

The Resilient Firm

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Abstract: - Resilience is a commonly used word to denote tenacity or ability to get back into action after tragedy or downfall and could be applied to any socio-cultural, economic, political, or psychological situation. In psychology is the positive capacity of people to cope with stress and catastrophe and includes the ability to bounce back after a disruption and become human despite the blows of fate is known as resilience. It can be used to indicate having an adaptive system that uses exposure to stress to provide resistance to future negative events. Survivors of tragedy, either infants or adults can look back at the scars left by their past with the help of two powerful words, namely- 'resilience' and 'oxymoron' (Cyrulnik, 2009).

This research paper would like to focus on the cases of 2 nations, namely India and Argentina in their special efforts to nurture the resilient firm that stood up against all odds to present a shining example of tenacity amidst unemployment and sickness of the firm that made workers surplus. However, in urban India, Kamani Steel Tubes (KST) presents a story of a sick firm that shut down and rendered workers unemployed. These workers became empowered and got together to be a part or the entire solution to the problem of unemployment and poverty experienced in a 'Shining India' of high economic growth rates. This becomes pivotal for achieving 'inclusive growth' (Planning Commission, 2007) and sustainable livelihoods via community-based models of development. This case represents a true effort of making academic research relevant as shared in our doctoral analysis (Nair, 2008) of empowering local level people who are unemployed or under-employed to implement a micro model at the community level providing the underprivileged or marginalized segments of society with skill development and entrepreneurial talent.

Keywords: *Resilience, India, Argentina, Case Study.*

I. INTRODUCTION

The origins of the word 'resilience' can be traced back to physics implying a body's ability to absorb an impact. But, resilience experts like Boris Cyrulnik feel otherwise as it gives too much importance to the body's substance. Thus, when the concept got to be used by social sciences, it came to mean, "...the ability to succeed, to live and to develop in a positive and socially acceptable way, despite the stress or adversity that would normally involve the real possibility of a negative outcome" (Vanistendael, 1996; p.9). The ability to knit together a feeling of selfhood seems to be a major factor in the aptitude for resilience. It is imaged on the concept of knitting of a sweater from various developmental, emotional, and social strands of wool as it represents an ability to knit together a feeling and sense of 'selfhood'

making it a mesh (based on personal and social resources) and not a substance. It can be understood as the ability to live and develop in a positive and socially acceptable way, despite the stress and adversity that would normally involve the real possibility of a negative outcome. Resilience is the ability to master transitions that can be learnt over time and is subject to change throughout a person's lifetime (Cyrulnik, 2009; Sedmak, 2010).

Cyrulnik's exploration of the concept of resilience ever since he has tried to discover the lost continent of childhood cited in his numerous examples of novels like *Sans Famille* (Malot, 1933), *En Danger de silence* (Enjolet, 1999), *Oliver Twist* (Dickens, 1960), and *City of Joy* (Lapierre, 1985) reiterates the same idea that sufferings are not in vain and victory is always possible. An interesting facet of the resilience history lies in the fact that despite the familiarity of this concept with most practitioners, it is hardly studied on account of cultural overtones that still view survivors with suspicion and only victims as innocent. However, traumas strike differently as they occur at different times and affect different psychic constructs (Cyrulnik, 2009); thereby making it difficult to homogenize the definition and strategies of resilience.

II. RESILIENCE IN ECONOMICS

The concept of resilience may have origins in physics or be rampantly used in psychology, but also has bearings on other important areas of human activity, particularly economic. Resilience is not resistance and is often challenged and called for in adverse situations that threaten positive personal development; especially cases of unemployment in the aftermath of the global financial crisis. Unemployment depicts a situation where labor is able and willing to work at the existing market wage rate, but is denied a job; thereby pointing to a mismatch between demand and supply of labor. The Global Employment Report of the ILO clearly shows increasing signs of a jobless growth in recent times of slow recovery. ILO's calculation of unemployment is computed by taking the number of people who are seeking employment in the last four weeks and are available for work within 2 weeks prior to the survey, plus those waiting to start a new job (www.ilo.org). This definition itself is not adequate as a number of part-time, casual, temporary, and non-classified workers are left out from the employment bracket, wrongly considering them unemployed indirectly. Similarly unemployed people seeking employment may find regular or odd-jobs and be taken as unemployed as

employment figures are not updated regularly, especially due to data and time lags in developing nations like India. This miscalculation of employment-unemployment figures worsens ambiguity and action programs for reducing unemployment.

Unemployment has become almost regular with its type and nature differing from nation to nation and depending on the phase of the business cycle. Employment gives economic and related socio-psychological status and materialistic meaning to people's life and could be a nerve-wrecking and emotionally disturbing experience for the unemployed as families and societies ostracize the non-earners or so-called parasites. In this context, resilience and not resistance proves to be a handy tool for people to bounce back in the face of adversity and still find meaning in one's existence and societal role/s. It helps people cope with crises and bounce back to normalcy by finding solutions outside traditional modes or market-based structures. The era of permanent life-long jobs with security is over as labor markets world over are in turmoil and transiting. So also are welfare-states and social security systems in doldrums implying that the unemployed need to find solutions beyond cushy government or private sector jobs. The crises deepens as macro-economic models of full-employment crumble and thus, micro solutions and actions are urgently required at the grass root levels; along with a connection between the 2 levels via meso analysis.

III. THE RESILIENT FIRM-SOME CASE STUDIES

This research paper would like to focus on the cases of 2 nations, namely India and Argentina in their special efforts to nurture the resilient firm that stood up against all odds to present a shining example of tenacity amidst unemployment and sickness of the firm that made workers surplus. However, in urban India, Kamani Steel Tubes (KST) presents a story of a sick firm that shut down and rendered workers unemployed. These workers became empowered and got together to be a part or the entire solution to the problem of unemployment and poverty experienced in a 'Shining India' of high economic growth rates. This becomes pivotal for achieving 'inclusive growth' (Planning Commission, 2007) and sustainable livelihoods via community-based models of development. This case represents a true effort of making academic research relevant as shared in our doctoral analysis (Nair, 2008) of empowering local level people who are unemployed or under-employed to implement a micro model at the community level providing the underprivileged or marginalized segments of society with skill development and entrepreneurial talent.

3.1 Kamani Steel Tubes-A Tale of Ruins to Recovery

Kamani Tubes Limited (KTL) set up in 1960 by the Kamani Group of Industries belonging to Shri N. R. Kamani had facilities at Kurla, Mumbai for manufacture of 3000 tonnes per annum of copper alloy tubes and 3200

tonnes per annum of copper alloy rods/sections. The unit, closed since September 1985 was reopened in 1988 when, at the behest of the Hon'ble Supreme Court of India, a workers' co-operative society took over the company after the sanction of rehabilitation scheme by BIFR in September 1988. To implement the scheme IDBI Bank was appointed the MA (Monitoring Agency). However, as the company could not implement the sanctioned scheme, BIFR at a hearing held on May 26, 1995 declared the scheme as failed. Subsequent attempts to revive the Company failed to materialise and a scheme agreeable to all parties to generate funds & settle dues could not be formulated.

KTL was a sick company that was taken over by Mrs. Kalpana Saroj in 2006. The new management has paid off existing debt & liabilities and has installed state-of-the-art technology at the plant in Wada. It has shown serious intent in reviving the company and turning its fortunes around. KTL has started its operations in its new premises at Wada and now is no longer a Sick Company. The vision of the company is to aspire to be the global industry in supply of Copper and Copper Alloy products, and to be a responsible member of society and planet in doing so. To be consistent with values of their founder Shri Ramjibhai Kamani, and promoter Mrs. Kalpana Saroj and manufacture the quality of product for our customers which will enable them to

- Improve their products and operations
- Save cost
- Strengthen the market presence

Their values include the conduct of business with honesty and transparency in order to work for benefit of the communities served and create an awareness towards the environment, as well as guarantee safety at work place.

The patriarch's son, Navinbhai Kamani in his eighties, doesn't betray any emotion over the fate that has befallen him and his industrial empire. He has "detached" himself from the past; the glorious years when the patriarch Ramjibhai Kamani, his father, rubbed shoulders with Gandhiji and later Pandit Nehru paving the road for an industrial India, along with the Tatas, Birlas, and the Bajajs. Navinbhai now leads a spartan life in a rented house in Mumbai's Worli amid constant threats of eviction. The fact that, in June 2011, the Board for Industrial and Financial Reconstruction (BIFR) released Kamani Tubes Ltd (KTL), a group company comatose for decades, to chart an independent course doesn't stir him at all. As chairman of KTL, he had handed over his embattled company to workers in 1988, after a prolonged spell of labour trouble. A Supreme Court-directed move, it was then hailed as a bold experiment in worker ownership and management. Unfortunately, KTL, which made non-ferrous metal tubes and pipes hit the rocks within a decade with the company retiring sick in 1995. Yet, when the stoic Navinbhai learns that the current KTL chair,

KalpnaSaroj, who bought the company and nursed it back to health in a daring revival scheme, starting 2006, is a Dalit. She visited him to write out a cheque for Rs 51 lakh covering his dues, including provident fund, as part of the KTL restructuring exercise. She, still immersed in the minutiae of blowing life into the company, however, fails to comprehend the significance of the situation; a dalit, once a denizen of the city's slums, bailing out the scion of a once mighty industrial empire. Now she presides over varied businesses. The single factory Sai Krupa SakharKarkhana in Ahmednagar, in which she holds a substantial stake is graduating to an integrated sugar complex as its capacity has been enhanced to 7,500 TCD (tonnes of sugarcane crushed per day), and a 60 KLD (kilo litres per day) distillery is coming up. "We are also building a 35 MW co-generation power plant," she says. A diversification into steel manufacturing and mining has come about recently. Initial investments of Rs 10 crore for a 100 tonnes per day steel plant has been made at Wada, on the outskirts of Mumbai. A bauxite mining initiative across 1,230 acres in Udgir along the Maharashtra-Karnataka border, is being drawn out. Meanwhile, she has also resurrected the Kamani brand in the Gulf through Al Kamani in Kuwait and KalpnaSaroj LLC in Dubai to cater to the huge demand for copper tubes, especially from the water and sanitation sector. "The Arabs are familiar with the brand," recalls Navinbhai. "They would, in my time, often pay a premium for our products."

A dual tale of resilience is presented by KamaniSteel Tubes, as well as Saroj, daughter of a police constable has had a troubled past. She was married off at 12, and migrated to Mumbai's slums. A broken marriage forced her to return to her village. She couldn't fit in, and therefore, attempted suicide, and survived. Determined to chart her own destiny, she returned to Mumbai and laboured for Rs 2 a day at a hosiery unit, married again, took over a steel almirah fabrication business on her husband's death, and stumbled into the construction business. From then on, she rode the realty wave. Alongside, Saroj dabbled in social work, which brought her into close proximity with politicians of all hues. It enabled her to climb the social ladder quickly. Her critics view this as an opportunistic trait, but it's also true that business easily cultivates friends and patrons in high places. "My capital has always been people," explains Saroj. Her tryst with KTL was also thrown up by the ecosystem she was in. The company was weighed down by a debt of Rs 116 crore, salary and provident fund dues of over 500 workers, and over 170 court cases. "Takeover suitors would appear, conduct a due diligence and flee for dear life," recalls Ramesh Bondkar, general secretary of KamaniKamgarEkta, KTL's workers union. However, Saroj bid for the company when it was put up for sale by IDBI, the operating agency of the BIFR. In March 2006, her scheme for revival was accepted. She settled all claims by lenders. Workers dues of over Rs 8.5 crore were cleared. "I paid Rs 90 lakh more than what was due to workers as a gesture of goodwill," explains Saroj (Karunakaran, 2011).

3.2 Road to Resilience

Another case of a resilient organization can be cited in the Cranfield School of Management's research on corporate resilience. The report *Roads to Resilience* demonstrated the qualities that make companies resilient to make them superior in other respects. Among many other things, they have better reputations, loyal staff and suppliers, and strong relations with their customers. Thus, they concluded that resilience should be at the heart of corporate strategy. In 2011 they published *Roads to Ruin*, which looked at 18 individual case studies of catastrophic failures of risk management involving 23 companies and identified several common failings that can cause crisis, regardless of sector. *Roads to Resilience* is the other side of the coin; its main purpose was to investigate successful, resilient organizations and whether they also have features in common. The short answer is that they do and the attitude of the board is invariably pivotal.

To find out what makes a company resilient, researchers from Cranfield School of Management interviewed senior staff with risk management responsibilities, including chief executives, at AIG, Drax Group, InterContinental Hotels Group, Jaguar Land Rover, Olympic Delivery Authority, The Technology Partnership, Virgin Atlantic and Zurich Insurance.

It was discovered that enterprises become more resilient by being more responsive to their customers and the markets they serve and that resilient companies do not just happen. They have cultural and behavioural traits that encourage all employees to be flexible, customer focused and alert to danger. Just as certain factors crop up repeatedly in failing companies, the resilient organizations adhered to all of five common principles even though they operate in very different environments. The five principles of resilience are:

1. Risk Radar – the ability to anticipate problems before they develop, partly by seeing things in a different way.
2. Resources and Assets – that are well diversified, providing the flexibility to respond to opportunities as well as adverse or changing circumstances.
3. Relationships and Network – that enable risk information to flow freely throughout the organization up to directors to prevent the "risk blindness" that afflicts many boards.
4. Rapid Response – to ensure that an incident does not escalate into a crisis or disaster, and that people and processes are in place to restore things to normal as quickly as possible.
5. Review and Adapt – the ability to learn from experience, and make the necessary changes so that every adverse event or circumstance is analyzed and evaluated,

and improvements made to strategy, tactics, processes and capabilities.

Top management at these organizations take resilience extremely seriously. They appreciate that, although risk controls are essential, they are only part of the story. Nurturing the right culture and behaviour is the key to resilience. This requires leadership from the board and a relationship based on trust with staff, suppliers and other key stakeholders.

At Virgin Atlantic, for example, senior executives work in one corner of an open-plan office on the second floor. Colleagues can come to them with their thoughts and there is a no-blame culture.

To quote the head of internal audit, on secondment from a big-four professional services firm: "There is an executive team who do not really have egos. They are happy for you to go and have an honest conversation with them."

As a result, vital risk information travels around the company and the board make well-informed decisions. This contrasts with the risk blindness evident in virtually every corporate failure identified in our first report *Roads to Ruin*.

Virgin Atlantic helps to illustrate another of our report's themes. Although the five principles of resilience are essential, they do not exist in a vacuum. They reflect four aspects of any company, which we have called "business enablers": leadership and governance; people and culture; structure; and strategy, tactics and operations.

3.3. American Case Study of the InterContinental Hotels Chain

At InterContinental Hotels Group (IHG), a lot of time and effort goes into creating the right resilience culture. To quote the head of global risk management: "You've got to have the right culture, otherwise you're never going to embed anything. Nobody's going to do the training, nobody's going to put it on their personal agenda and talk about it."

IHG has defined a structure that ensures risk management is embedded throughout the organization. According to their 2012 annual report: "IHG recognizes the importance of having in place an effective system of internal controls and risk management to achieve our vision of becoming one of the great companies in the world." The hotel chain aims to raise risk awareness at the board, executive committee, throughout the leadership teams in the regions and functions, in every hotel and with all employees. The various processes for dealing with risk are applied across three levels: strategic; tactical; and operational.

The understanding of risk is intricately linked to reputation. To quote the annual report again: "The

purpose of risk management is to champion and protect the trusted reputation of IHG and its brands." The ambition is to foster a culture where risk management becomes instinctive. Risk governance is established through a cross-function working party that meets four times a year. Risk information is constantly collected, communicated and assessed; the output is used to drive discussions at the executive committee, audit committee and board.

Through having risks identified and plans to deal with adverse circumstances already in place, IHG has developed an ability to deal with unexpected situations. Training and informal discussion groups are used and crisis management scenario planning sharpens the culture. IHG has developed risk awareness, a structure and a culture that allows information to flow freely (www.airmic.com).

3.4 Workers Defend Recovered Factories

This is a tale of resilience of a ceramic factory in crisis recovered by workers. When Luis Zanon decided to abandon the ceramic factory in Argentina's southern province of Neuquen, over which his family had held legal ownership since 1984, the factory's debt was more than \$170 million. Following Argentina's economic collapse in 2001, the Zanon family left the country, accessing foreign accounts that had accumulated millions, and presumably leaving the factory to become a forgotten warehouse with broken windows, overgrown weeds and rusty machinery.

But 266 out of the 331 employees of the Zanon factory, some of whom had worked there for more than 15 years, and all of whom were owed months in back pay had a more creative response. They would continue going to work every day, producing the tiles and running the factory themselves. In place of the strike, where labor is withheld in protest, Zanon's workers opted for re-inventing forms of labor and counter-power, where organizing emerged out of participation in lived experience.

Today, Argentina's "recovered factory" movement includes more than 200 businesses that have been successfully producing without owners or bosses, incorporating more than 10,000 otherwise unemployed or underemployed workers. Threats of eviction, kidnappings, police violence, terror by hired gangs, direct opposition from local politicians and apathy on the part of Argentina's current president, Nestor Kirchner, are all obstacles to the movement--and constant reminders of a weak transition to democracy from the military regime that ruled Argentina from 1976 until 1983.

As workers struggle to gain legal status for their cooperatives and full expropriation of the factories within a court system designed to protect private property, a network of solidarity has formed strong links despite the

state's repressive apparatus. A laboratory of democracy within the factories and their surrounding communities has emerged, where a concrete alternative to corporate capitalism has redefined success as the creation of work and social inclusion, rather than a measurement of profits.

The failure of the neo-liberal model is epitomized in the case of Argentina, as 20 years of unrestrained borrowing left the country with the world's highest per-capita debt by the end of 2001. When the government defaulted on its \$140 billion debt to the International Monetary Fund, the World Bank and private lenders such as Bank of Boston and Citibank, the peso, pegged one-to-one with the U.S. dollar by President Carlos Menem (1989-1999), devalued 70% forcing half of the country's 37 million residents below the poverty line overnight. Once the jewel of Latin American economic prosperity, Argentina found itself with unemployment rates as high as 25 percent. Menem had doubled the country's gross domestic product by privatizing almost all national assets. Despite a rise in unemployment due to downsizing brought about by privatization, banks continued to loan Argentina billions of dollars. On December 19, 2001, the citizens of Argentina woke up to find their bank accounts frozen, thus evaporating the working middle class.

Over the next two days, mass protests and demonstrations were staged by groups of workers and large sections of the (now former) middle class, as a shocked nation poured onto the streets of all the major cities. Over the next week, the populace forced out a total of four presidents. By refusing to wait until the next election to vote the president out, the citizens of Argentina exercised horizontal accountability in its ultimate form. "Que se vayan todos!" ("They must all go!") was the popular cry. Argentina was holding accountable not only individual politicians, but the system itself. Notwithstanding, the country was left devastated, as police repression left 35 dead, thousands wounded and another 4,500 imprisoned. Shortly after, civil society spontaneously organized popular assemblies and elaborate barter systems termed trueque, and the piquetero movement of unemployed workers organized protests throughout the country.

Referred to as occupied or recuperated factories, worker-run factories, grass-roots cooperatives, factories under worker control, self-organized and self-managed factories or democratic workplaces, the recovered factories of Argentina are a concrete economic alternative to corporate capitalism. The pattern is typical as the owner, after a period of cutting back on worker wages and benefits in order to cut on costs and minimize debt, locks out workers and abandons the property, perhaps filing bankruptcy and liquidating other assets in order to salvage whatever possible. The workers, defending their jobs and livelihood, organize and prepare to occupy the property, opting to get the factory running again, rather than face unemployment. Working together with other organized sectors of the community, the workers gain support from students, unions and members of the unemployed worker's

movement known as piqueteros. Together, they stage demonstrations, camp out on the property and produce literature regarding their struggle. The space is then recovered and production begins. When state forces attempt to evict the workers, the aforementioned groups unite and collectively prevent police entry. The internal organization of the factories is based on horizontalism, direct democracy and autonomy.

This process is not limited to factories, as other recovered workspaces include clinics, book publishers, hotels, supermarkets and bakeries. A working-class solution and successful act of resistance, it has not come with ease and does not enjoy certainty or security. Legal attacks, death threats and physical harm have come to workers at many of the 200 recuperated businesses operating without bosses, owners or foremen since idle workplaces began to be taken over in the late 1990s. Yet of those recovered since the 2001 economic crisis, which left 3,900 bankrupt factories in Buenos Aires alone, 60% have taken on more personnel, employees earn more, and production is higher than at the time of abandonment. Though unique circumstances surround each case, the dominant pattern within recovered factories is the practice of direct democracy and direct action, with decisions made in a general assembly and each worker having a vote and a voice. Some are demanding to be recognized as co-operatives while others want state ownership, but all demand a say in what happens to the bankrupt businesses.

Perhaps the most crucial issue the movement has brought to light is that of legitimate ownership. Questions like what claims do workers have over factories and the machinery within them, and how does this challenge normative notions of private property? This takes on a particular relevance, since part of Menem's neo-liberal policies was to heavily subsidize businesses such as those now "recovered" by the workers. In this way, the factories were built and run with public funds and on public land, leading workers and community members to consider themselves the subsidizers of the factories and the machines therein.

Though the government of Argentina gave many recovered businesses temporary two-year permits to function, these have all expired. The Federal Supreme Court of Argentina has ordered the eviction of workers, offering instead government-sponsored micro-enterprise projects for 150 pesos a week (roughly US\$50). In the recovered factories, where all are paid equally, a worker may earn up to 800 pesos. The workers' response has been to lobby the courts to recognize the workers' administration as legitimate and legal. Within the present legal limbo, it is impossible for workers to secure bank loans for machinery repair or replacement costs. In defending the autonomous management of their workplaces, the workers are also petitioning the courts for a one-time government subsidy of US\$5,000 per job to cover start-up costs.

In Neuquen, the Zanon ceramic factory has been renamed FaSinPat by its workers, short for "Fabrica Sin Patrones" ("Factory Without Bosses"). It is the best-known and most politicized of all the recovered factories, producing without an owner or boss since March 2002. The Zanon family, who gave Italian names to the tiles they sold, had never paid taxes, had exploited workers and had stolen land and raw resources from the region's indigenous Mapuche community. Under the management of the Zanon family, the factory had between 25 and 30 serious occupational accidents per month and one fatality per year.

Since the workers recovered the factory, working relationships have been reinvented; elected committees oversee the running of the plant and all decisions are made in assembly on general consensus, everyone has the right to be heard, every worker has a vote, all workers are paid equally, and there have been no occupational health and safety crises. There have been 170 new hires as of April 2005, production is higher than when the Zanon family locked out the workers, and the tiles now have Mapuche names in honor of the factory's neighbors and allies.

The workers keep the community informed and involved, and a space has been created within the factory for meetings, art exhibits, musical events and community gatherings. The FaSinPat workers have resisted five eviction attempts with the solidarity and help of the Mapuche, neighbors, students, workers from the piquetero movement, and even the prisoners of the nearby Prison #11--who shared their food rations with workers when they initially recovered the factory. They have also received support from the Mothers of Plaza de Mayo--the organization of mothers and grandmothers of some of the 35,000 students, workers, union organizers and activists who disappeared during the "Dirty War" waged by the military dictatorship of 1976-1983, who have marched in Buenos Aires' central Plaza de Mayo since 1977, demanding to know the fates of their loved ones. Each eviction attempt has been ordered by the Federal Supreme Court and, each time, the police have been met by thousands of people defending the workers. But the eviction attempts have become increasingly violent. In an incident, a worker was kidnapped and tortured in a green Ford Falcon--the same make and model that security operatives used during the Dirty War.

For a long time, bids were accepted on the factory in a court-ordered process for paying back the debt as an alternative to declaring the company bankrupt. Under Argentina's new bankruptcy law such "cram-down" bidding makes it easier for private (often foreign) companies to take over Argentine assets. When the week passed and nobody had placed a bid, the workers at FaSinPat considered it a step forward in their struggle to be legally recognized as a cooperative. But the judge who announced the cram down suddenly made an exception, accepting a bid that came in after the deadline. The bid

came from a company named Ocabamba SA whose owners are the son and wife of Luis Zanon. Some recovered factory workers have adopted the cry, "Stop Asking." They have shown what happens when we stop asking and start doing. Their creativity has redefined their social and political relation to Argentina and the world, deconstructed hierarchical forms of production and social organization and challenged norms of legitimate ownership and private property--all through their refusal to allow their workplace to be taken from them. Their positive act of working has had the power to disrupt (neo-liberal) business as usual. Their experimental alternative to profit-driven production in their laboratory of democracy holds out the hope of new economic relations across the globe.

Shortly after his election in 2003, President Kirchner was visited by IMF managing director Rodrigo Rato. During the visit Rato said to Kirchner, "At the IMF we have a problem called Argentina." Kirchner replied, "I have a problem called 15 million poor people." Perhaps now, what is needed is for President Kirchner to act on the human rights platform he ran on and recognize the solution that Argentina's own workers have forged (www.warresisters.org).

IV. THE ROAD AHEAD

The road ahead is of the resilient firm that survives in the face of adversity and workers form the backbone of this survival strategy in the form of 'workers participation'. The phrase workers' participation is used loosely to encompass various forms of workers' participation in decision making, usually at the enterprise level. They complement other forms that may exist at the industrial or sectoral level and the national level, such as bodies for tripartite cooperation. The types of workers' participation arrangement differ widely with regard to their functions and powers, ranging from informal individual employee suggestion schemes to co-determination of certain matters by workers' representatives together with management. The mechanisms used for encouraging employee participation vary so widely that it is impossible to review them fully here. The main forms that have attracted recent interest, particularly in the field of work organization, are reviewed below; to these could be added the historical example of self-management by workers in former Yugoslavia. As particularly relevant today, joint safety and health committees are examined as a special form of workers' participation within the larger labour relations context.

The idea of workers' participation arose in Europe, where collective bargaining has usually been at the branch or industry level; this often left a gap of employee representation at the enterprise or plant level, which became filled by bodies such as works councils, works committees, enterprise committees and so forth. Many developing countries have also adopted legislative initiatives with a view to having works councils or similar

structures set up (e.g., Pakistan, Thailand, and Zimbabwe) as a means of promoting labour-management cooperation. The relationship of these bodies to trade unions and collective bargaining has been the subject of considerable legislation and negotiation. This is reflected in a provision of the ILO Workers' Representatives Convention, 1971 (No. 135), which states that where both trade union representatives and elected representatives exist in the same undertaking, measures shall be taken to ensure that the existence of those representatives is not used to undermine the position of the trade union. There could be direct participation or co-determination through work councils.

Workers may participate in decision making either directly themselves or indirectly through their representatives – trade unions or elected employee representatives. Since the 1980s, there has been a spread of direct participation by workers, if the term participation is understood as the exercise of any influence on their work or how it is to be carried out. Thus workers may “participate” in work-related decisions not only when there is an institution, such as a quality circle, at the workplace. Accordingly, a simple exercise of work enrichment may be a form of promoting direct participation of workers.

Direct participation may be on an individual basis, for example, through suggestion schemes or “enriched” work. It may also be on a group basis like in quality circles or similar small-group activities. Teamwork in itself constitutes a form of group-based direct participation. Direct participation may be integrated into decisions about daily work, or it may take place outside daily work, such as in a voluntary quality circle that cuts across the group structure habitually used.

The other form of workers participation could be through co-determination via work councils. The term works councils describes arrangements for the representation of employees, usually at the plant level although they also exist at higher levels (company, group of companies, industry, European Union). The relationship to trade unions is often delineated by legislation or clarified by collective agreement, but tensions between these institutions sometimes remain all the same. Extensive use of works councils, sometimes called workers' committees, cooperation committees or otherwise, is well established in a number of European countries, such as Belgium, Denmark, France, Germany and the Netherlands. Several Central and Eastern European countries, such as Hungary and Poland, have enacted legislation to encourage the emergence of works councils. They are found as well in some countries in Africa, Asia and Latin America; part of the post-apartheid labour law reform in South Africa, for instance, included establishing a form of works councils alongside trade union structures.

The works council must observe the principles of cooperation with the employer and the peace obligation

(no work stoppages); it also must cooperate with trade unions present and with the appropriate employers' organization. Works councils are bound to conduct their business impartially, without regard to race, religion or creed, nationality, origin, political or union activity, sex or age of the employees. The employer provides the facilities for the works council, funds it and is liable for its actions.

The practice of establishing joint project groups to study the best ways of introducing technological or organizational changes through the joint efforts of managers and workers is a traditional feature of labour relations in some countries, such as Sweden. A joint project group is normally composed of managers, workplace union representatives and shop-floor workers and often assisted by outside experts. The management and the union concerned often establish joint project groups separately on four issues: new technology, work organization, training and work environment. The Swedish model of joint project groups presents a notable example of direct participation of shop-floor workers within a framework of established collective labour relations. The system is also found in other countries, such as Germany and Japan. The above discussion clearly shows the emerging role and importance of workers cooperation and participation in management that is the essence of a resilient firm in modern times in many countries across the globe. This trend has become important in an era of industrial restructuring and transfer of many public sector sick companies into the hands of private sector management or workers ownership of the companies they hitherto worked in. the traditional bias of considering workers in conflict with management as wage-earning interests clashed with profit-seeking ones is losing ground as worker-run enterprises are in vogue. Thus, ‘win-win’ partnerships are emerging among workers and management that redefine the landscape of industrial ownership and restructuring of a modern resilient firm that can withstand competition from within and outside forces causing industrial strife and labour unrest.

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