now none of the groups have reached to Mahaoya
Group standard.

We are grateful to ILO!

Thank you!

I am W.G.Amarawanse
Representing from Uda-Yogama division of Mahaoya Group

AYUBOWAN!

First of all I must thank you for the Organizing committee for giving an opportunity
To do a small presentation.

Bogawanthalawa Plantation Ltd in Sri Lanka started it's communication with ILO in
Year 2000.

Now we are with ILO. ILO introduced the way to improve the productivity with a better
Leadership, Self management team & joint discussions.

I am an Officer in charge to my Division. 55.00 hectares of Rubber have been planted
in this area. There are 12 harvesting officers in my division.

We introduced a target tapping system in order to increase productivity and their living
Standards.

i.e 240 kgs. System
280 kgs. System

Through the target tapping system a worker can earn a sum of Rs. 8000/- for a
Month.

Benefit - Management	Benefit - workers
Increase in Intake per tapper	Increase in Monthly incomes- 33.5 days wages
Managed to harvest the Budgetted crop	Living standard can be modified
Avioding Vacant blocks	Co-operation in day to day operations
COP- brough down	Close relationship with the management
Higher productivity	
Increase in workers out-put	

Generally the workers are so happy to live. They are very prompt to do their duties.
I am so glad the workplace dialogue is one of the important precursors to improve the higher
Productivity.

We should not forget to thank ILO.
You know the ILO is a Key board to the Plantation.

Thank you.
AYUBOWAN to you all!

I am C.W.Gunasekara
Representing from Nugahena Division

I am the Officer-in-charge of Nugahena division. From the year 2000 We all are with ILO mindset.

What we faced earlier have not even imagined happening have now become routine.

Earlier there was a distance between the management and the workers.

In fact there are examples that they did not even talk to each others. The ILO changed Their minds and they were able to see things from the other side's.

Today we all are here and seated together earlier it's entirely different to this.

No labour tribunal cases. Only frank discussions between the management and workers Have manufactured this miracle.

Lack of trust between the management and workers.

We have to thank the Bogawanthalawa Plantations Ltd for introducing such Organization (ILO) for Mahaoya Group improvements.

We are so grateful to ILO !

Thank you.

I am Thilakarane,
Representing from Densworth Division of Mahaoya Group.

AYUBOWAN !

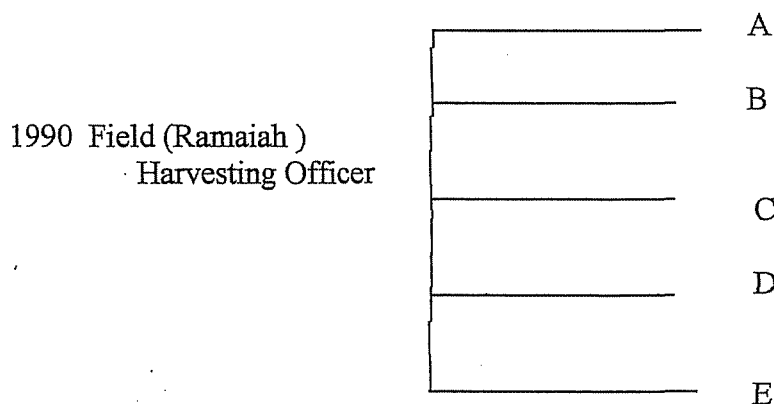
ILO. It's a guide to have a workplace co-operation among the management and workers side. It is a general belief – specially in the plantation if the management is prepared to do things, automatically the employees will follow soon.

I can say the Bogawanthalawa Plantation Ltd. made a history in Sri Lanka by introducing ILO into the Plantation.

I hope we are the key to get such achievement. Also I am proud to say here the BPL nominated two workers from Mahaoya Group as representatives on a study tour to India. It's not in the history of Sri Lanka.

Now I have a very good understanding with my workers and I started to do family tapping in my section in order to increase the productivity.

Family tapping is a team tapping . The family is selling the crop to the management and the Management prepared to pay the head of the family whose name is entered in the Estate Pay roll. Example – Ramaiah is a harvesting officer. His name is appearing in the Estate Pay roll.



5 Tapping blocks – monitored by Ramaiah with his family members

A – Ramaiah, B- wife, C- son, D- son, E - daughter

(18, 15 years of age)

Dealing with Ramaiah not with the family.

He able to earn a sum of Rs. 15750/- as his monthly income. After starting with the knowledge Of ILO social dialogue and workplace co-operation we are in a position to get our targeted YPH. Approximately 2244 kgs. Can be achieved.

It's a higher achievement to Mahaoya Group.

I like ILO very much!

I am Wijedasa

Representing from Yogama division ILO team of Mahaoya Group

AYUBOWAN to all of you!

Why are we here?

I like to get the answer from you.

The ILO helped me to improve the communication among the workers.

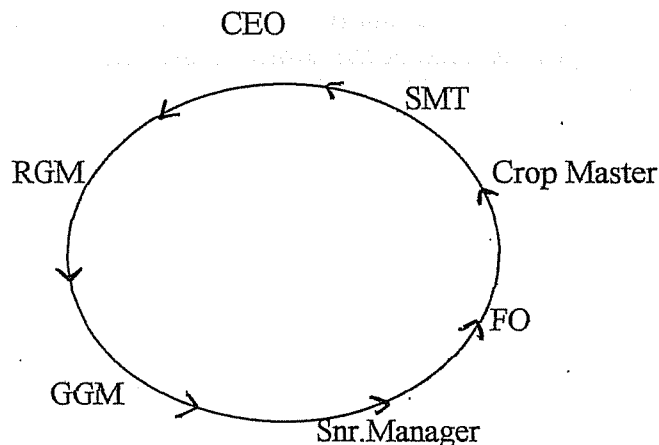
After privatizing the plantations in July 1992, the Mahaoya Group has taken over

By Bogawanthalawa Plantations Ltd in Sri Lanka.

BPL has a close relationship with ILO and we got an opportunity to have a workshop
With the management and workers.

We are the first in Sri Lanka introduced such type of Organization to get to know the
Better leadership, Self management, Quality worklife and Communication.

To get a higher productivity we have act as a chain. The Bogawanthalawa Plantation Ltd
Has already made a chain in order to achieve it's goal.



We adopted few communication methods to implement. The ILO helped me to exchange
My ideas and instructions to SMT in order to act.

I am very glad to mention the instruction and orders have been carried out in Yogama division
Very quickly and I feel 75% of improvements in Communicating system.

If you take the past years there is no such communication among the management and workers.
I hope that this a main reason for not achieving the highest performance in the Plantation sector.

Today we have come out from that position and ILO shows the correct path in order to get a
Better performance.

Now the importancy of communication has come to the light therefore the charges has been
Reduced to 65% in the world.

I take this opportunity to thank you for giving a short time to brief about ILO improvements.
GOOD LUCK FOR ILO.

YOGAMA ILO TEAM

I am Chandrasiri
Representing from Glassel Division ILO TEAM

AYUBOWAN!

I am incharge for Glassel Division. There are 40 harvesting officers in my division.
Mahaoya Group has managed by Bogawanthalawa Plantations Ltd in Sri Lanka.

ILO joined with us in year 2000. With the two years knowledge we found a lot between
The management and workers.

No labour matters. We found the ILO workshops were the great success to the Plantation.
More improvements. More advantages. More benefits.
Techincs of ILO is the secret. Therefore go ahead with ILO ideas.

Glassel division is a chain now. Easy to get the work from my harvesting officers.
Good understanding between the management and workers.
We should not forget the ILO and the BPL for helping us to reach the top level in Plantation
Sector.
Let me take the opportunity to thank you for organizing this workshop with NORWAY
Delegates.

GOOD LUCK!

I am M.W.Gunathilake
Representing from Bambaragala division of Mahaoya Estate

AYUBOWAN for all of you!

I am glad to say the ILO has brought MO workers into top level through Social Dialogue and work co-operation. I found a better leadership among the workers. The dialogue house serves to discuss only work related issues, welfare and the input required for it.

I will brief you, that how I found a better leadership in my Division.

Rajaratnam is a leader for 8 crop masters. The following works have been managed by him.

1. Manuring
2. Weeding
3. Tapping
4. Spraying chemicals

All the field work details have been properly maintained. I feel that in 1991 field We achieved a higher YPH. Rajaratnam highlighted this position in a very short period. In addition to this the International Labour Organization helped lot to have work place Co-operation between the management and workers.

Our main objective is to increase the productivity through the leadership.

Now I am proud to say that we have achieved the Highest YPH in Mahaoya Estate among The 10 divisions which are coming under this group in year 2001/02.
1104 kgs. From 146.79 Hectares.

ILO HELPED US TO PERFORM A BETTER LEADERSHIP!

Thank you.
Mahaoya ILO Team.

AYUBOWAN!

I am Sumanasekara.

Representing from Talapitiya Division ILO TEAM of Mahaoya Group

Can we achieve our goals with ILO? I can make sure if we implement the workplace Co-operation it's easy to reach the goal with in a short period.

In Talapitiya division the workers quality life has been changed. Why? Now the Workers have become a rich. How can they become?

The management sharing the knowledge with ILO for various steps to increase the productivity And the quality life.

Day to day operations have been changed. The targets offered to the worker to get maximum Crop for higher income. Workers challenged with us for their income. I noticed the ILO shared the benefits to both sides.

For the workers safety and for their living standard we planned to open up Individual Bank Accounts for each worker through SANASA Bank, Kegalle branch.

Workers are so happy at least they have a Bank Account Saving Book in their hand now. They are prepared to save a small sum of Rs. Out of their monthly income.

WE ARE PROUD OF ILO!

Thank you.

ANNEX 3

INCOME OF GLASSEL DIVISIONWORKERS

US \$ = approx. Rs. 101

	2003/04	2004/05
Number of tapping days	285	302
Average Annual Income per tapper		
Monthly (RS)	5500.00	8314.00
Annual (Rs)	66000.00	99771.00
Attendance for work	90%	94%
Profitability per hectare (Rs)	10580	12746

(Source: Company data)

Income of the workers of this division are not affected in spite of the recruitment of a new field officer.