

WORKER PARTICIPATION IN INDUSTRY

A worker is defined in the Industrial Disputes Act as "any person who has entered into or works under a contract with an employer in any capacity whether the contract is expressed or implied oral or in writing and whether it is a contract of service or of apprenticeship or a contract personally to execute any work or labour" The term worker therefore refers to unskilled and skilled workers and to the vast majority of Engineers in Industry. The views and comments of no such workers were invited when the laws relating to Commercial and Intellectual Property were drafted. However we are happy that our Institution of Engineers Sri Lanka was requested to send participants for a symposium on the above draft laws held recently at the Sri Lanka Foundation and organized by the Registrar of Companies and the Ministry of Trade. The draft company law which was considered had been prepared some years ago incorporating some of the provisions of the English Companies Act of 1948 and the Indian Act of 1956. Reports of the Committees of the Bar Council of Sri Lanka, Institutes of Chartered Accountants and Chartered Secretaries as well as Chambers of Commerce were placed before the participants of the Seminar for consideration in the light of changed conditions today.

Worker participation takes different forms in different countries and the Hon. W. Lalith Athulathmudali M.P., Minister of Trade, had requested the drafting committees to consider and submit proposals on whether it is necessary to build into the structure of companies, factors such as ownership and management in relation to workers, profit-sharing in relation to the work output as distinct from ownership, investment of funds of the working class in companies and the granting of loans to workers to purchase shares in companies. The committees had not put forward any proposals regarding these and the Hon. Athulathmudali stressed in his Opening Address of the Symposium that besides the capital invested by the shareholders, the workers had also invested their labour in the companies where they work and that due consideration must be given to the above factors.

On this very important subject, we may do well to learn from the experience of other countries. In the United Kingdom, the Nationalisation Acts lay down Joint Consultation machinery as a statutory requirement. The failure of Public Corporations to arouse the British workers' enthusiasm on the job has been attributed to the absence of worker-participation in management; changing the capitalists with political bureaucrats at the top has not made any difference to the workers. In Germany, the business magnates had given moral and financial support to Hitler. After the Second World War, Labour declared that the economic power of the business elite had been exercised irresponsibly in Germany before and during the Third Reich and that it must now be shared by the workers. The dormant ideology of co-determination was thus established allowing labour to acquire an equal voice with capital in management. It is also the practice in West Germany to have an Executive Board of Directors in all Industrial Companies where Engineers along with other workers perform a leading role. Leyland Motors in England had adopted this idea of having Engineers on the Board of Directors resulting in improved production and industrial peace. Before the establishment of Israel, it had been alleged that the Jews had always concentrated heavily on commercial and financial occupations and not much on manual or agricultural occupations. As this had resulted in Anti-Jewish feeling in Europe, the status and authority of the businessman in Israel has been reduced and that of manual labour has been raised. Thus workers' management gained a unique place and became institutionalised in the large economic holdings of the Labour movement. The workers in Israel own and manage many prosperous organizations including health insurance which is the country's largest medical organization. The workers in Yugoslavia have developed their own system for participating in management. A French decree of 1967 makes profit-sharing obligatory and compulsory. For example, workers in the Renault factory have been given shares. In the USA, profit-sharing is practised by several thousand companies. A wide range of experiments has been conducted in a great variety of organizations including boys' clubs, college classrooms, women's societies, factories of many kinds, offices, stores, scientific laboratories etc. on a tremendous variety of persons differing in age, sex, education, income, occupation etc. The conclusions have been invariably in favour of the crucial role played

by the workers in decision-making and determining their working conditions resulting in improved job satisfaction, higher production and industrial peace. Sweden was perhaps the first country to practise worker-participation and now Japan is also involved in this with great success. Many African nations have shown great interest in the Israeli experiments in cooperation and the Yugoslav system of workers' management and adopted them in thousands of farms and factories. Nearer home in India, Nehru's "democratic collectivism" has set up many joint consultation bodies, miscellaneous plant committees and other advisory councils.

We too should remember that the workers including the engineers are ultimately held responsible for the output of all industrial companies. In our country, where all major industries are managed by the State for want of local big capitalists, it is therefore encouraging to see the Minister take the lead on this subject. Even if the other professionals such as lawyers, secretaries, accountants and business promoters do not share our views we should support the Minister in his present course. We cannot say that his suggestions are too idealistic and inappropriate for our country. Let us not pretend that there has been no demand for these from the skilled or unskilled workers just because their trade unions have not made such demands. Perhaps, trade union leaders, do not like to lose the power they wield over the workers at present. But workers' councils or employees' council have been formed in the Government Corporations in Sri Lanka and though they have been opposed by both managers and trade unions and restricted only to consultation and not decision-making, yet some of these consultations have resulted in tremendous benefit to the country. The University of Sri Lanka has also co-operated by conducting adult classes for workers, to educate them and improve their knowledge of management.

Let us study these factors, and help make the laws of the land reflect the changes in society without much time lag. Worker-participation in form without content has been found to be ineffective in many countries. Also worker-participation in decision-making is not a panacea for all the ills that affect our industry. It does however, go a long way towards improving industry and making it efficient.