

Jaqalanka Limited and Free Trade Zone Workers Union (FTZWU)
Dispute Settlement Process
Progress Report from Centre for Policy Alternatives
as of January 2004

The dispute between Jaqalanka Limited and Free Trade Zone Workers Union (FTZWU) was successfully settled after a roundtable discussion held on the 14th and 16th of October 2003 (please see previous communications for more information about the roundtable discussion). Since then, the Centre for Policy Alternatives (CPA), an independent public policy organization in Sri Lanka, has acted as a representative of the Fair Labor Association (FLA) in facilitating the execution of the Agreement that resulted from the roundtable discussions.

Introducing the Agreement

On the 22nd of October, 2003, CPA held a meeting at the Jaqalanka Limited factory in the Katunayaka Free Trade Zone to introduce the Agreement to the management and employees. The meeting was also attended by Anton Marcus of the FTZWU, Mr. Daya Senaratne, Labour Commissioner, Zonal Coordination and representatives of Nike, Inc. A number of issues raised by the audience were clarified at the meeting.

In accordance with the Agreement, three progress review meetings were convened by CPA in the months of November 2003, December 2003, and January 2004. Progress has been made in the following areas:

- **Training and Capacity Building**

It was decided at the review meetings that Jaqalanka Ltd would undergo ILO training focusing specifically on freedom of association in the context of the present situation. About 45 staff members belonging to both the management and employee categories of Jaqalanka Limited have duly undergone training covering relevant issues such as: freedom of association as applicable to Jaqalanka Ltd; the rights of workers under Sri Lankan law; and examples of non-union and unionized employees working together. Further training programs to be undertaken by the parties are currently being discussed.

- **Internal Grievance Procedure (IGP)**

As per the Agreement, the Jaqalanka Limited internal grievance procedure (IGP) was revised. One of the changes made was to accommodate representation of trade union members by the branch union. The other was to make certain steps in the IGP optional, with the aggrieved having the discretion to access higher levels of authority directly. The revised IGP has been in effect since the 17th of November 2003.

- **Modalities of Access and Organizing Rules**

A set of practical arrangements for FTZWU activities was agreed upon, with the understanding that these arrangements would not interfere with the Company's production and productivity. The following were agreed upon and implemented:

- *Procedures for branch union meetings, branch union-management meetings, union annual general meetings and modalities of meetings.*
The first meeting between the branch union and the management was held on the 19th of December, 2003 where a number of issues were discussed in a cordial environment. A second meeting was held in January 2004.
- *Provision of a notice board to the FTZWU at the factory premises.*
As agreed, a notice board has been provided in a conspicuous location within the factory.
- *Ways of recruiting new members and collecting union membership fees.*
The union continues to recruit new members (respecting each individual's right to join or not join a trade union). The branch union continues to collect membership fees from its members.

- **Public Declarations**

It was also agreed that public declarations relating to the process may be made by either party with notice to the other party and CPA. At the end of the first review meeting the following statement was issued by the parties.

Joint Communiqué by Jaqalanka Ltd and FTZWU

At the end of part 2 of the first review meeting convened by CPA and held on 13 November 2003 the parties continued to demonstrate commitment to the process and agreed upon the following specific measures towards the implementation of the Agreement:

- *The Jaqalanka Ltd Internal Grievance Procedure which covers work related issues, abuse and harassment was discussed and finalized*
- *A set of practical arrangements for the union operations*
- *A time frame for the implementation of the above*

While Jaqalanka Ltd appreciated suspension of the international solidarity campaign by FTZWU, the FTZWU gratefully acknowledged the progressive steps taken by Jaqalanka Ltd to implement the Agreement.

- **Informal Discussions**

CPA held a series of informal discussions with over 45 members of the Jaqalanka Limited staff whose understanding and cooperation are necessary for the implementation of the Agreement. During these discussions, the Agreement reached between the parties was explained, progress made so far was outlined, and employee's questions were answered. The concept of freedom of association and the law pertaining to trade unions were also discussed. CPA also had an informal discussion on the same issues with the branch union committee. CPA believes that these discussions have made an important contribution to the implementation of the Agreement.

A fourth review meeting is scheduled for mid-February 2004 where further matters are to be discussed.

Only a few minor issues have arisen during the last few months and they have all been speedily resolved to the satisfaction of the parties. Two of these issues concerned: 1) the flyer declaring "victory" over Jaqalanka Limited printed and distributed by the FTZWU; and 2) the continued harassment of union members by management. Both were satisfactorily resolved.

As the above account clearly shows, the two parties have displayed good faith and commitment to the process. The six-month review meeting is scheduled to be held in April 2004.

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