

Change the management but not the owners

Workers say after experiencing privatization

The need for a change in management though not necessarily a change in ownership is the view taken by many workers who have experienced privatization, according to a study released by the Centre for Poverty Analysis (CEPA) on Thursday.

"Many workers related privatization to their own welfare and agreed that privatization of the company had been beneficial," said Nilakshi de Silva, co-author of the report. "However, some workers, especially those with more years of education, tend to look beyond their own experience, at issues such as the impact on development of the country," she continued.

Co-incidentally released on the same day as a headline from a major newspaper announced the death of the Public Enterprises Reforms Commission (PERC), a jam-packed audience turned out to hear this latest research report from CEPA, analyzing the social impacts of privatization on employees in the manufacturing sector.

The fact that such a crowd turned out is perhaps indicative of the public interest in this issue despite the current 'no privatisation' policy of the government. "We've never had so much interest in our forums before," remarked de Silva as more people tried to crowd into the tiny space.

The researchers found that while workload under privatization had increased, workers were not necessarily unhappy about it. "Often, under government control, the organizations were overstaffed, so workers now do more work with less staff," said de Silva. However, a shift to performance based incentives provided a trade off for the increased workload it seems.

The news was not all positive and many workers were unhappy with increases in rules and regulations that accompanied privatization. Some concerns about job security were also expressed. The authors also found that workers fear about privatization

Studies of the impact of privatization often focus on company profits or productivity. However, this study focused on the perceptions and experiences of workers through interviews and surveys. The authors stressed the importance of their approach, noting "too often people mistake worker perspective for union perspective." Indeed, one of the findings of the study was that, "in an environment much less influenced by party politics, many employees have abandoned previously strong trade unions."

A union official present at the release was particularly vocal throughout the discussion period, questioning the need for this study at all given the current political context. Malathy Knight-John, Research Fellow, Institute of Policy Studies, had to draw some order, noting, "just because it is the stated policy of this government of no privatization does not mean we should not discuss the issue. This is something that happened in this country." The study was criticized by the audience for its focus on workers from the manufacturing industry, meaning the results could not be generalized to other sectors. The authors acknowledged this limitation although noted they deliberately chose to focus on an industry that employed less skilled, less affluent workers to understand more about the impact of privatization of workers more vulnerable to impoverishment.

The full report, along with other research papers on poverty issues in Sri Lanka, is available from CEPA