

## Challenging Globalisation

*by Bishnu Rimal*

### Nepal and Globalisation

It is an irony to Nepal that overthrow of absolute monarchy by Multi-party system and entry of globalisation came together in 1990. Following the similar paths prescribed by Britton woods institution in other countries of the world, Nepal also launched a similar process of globalisation such as predominant emphasis on privatisation of State Owned Enterprises blindly and haphazardly. The new regime even gave a misimpression that shifting from autocracy to democracy means selling-out of public properties to the private hands.

Having very narrow aim of restoration of multi-party system in Nepal, the 1990 mass movement invited a lot of contradictions along with the success of movement. This was because, the end of the movement was power equilibrium between customary powers led by Royal Palace and people's power comprising liberal democrat with social democratic vision and the united left front dreaming radical change in the society. As a result the new Constitution of Nepal adopts a path of "constructive reform" and denies class struggle as expected by communist party and class hegemony as advocated by the conservatives. It seeks a social change based on people's will.

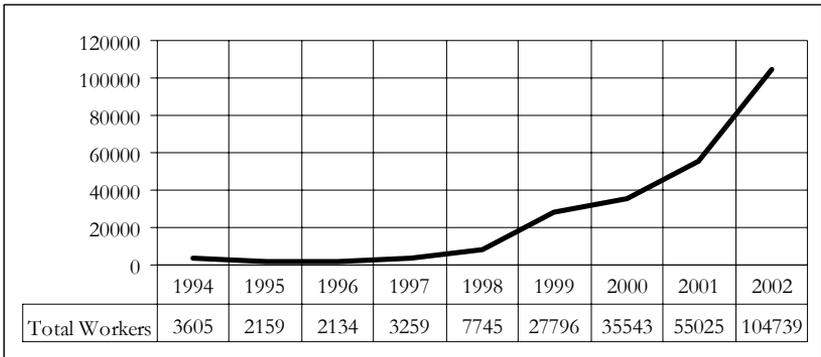
On the contrary, the State after 1990 haphazardly followed neo-liberal economic policy, which actually didn't suit to Nepali constitutional vision and socio-economic reality. This produced a systematic race to the bottom dynamics--poverty, inequality, social alienation and political protest. Analysing the mistake of policy makers, a social scientist says--"The post 1991 governments, however, deviated from the welfare state and sought to create a subsidiary state where poorer people and region subsidised the rich and powerful." It was actually an outcome of heavily increased pressure of Globalisation in our national scenario.

## Impact of Globalisation

### 1. Declining of job & employment

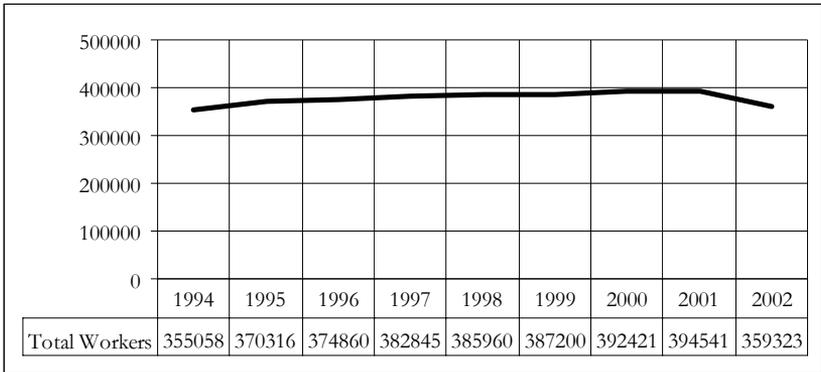
Globalisation resulted direct threats to the interest of the working masses. Job security and employment security are heavily endangered. Even the formal sector of work is being informalised by the subcontracting of work and subcontracting of labour, in the name of gaining competitiveness, cost minimisation and a 'comparative advantage in international trade'. The responsibility for sacrifices and the entire burden is being shifted to the workers.

**Chart 1:** Trends of Nepali Migration for Foreign Employment



Unfortunately, the government is facilitating the employers and the market instead of shouldering any social responsibility for the working masses. But legal provisions are insufficient to protect workers in this condition. The extent of the permanent workforce is gradually going down and the number in contract work or casual labour is sharply increasing. On the other hand there is sharp rise migration for foreign employment.

Charts given here clearly show declining trends of employment in manufacturing sectors and increasing trends of Nepali Migration for Foreign Employment.

**Chart 2:** Trends of Employment in Nepal

## 2. Declining of real wages

The policies of liberalization have caused deductions in social expenditures. Even the state expenditures in education and public health are being curtailed. At the same time the burden of foreign debt has constantly increased. Hence the hardships and difficulties of the working population have increased tremendously. The major consequences have been observed in the deteriorating living standard. Since the market deregulation has removed restrictions on prices, the cost of living has increased heavily. On the contrary, real wages and hence real incomes have declined. It is found that money wage of the workers is increasing but less compared to the inflation rate prevailing in the country. Consequently the real wage has declined every year, leading towards decline in the living standard of the workers. Table 3 exhibits picture of declining trends of real wage in Nepal.

**Table 3:** Real Wage of Workers, Nepal 1989-2003 (Base year 1989=100)

Year	Consume Price Index (CPI)	Money Wage Index	Real Wage Index
1989	100.00	100.00	100.00
1992	144.59	132.33	91.52
1995	183.49	164.55	89.68
1997	214.86	202.15	94.08
2000	253.39	236.09	93.17
2003	271.38	283.78	104.57

The long working hours, low payment, the use of child labour, the existence of bonded labour in agriculture, gender discrimination in wages

and terms of employment, no minimum wages in the informal sector and the non existence of any social security measures are the basic characteristics existing at present in the informal sector.

### 3. Flexibility of labour

Increasing trends of de-unionisation and introduction of labour flexibility in both forms; the numerical as well as functional is day reality under globalisation in Nepal. These can be listed as follows:

- Labour contract
- Subcontracting of jobs
- Freezing of New appointment
- Use of VRS (voluntary retirement schemes) and CRS (compulsory retirement schemes)
- Extensive use of temporary, contract, daily wage & piece wage system
- Use of work schedule
- Outsourcing and parallel production, etc.

It is obvious that such effects are natural outcomes of the various contours of globalisation such as capital mobilisation, blurring of markets boundaries (Inviting MNCs), limits of role of State, shifting of business from manufacturing to the service etc.

### 4. Other impacts

- Detraction of young workers & new labour market entrance from trade union movement
- Heavy class transition of people creating bigger & bigger gap between rich & poor
- Fast eroding joint family system & heavily declining family based traditional protection system
- Clientisation and Consumerisation of working people instead of citizens
- Declining labour intensity of production & services

### Globalisation in the forms of militarisation

If some one had said few years back- 'the day of imperialism through military might is over', none of the struggling people would have objected it. However, the history is being repeated. Especially, post so-called 9/11 period and the Iraq war beyond; eyebrows have been raised-'

see-new Hitler is rising up!" The developed nation, particularly US and its ally are repeating similar history what the Imperialists were doing during last centuries. Thus, we could visualise now military intervention here and there either in the form of war against terrorism or in the name of development assistance.

These phenomena have different dynamics more than what the power centres exhibit before international community. Simply we can say there is politics of economy; thus we can examine globalisation in the forms of militarisation as well. The attack on Iraq, as an example, has been viewed as driven more by long-term oil supplies to the American industries than liberating the Iraqi people from the oppressive regime of Saddam Hussein.

On March 27, 2003 US Assistant Secretary of the state for South Asia Christina Rocca said that the United States would continue to support Nepal, both militarily and in its development. This note by a senior US official was not an accidental remark; it has revealed state of so-called univocal world of globalisation.

Translating this remark into practice, on April 25 , 2003 Nepal and the US signed a memorandum of understanding. Under this agreement, the US commits to provide assistance to Nepal to fight terrorism with a "goal of rooting out all forms of terrorism and deterring future terrorist acts."

Under a "Global Conflict Prevention Fund", the UK government has provided helicopters, communication equipment and training in setting up a military intelligence support group with the Royal Nepalese Army and extended assistance to implement Nepal's development projects. "We cannot allow the terrorists to win. Nepal must not be allowed to become a failed state." This statement by British Foreign Office Minister for Asia Mike O' Brien can also be interlinked.

The Indian government has also extended similar assistance to the Nepali government, but remains sceptical of the growing American involvement in Nepal. Indian media and academicians of that country have made the scepticism more than clear. China has consistently stated its position of "no external meddling in Nepal's internal affairs."

Senior Nepali politicians have branded the 'twisting muscle' of the international power in Nepali soil as "suspicious". Recently Nepali

Government has made public a so-called Unified Command Security Concept in order to control post-ceasefire collapse situation. One can easily draw a long line between these events.

### **Trade Unions Resisting Globalisation**

Shrink it or Sink on it! Some one has correctly termed the present complex situation referring Caravan of Globalisation. Thus the efforts carried out against Globalisation in Nepal by the unions in this regard are more or less limited to minimise adversities and negative effects of globalisation against working population.

It is interesting that the Capital is globalising rapidly dismantling all barriers and the boundaries. However, working class is still far from its century long call- workers of the world unite! Still trade union movement is fragmented.

Amidst all odds, GEFONT is engaged on different efforts with international trade union movement. The International Trade Union Conference organised in 1994 and in March 2003 organised Regional Conference of Women Trade Unionists in South Asia by GEFONT can be termed as some of the examples in this regard. Further GEFONT participation in IOR-TU conference, SIGTUR initiatives and various forums organised by global unions and the civil societies, can be enlisted here as its efforts & commitment.

The conflict between labour and capital continues to play an essential role for most workers and their unions. However, still there are additional factors and some of them have become more visible and relevant in recent years. As for example, there are the wide differences between "North" and "South", between rich and poor countries. Secondly, the questions come across related to Gender, formal and informal sector, economy and environment, tradition and modernity etc.

Should we trade unionists see the world through the traditional concept as being divided into workers and capitalists? Or is it to be viewed as a regional division of the world into a privileged "North" and an underprivileged "South". If we go with this division, we will be also divided into the regional hemispheres. The answer is crystal-clear! We will find the privileged as well as the underprivileged both in the "North" and the "South". Thus the unions under any circumstances should try to represent the underprivileged from any corners of the world, irrespective of the place where they work. Thus, our international solidarity should

be launched on all level creating common sub regional, regional and International networks.

We all are aware that regional blocks in various levels have been developed everywhere. However, their effectiveness is yet to be proved. We can quote here regional and sub regional blocks either based on international trade union centres such as ICFTU, WCL, WFTU or based on economic & geographical blocks such as ETUC, TUAC, OATUU etc. On the contrary, effective independent trade union centres are also in the scene, but are outside these networks. Recognising all efforts made by either side, it is necessary to form a broad alliance of all at least Asian Trade Unions. At the moment such networks should be issue-based, action-based; since we have to try to find out unity among diversity!

Regularisation and protection of Asian migrant workers in Asia and outside Asia through joint efforts of Trade Unions is necessary which may be one of the areas of common action.

Resistance Movement both within National & Regional-Sub-regional spheres is the need of the day. Let us regionalise & globalise our efforts for a better Asia and a Better World!

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*(Presented in Asian Regional Conference on "Towards Solidarity and Unity of Asian Workers Challenging Neo-liberal Globalisation and Militarization" November 5-9, 2003, Seoul, Korea)*