THE INVISIBLE HAND OF CULTURE AND POLITICS ON BUSINESS STRATEGY: LESSONS FROM OBSERVATIONS AT INDUSTRY AND FIRM LEVEL IN A DEVELOPING COUNTRY CONTEXT

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THE INVISIBLE HAND OF CULTURE, POWER AND POLITICS ON BUSINESS STRATEGY: LESSONS FROM OBSERVATIONS AT INDUSTRY AND FIRM LEVEL FROM A DEVELOPING COUNTRY CONTEXT

Abstract

This paper argues the reasons for limited compatibility of western strategic approaches with production relations in Sri Lankan tea plantation sector from findings of case study research. Reasons for this include the great diversity within the sector in relation to key issues including caste and class, ethnic groups and their political groupings, and in particular to modes of production which span traditional, capitalist and state capitalist models. Managers in developing countries struggle to assimilate such prescriptive perspectives and frameworks into their firms in response to external pressures. This suggests strategy research needs to be informed beyond generalised strategy and national cultural typologies. Hence, the study also casts doubt upon the notion of ‘culture’ being a truly national concept.

Keywords: Power relations, Strategy and culture, Critiqueness of managerialism, Critical political economy

INTRODUCTION

In Sri Lanka, the tea plantation sector and industry have a strong patriarchal political favour. Tea industry problems therefore cannot be separated from society, culture and state politics and reduced to a single, common theme such as industry building. Consequently, there is a plurality of problems, each of which deserves particular attention and understanding before remedial action can be taken. I report here on selected aspects of fieldwork conducted by the author in Sri Lanka. Findings were based on fieldworks (in 2001 and 2010 respectively) and current updates of the study context in 10 years time as a longitudinal study. The methodology employed is discussed elsewhere (Wickramasinghe & Cameron 2003; 2005; Wickramasinghe 2011). Therefore, in this paper discusses two major findings of the study and provide interpretations of cultural and political aspects of business strategy. Complex production relations have been categorised into two main dimensions: socio-cultural, and political as emerged from 2001 and 2010 studies. The paper briefly discusses these two dimensions, and their consequences and implications on the Sri Lankan tea industry, especially the tea plantation sector in Sri Lanka. Finally the paper concludes that with the view western made business strategies are remote in addressing the Sri Lankan tea plantations and industry issues and its complexities.

This paper provides a critical insight into understanding the strategic factors/issues at present in Sri Lankan tea plantations. It further extends the critical interpretation of data on small tea holders as an
emerging strategic sector of the tea industry. It is clear that core characteristics found included a reproduction of the history of the plantation sector. Therefore, next section provides a brief summary of the chronological history of the tea plantations for better understanding of the context. And this will provide an overview of the historical relationships and the complex nature of the sector, and its remoteness of western counterparts. Therefore, next section provides a brief summary of evolution of the Sri Lankan tea plantation to show socio-cultural and historical roots of present set of issues in the sector.

**A REFLECTIVE SUMMARY: CHRONOLOGY OF SRI LANKAN TEA PLANTATIONS**

This section covers four main transformations– the colonial state tea plantations (c.1860 – 1960), nationalised tea plantation (c.1957 – 1992), privatisation of tea plantations (1993 – 2002) , and the emergence of tea smallholdings. The process of transformation is complex and involves capital markets, the state, trade unions, issues of ethnicity, industrial dynamics, and the behaviour of ownerships. These themes provide a necessary introduction to the dynamics of the current situation.

**Colonial Tea Plantations (c.1860-1960)**

During this era, large-scale plantation agricultural mode of Production (MOP) changed in traditional Sinhalese\(^1\) village. A modern factory system supplanted the villages’ traditional Asiatic MOP (Taylor 1979) based on agriculture with large-scale tea plantations. With locals refusing to work on the plantations and since tea was a labour intensive crop, cheaper labour was shipped in from south India. Tamils were hired through contractors called ‘Kanganys’\(^2\) (Bandarage 1983). With the traditional MOP, villagers owned the means of production, whereas the plantations separated ownership. The new MOP production was novel, relatively complex, and externally powered (Alawattage & Wickramasinghe 2009a; 2009b, Wickramasinghe & Cameron2005). Previously, family, work, leisure, and the community were not sharply demarcated in terms of time and space (De Silva 1982; Bandarage 1983; Jayawardena 2000). The tea plantations created a more commercialised market economy in contrast to traditional social

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\(^1\) Sinhalese are the majority ethnic group in Sri Lanka which consists of 76 percent of the total population.

\(^2\) A lower level supervisor of the tea field.
relations based on family, caste, and village community needs and obligations. In plantation, the hierarchy of leaders and stratification systems were accepted, on the basis of notion of kingship and caste.

**Nationalisation of Tea Plantations (c.1957-1992)**
During the second period, the political ideology of the state was to ‘peoplise’ private businesses into public ownership. This led to the establishment of a bureaucratic system of reporting from the plantation to Parliament. However, this was lightly regulated and largely ignored within the political processes (Asian Development Bank 1995; 2002). Instead of reinforcing traditional reciprocities, social relations and status, the plantations were governed by abstract organisational needs and rules, a managerial hierarchy, individualism, and meritocracy which reduced discretion for the worker (Wickramasinghe & Cameron 2005; 2003).

The planning necessary in plantations, including budgets and formal controls could never embody such beliefs. Moreover, the state largely ignored accountability through budgets and associated economic data (Asian Development Bank 1995; 2002; Lister & Choudhry 1997). Consequently, the non-capitalist work tradition dominated production planning, productivity and operations of the plantations throughout the period of state MOP. As a result, corporate planning and strategy became relatively unimportant: the important criterion was whether decisions were politically viable (Shanmugaratnam 1997).

This led to the third period-privatisation of the plantation sector. New management also struggled with an impecunious central government with a rigid bureaucracy for realising funds, continued political intervention and escalating costs of management (Shanmugaratnam 1997; Wickramasinghe & Cameron 2003). Initially they rationalised this in terms of the ends justifying the means, i.e. efficiency and rationality in a politicised environment and a belief that traditional culture could only be transformed by homomorphic planning and management practices. This was again confirmed by the economic failure of this strategy and further World Bank and ADB pressure when the government embarked on the full privatisation of plantations calling for open bidding. Finally, the choice made was partly due to political and ethnic considerations by selecting local companies most of which were managing agents of the
Regional Plantations Companies. The new owners initially achieved commercial improvements but shop 
floor and marketing problems remained. The issue of asymmetrical relationships between the culture of 
the plantations and the workers’ community culture was not considered in any significant way in the 
management agendas. This is not surprising because all the former workers and superintendents were 
employed in the new plantation companies (it was one of the major agreements between trade unions and 
the government for privatisation). For the workers and plantation managers, this led to an uneasiness 
surrounding their struggle to retain both the leisure work environment and their traditional way of life in 
the face of economically motivated changes in private sector ownership.

**The Resurrection and Emerging Peasant Sector: A Tale of Smallholdings**

Smallholding sector was fuelled by large-scale tea plantations’ poor economic performance and the self-
employment political agenda of the right wing government who introduced open market economic 
policies in 1977. From the beginning, the tea smallholding sector was gradually increased without much 
support from the state. Later, state regime realised that this sector could be developed as a competitive 
and alternative force for the declining and problematic plantation sector (Asian Development Bank 2002). 
At present, there are government sponsored institutions to support this sector and the smallholding sector 
dominates total production, and productivity aspects of the tea industry in Sri Lanka. However, this does 
not imply that this sector is free from problems. It faces enormous problems such as scarcity of labour and 
land, low quality supplies, lack of information and knowledge, low attraction to younger generation, lack 
of bargaining power, intermediates’ crime and coercion (Wickramasinghe & Cameron 2005; 2003).

**SUMMARY OF THE FINDINGS: POWER AND POLITIC IN THE PLANTATION SECTOR**

Categories were developed including themes and concepts which emerged from analysis of data 
developed from interviews, observations, and content analysis of the secondary data employed in 2001 
and 2010 studies. Table 1 summarises the case study findings in relations to the power factor of the 
plantation sector and generally in the tea industry. Fundamentally, power is generated from two main 
sources: class stratification of society, and politics. The summary of the analysis shows that there are 
several power sources such as social, status, culture, and marginalisation in the tea plantations and the
industry and power is experienced through different levels of ownership, socio-cultural, and historical-political levels. Figure 1 illustrates how this power: social stratification and politics articulates negative consequences and implications on tea plantation and industry issues on social capital, productivity, marketing and development, and community. There is a clear relationship and link between each and every main cause. For example, poor social capital and its dependent nature have directly impacted upon low productivity, lack of marketing and development orientation which will lead to communal issues such as unemployment, land encroachment, and violence, because of the deteriorating plantation capital.

Wickramasinghe & Cameron (2005; 2003; Wickramasinghe 2010) argue that Western strategy theory and frameworks do not address developing country business issues, and cannot fully evaluate their production relations. They further explain that business strategy literature and research are dominated by the Western ideologies based on neo-classical and industrial economic principles and concepts (Wickramasinghe 2011). They argue that most of the strategy theories and frameworks were derived based on highly industrial firms. Our argument is empirically evident with this study. Therefore, all critical factors in relation to the Sri Lankan tea plantations and industry were not represented sufficiently in present fundamental strategy theories and frameworks such as the Resource-based view, the Knowledge-based view, Industry and competitive analysis, especially culture of production did not provide a clear reflection on any of them.

Theoretical reflections on research findings are presented in Table 2. This table shows the major critical issues identified in this research, and indicates the representation of these in social theories, strategy theories, and previous research empirical findings. Critical factors that were found in the study are not represented fully in present basic strategy theories and frameworks. However, these critical strategic factors found in this study such as politics, social stratification, myths of economies of scale, property rights, panic in marketing, and multinational dominance, reflected significantly in social theories introduced by Marx, and Weber (Weber 1963; Durkheim 1964; Marx & Jordan 1972; Weber & Eldridge 1972; Weber & Andreski 1983; Weber 1988) and previous empirical research (Myrdal 1968; De Silva
ASSUMPTIONS AND LIMITATIONS OF WESTERN BUSINESS STRATEGY/FRAMEWORKS

Politics as a Source of Power in Business Strategy
Western Business strategy assumes that politics is in the external environment of the firm/industry, and that political changes affect firms/industry indirectly through political institutions (Wickramasinghe 2011; Viljoen & Dann 2000), and also assumes political elements are neutral in capitalist societies because of the free market economy. In contrast, this case study clearly indicates that political elements were actively involved in tea plantation and industry decision-making and were influenced the survival of the industry. Therefore, national, regional and organisational political involvement in production relations in Sri Lankan tea plantation and industry limits the application of such theories and frameworks. Table 1 summarises and below briefly discusses the research findings in relation to critical strategic factors and issues associated with the Sri Lankan tea plantation industry.

Social Stratification as a Source of Power: Culture of Production
Notions of kinship, caste, class, status and other sorts of social stratification are social artefacts. They do provide some power sources in terms of access to and constraints on resources, which is also antithetical to Western strategy theories (Wickramasinghe 2011; Alawattage & Wickramasinghe 2008; 2009b). National, regional and organisational politics dominated the plantations and its industry through trade unionism. According to the Asiatic mode of production, trade unions are controlled by the state and are not powerful. But in the Sri Lankan tea plantations, plantation resident workers are still a separate community. Therefore, the unique bargaining power of trade unions and their role in national politics has not been taken into account in the existing body of knowledge on business strategy and the theory of the Asiatic mode of production (Alawattage & Wickramasinghe 2009a; 2009b).
Myth of Economies of Scale in Cultural Political Mode of Production
Higher cost of production and lower productivity of the tea plantations than smallholdings which contradicts with the neo-classical theory of economics of scale (Wickramasinghe & Cameron 2003). The tea smallholding sector performs successfully within a dualistic economic structure (large and small scale). Therefore, this scenario challenges one of the fundamental principles of business strategy—economics of scale.

Problem of Property Rights in Privatisation of Tea Plantations
Property rights of the plantations have not been fully transferred with plantation privatisation program. The concept of property rights argues that clear property rights are required for an owner to make sustainable use of resources in the long-term (North Douglass 1997). Hence, current strategy theories such as the Resource based-view, the Knowledge-based view, and Industry and competitive analysis cannot analyse tea plantations issues properly (Wickramasinghe 2011). Because these models assume that the clear property rights are a precondition for strategy formation and implementation.

Panic in Markets
Business strategy theories and frameworks assume that market structures embrace either perfect competition or monopolistic or oligopolistic competition within which buyers and sellers can act within the given ‘rules of the game’. However, the auction system in Sri Lanka is dominated by buyers (Lister & Choudhry 1997). Information and price asymmetry in the supply chains were found. Therefore, such a scenario cannot be fully understood through the existing business strategy frameworks such as SWOT analysis, five forces model, or similar technical models or frameworks.

Global Inequality in Tea Markets
Global inequality came into the scene with Western colonisation (Wallerstein 1975; Bradshaw & Wallace 1996). This created economic, social, and cultural dependency in Third World countries. Capitalist Western societies captured countries all over the world and changed their economic and socio-political landscape to fulfil the centre- emerging capitalist countries’ domestic and international demands. They introduced commercial crops and exploited human and natural resources as a means of raw material for
emerging capitalism in the west. Even after independence, capitalist nations maintain centre-periphery relationships with developing countries through foreign aid, education, political intervention, economic barriers, multinational corporations and various agencies (Bradshaw & Wallace 1996). This reality has not been addressed in business strategy theory.

THEORETICAL REFLECTIONS ON EMPIRICAL FINDINGS

Political Patriarchy and Religious Embeddedness
Throughout each episode workers perceived themselves as struggling for their ‘way of life’. In the plantation, caste is working, grouping against one another is likely when it comes regional or national politics. Grouping against external powers constituting a threat is possible. The issue was seen ethnocentrically. From the workers’ perspective little had occurred to undermine their fatalism towards the improvements of the plantations. They had not benefited from privatisation in terms of increasing real income, as the economic problems of Sri Lanka remain acute (Kelegama 1993; Wickramasinghe 1996; Shanmugaratnam 1997; Warnakulasuriya 2002; Ladduwahetty 2002). This was difficult for management, and continuing struggle between management and trade unions. Class, ethnicity, and cultural differences between managers and workers endorse problems of fatalism are being seriously addressed bottom-up. Figure 1 shows the consequences and implications of power factor on the Sri Lankan tea industry.

Economic and Social-cultural Dualism: Semi-feudal, Peasant and Capitalistic Underdevelopment
However, terminology of strategy, concepts, and practices lie within a modernistic, industrial, materialistic set of beliefs and practices. For 150 years they foundered as workers from traditional village culture with a long-standing non-capitalist MOP refused to fully accept capitalistic employment. A succession of privatisation strategy processes did not sufficiently penetrate top to down or eradicate non-capitalist beliefs and behaviour. Most of the wave reverted back to buffering workers against pressures by creating slack with introduced changes. It would be wrong to over-emphasise the unitary nature of plantations and smallholders village culture which was being exposed to modernised through education, encroaching urbanisation, growing market relations, wage dependency, caste differences, new political ideologies and institutions. Nevertheless, most workers and tea smallholders could only interpret and evaluate these
changes through their traditional cultural lenses. The new private ownership of the plantations saw the problem of cultural resistance to strategic changes as a human resource management problem requiring training, closer relationship, and fine-tuning of economic incentives. Researchers also tend to see strategy as distinct from culture rather than a manifestation of specific modern, urban, industrialised cultures. When there is a tradition from feudal to industrialised societies this is questionable, as conventional business strategy ideologies may be irrelevant to feudal societies. Failure to recognise that strategic management is best viewed as an expression of modern legal-rational society rather than being separate from it breeds its own from of ethnocentrism.

**Cultural Political MOP against Orthodox MOP**

Orthodox MOP theory argues that the super-structure is determined by the base (Wolpe 1980). If so one would expect culture and the state to change upon an incorporation of a capitalist MOP, with consequences for strategies. However, the evidence of this study suggests that this is more complex and indeterminate than MOP theory suggests. Culture – an essential element of the super-structure – is relatively independent of the MOP and can be powerful in shaping social relations and controls (Wickramasinghe 2000; cf. Alasuutari 1995) when the prevailing culture is antithetical to such changes. Similarly the state, whilst not immune from pressures of global capital and pursuit of its own agendas and interests, is itself partly reflective of, and responsive to, expectations of a traditional culture in societies undergoing transition. In a developing country with significant vestiges of a traditional culture and MOP then business strategy systems and its ideology may be best understood through a cultural political economy framework that traces how it is affected by its intricate and indeterminate dynamic relationships with strategic factors, MOPs, the state, and culture.

**Politicisation against Legal-rational Principles**

Throughout the study, volatile politics and politicisation of decisions dominated state capitalism based on legal-rational principles. As a consequence strategic planning became a fashion for some of the companies than implementing it. In Asian countries struggles at the point of production were crucial along with trade union leaders linked to politicians (Alawattage & Wickramasinghe 2008; De Silva 1998). As
most cases in Third World countries, the tea plantations in Sri Lanka produced poor economic
performance contributing to fiscal crises of the state and vulnerability to World Bank and ADB pressures
and advice to reform, including privatisation. In some of the cases, privatisation brought significant
changes in management. These concentrated on faster more responsive information processing that better
linked to productivity that resulted in efficiencies. It is evident that they understood the importance of the
social capital, and culture and politics in production relations in tea plantations.

Table 2 summarises the theoretical reflection on empirical findings. Plantations privatisation saw better
position compared to other nations in south Asia possibly because of better state regulations of labour
rights and markets, which in turn may be a reflection of Sri Lanka’s more developed bureaucracy and
relatively transparent politics (Shanmugaratnam 1996, 1997). Also, culture and ethnicity prove to be
major factors, because the Sri Lankan plantation community is more heterogeneous and, the case study is
rural traditional setting and agricultural. Moreover, Sri Lanka is highly conscious of ethnic divisions and
differences, and class is also a matter.

**STRATEGIC MANAGEMENT REVISITED**

The paper reflects upon the lessons of this research for cultural political economy of strategic management
research. The analysis confirms that culture is important in understanding the applicability of current
extant business strategy theories for the Sri Lankan tea industry and its firms’ business reality. It is more
realistic to argue that performance of firms or an industry limits the political, socio-cultural and economic
positioning which effects even of the best managerial practices. However, tea industry and plantations
culture cannot be understand through generalised typologies of national culture i.e. Hofstede (see Hofstede
1984; 1997; 2001) and Lessem (see Lessem 1998; 2001), which were based on survey research. Strategy
research therefore needs to be informed beyond generalised strategy and national cultural typologies, and
be more context-sensitive. In methodological aspect, the participants of the research, it is dubious whether
they make sense, they were not discussed in any explicit way. Such categorisation caries the dangers of
denying factors with more validity, such as religious and community beliefs. An intensive case study
provides an opportunity to build more valid categorisation bottom-up with greater respect for the values of
subjects.
Secondly, the case reveals the advantages of longitudinal-historical and holistic study. Static surveys reveal little on why and how socio-cultural and political changes and vary, and so effect strategic factors and strategy processes. This case reveals a multiplicity of factors within the rubric of production relations, culture, social fabrications, and the state that bear upon strategic factors and frameworks and warrant empirical investigation beyond the post-analysis speculation of causation often found in discussions of survey results. The longitudinal nature of the study reveals how these change over time. For example, what historical roots are still consistent and what are the roots causes of prevailing issues, problems, and irrational strategic factors.

Thirdly, the case study casts doubt upon the notion of cultures being national concept. For example, had the study been conducted in an industrial sector, or an established urban or different ethnic community, then the results may have been different. Because, socio-cultural values, beliefs, life experience, productions relations may different than the tea industry and its sector. This case widely spreads across such as various ethnic groups and politics, caste, class, minority and majority, rural, traditional, private capitalist, state capitalist production relations, mercantile capitalism, international market capitalism.

Indeed, a weakness of this study is that more detailed study within the community may well have revealed cleavages in cultural values between families, castes, political groupings, and worker more or less inculcated with modernistic values (Alawattage & Wickramasinghe 2008; Wickramasinghe 2000).

The ideal model of the plantation was that of a self-contained kingdom, where the planters could rule uncontested over their labour force. But in Sri Lanka, plantation and its socio-cultural and political phenomenon have changed immensely within the last three decades (1980-2000). Workers and affiliated trade unions have gained power politically, and some extend it socially over management of the plantations within the political landscape of the country and the influence of globalisation i.e. international labour laws and human rights movements. Therefore, especially, the planters’ little kingdom structure was not there forever, which they used to exploit workers in the way they wanted. Social, and especially communal violence, erupts when the ruling class allow it, deliberately or as a way out of their contradictions.
CONCLUSION: INDUSTRY AT THE EDGE

As prices do not tell the whole story, it is necessary to turn to the cultural political economy. reality is not usually set up to be socially or economically efficient. It reflects the bargaining power of social and political actors, and predominant cultural forms tend to maintain its ‘dependency’. Plantations and smallholdings fit neatly into institutional approach more especially into cultural political economy approach. Actors of the plantations are socially and politically powerful individuals and firms. The link between the specific histories and socio-cultures of the tea plantation and tea industry in Sri Lanka, on the one hand, and mode of cultural political production, on the other, is the way in which exotic labour processes are operated. The global distribution of production processes and pace of economic development may determine the range of strategies and tactics employed by state, employers, and employees. What Sri Lanka lacked, however, is a formally established tea exchange without which planters especially smallholders and intermediates would remain less well-informed about prices and qualities than the foreign buyers and merchants who enjoyed quicker and more direct links with commodity exchanges internationally. Such access to information gave foreign capital a head-start in making investment decisions. It seems that market structures in the Sri Lankan tea trade bore little resemblance to models of perfect competition. The smallholdings get better price and profit than their large-scale partners within a informal economic structure (Wickramasinghe & Cameron 2003; Wickramasinghe 2011). The growing and primary processing of tea have improved little in comparison with other similar industries over the centuries. Barriers to entry are low, there are no obvious economies of scale, especially on large scale plantations. Even beginning of the 21st century, there was hardly found any mechanisation of harvesting on the advanced tea plantations. Plantations become disenchanted with tea, while smallholders, with lower overheads, cornered the production and market (Central Bank of Sri Lanka 2001; 2009; Shanmugaratnam, 1997). The successful functioning of the plantations is critically dependent on the availability of individuals who could bring to the job certain special personal qualities. Modernised plantations institutions require people who could accept and discharge responsibility without
constant close supervision. This could manifest mutual trust and confidence and dignity for employees and improve the competitive advantage for the industry.

Table 1: Summary of the research findings in relation to critical strategic factors and issues associated with the Sri Lankan tea plantation industry

<table>
<thead>
<tr>
<th>Socio-Cultural Dimension</th>
<th>Power Sources</th>
<th>Politics Dimension</th>
<th>Power Sources</th>
</tr>
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<tbody>
<tr>
<td>Stratification &amp; issues</td>
<td>Social</td>
<td>Political</td>
<td>Stratification &amp; issues</td>
</tr>
<tr>
<td>Based on caste, wealth, education, family background &amp; social relations and networking, and language</td>
<td>Political &amp; network relations based on political and social affiliation</td>
<td>Lack of proper and full privatisation have created a situation where ‘property that no one belongs to’</td>
<td></td>
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<tr>
<td>Kinship and kingship relations</td>
<td>Ethnicity: plantation Tamilness as an ethnic politics, and it controls over plantation and state politics</td>
<td>Short-term expectations: most of the plantation companies have no long-term interest and development plans for the plantations</td>
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<tr>
<td>Respect for hierarchy: influenced by the religions and kingship</td>
<td>Control: state control over plantations and related institutions through trade unionism, welfarism, appointments, and collective agreement for work force</td>
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</tr>
<tr>
<td>Patriarchy: male and trade unions’ domination in decision making, and production relation</td>
<td>Male dominancy in trade unionism</td>
<td>Lack of proper and full privatisation have created a situation where ‘property that no one belongs to’</td>
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<td>Status</td>
<td>Job: low social recognition attached to the plantation work, and youth do not want to work in plantation</td>
<td>Property right</td>
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<td>Living: youth perceive that living and working on plantations bonds them to the plantations and inability for out migration</td>
<td>Culture</td>
<td></td>
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<tr>
<td>Religious value: workers believe in a simple life, and holding no higher expectations which as stressed by Hinduism and Buddhism: greed is suppression</td>
<td>Short-term expectations: most of the plantation companies have no long-term interest and development plans for the plantations</td>
<td></td>
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<tr>
<td>Culture of poverty: workers lack awareness about their problems and poverty, especially their rights, and responsibilities</td>
<td>Marginalisation</td>
<td>Neo-colonialism</td>
<td>Ongoing industry support through foreign funding agencies and consultancies</td>
</tr>
<tr>
<td>Obedience: authority expects obedience and respect rather than worker commitment and their personality.</td>
<td>Total institutionalism: the whole life of worker families belongs to the plantations: work, living and leisure</td>
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<td>Low dignity and social rejection: plantation community is treated as rejected community.</td>
<td>Neo-colonialism</td>
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Figure 1: The consequences and implications of power factor on the Sri Lankan tea industry

Marketing and development issues
- Broker and buyer dominated market
- Bulk sale and auction domination
- Lack of product development and market information
- Increasing competition through new producers, and products
- World beverage industry is dominated by multi-national soft-drinks companies.
- Orientation to survival rather than market creation and creation and innovation
- Production orientation rather than market orientation
- Centre-periphery dependency syndrome: Capitalist societies and their agencies still exercise their socio-political and economic power through neo-colonialism trade and exchange.

Productivity issues
- Low productivity & high cost of production
- Lack of capital investment & obsolete technology
- Old tea fields & slow replanting
- Abandoned tea fields
- Insufficient market information
- Traditional field management and planning systems

Social capital issues
- Poor living conditions: low income insufficient education, health, and shelter
- Feelings about instability: permanent accommodation, income security, citizenship: a generation of over 100,000 immigrant Tamil workers still have no citizenship in either India or Sri Lanka
- Labour shortages and an unwillingness to work on plantations
- Labour unionisation - Bargaining power: unions’ based on kinship and patriarchal labour relations
- Male domination: female slavery; alcoholism; conflicts; and gambling
- Worker frustration and stress: about politics, private capitalism, and the unfree nature of labour
- Lack of knowledge about worker rights, political opportunism and business parameters such as productivity, profitability, share capital, markets etc.
- Migration to village and urban work.

National/Community issues
- Unemployment–because of deteriorating plantation capital
- Tendency to link with national ethnic problems
- Land problem – indigenous perception about land ownership
- Limits to expansion of smallholding sector
- Decreasing national contribution from tea sector
- Citizenship for rest of the Tamil plantation community
- Political, cultural and international impossibility of diverting to another sector/s.

Generation of Power: Caste, class system, Kinship, religion, education, wealth, profession, social and political affiliation, ethnicity, bureaucracy, feudalism, patriarchy.
### Table 2: Theoretical Reflection on Empirical Findings

<table>
<thead>
<tr>
<th>Critical issue</th>
<th>Meta Theoretical base</th>
<th>Reflection on</th>
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<tbody>
<tr>
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<td>Strategy (a)</td>
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<tr>
<td>‘Politics’ as a source of Power</td>
<td>Cultural political economy of capitalistic underdevelopment: Neo-Marxism and Weberian discourse</td>
<td>x</td>
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<tr>
<td>‘Social stratification’ as a source of power</td>
<td>Feudalism: Neo-Marxism and Weberian discourse</td>
<td>x</td>
</tr>
<tr>
<td>Culture of production</td>
<td>Mode of production: Asiatic mode of production</td>
<td>x</td>
</tr>
<tr>
<td>Myth of economies of scale</td>
<td>Economic duality –Cultural political production relations</td>
<td>x</td>
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<td>Property rights</td>
<td>Institutional economics theory</td>
<td>x</td>
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<tr>
<td>Panic in markets</td>
<td>Neo-colonialism</td>
<td>x</td>
</tr>
<tr>
<td>Multinationals dominance in beverage market</td>
<td>Centre-periphery theory: Global inequality</td>
<td>x</td>
</tr>
</tbody>
</table>

X Not reflected  √ Reflected

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