

## Trade Union Movement in Nepal: A Brief History

*By Bishnu Rimal*

"Your Highness! The workers have been led by some so-called leaders in the employment of my different factories and are staying in the quarters in the Mills compounds. They have organised large processions of the workers and have invited leaders and other agitators from socialists unions from British India." Sixth day after launching Nepal's first ever labour movement on March 10, 1947, General Manager of Jute Mills R. K. Sihaniya wrote an appeal to control movement. Mr. Sihaniya named 5 persons as the leaders of the agitation, two of them Man Mohan Adhikari and G. P. Koirala.

"Your highness! Getting these reports I arrived here yesterday and called the labourers of the Jute Mills and Cotton Mills in the presence of the resident Director." Mr. Sihaniya continued, "To arrive at a settlement and end the dispute, I offered the workers the wage and all other facilities applicable in the Jute mills in Katihar and Calcutta. But my suggestion was totally refused and the agitators encouraged them to keep steady on their demand, which was produced to me through the Resident Representative." Instigating the Rana Premier to resort to oppression, Mr. Sihaniya called the demands made by the workers as reasonable and that the demands could not be fulfilled as the margin of profit was very low due to the soaring up of the manufacturing costs.

"Your Highness! After a deep study of the facts and situation I have come to the conclusion that all the workers are completely under the control of the above agitators and it is very difficult to subdue them. Today they demand for 35 percent increment, tomorrow they may demand 50 percent and so on."

"I requested the Badahakim to provide emergency military help; but I was flatly refused. The workers may any time take any violent action. Therefore I fervently pray Your Highness to kindly accede to my prayer

by issuing necessary commands to send necessary military help to our factories within a week for the safeguard of properties."

The appeal written in English by Mr. Sihaniya to Rana Prime minister, presenting himself as 'Your Highness's most obedient Servant' reflects the clear picture of the industrial relation then.

### **Inception of the trade union movement**

That was the time, the mill owners entertained their monopoly in the mill with the support of "prays and orders". As a result of monopoly and towering exploitation, the workers were on the street against factory owners. The then unionist Mr. Naina Lal Bohora thus recalls the situation. "The mill had to run for 24 hours, but the benefits were negligible. One had to work under a heavy pressure. The workers were waiting for an appropriate time to revolt against the Biratnagar Jute Mill Administration."

The then representative of the shareholders in Biratnagar Jute Mill, Late industrialist Juddha Bahadur Shrestha, adds: "There was no labour law, no determined working hours. Workers had to work for more than 12 hours, whereas the workers in the neighbouring India were enjoying 8 hours a working day. The wage rate was significantly low. The managing director had absolute power to hire and fire any workers."

### **The demands of the movement**

The movement geared up with the demands for 8 hours a working day, subsidy in foods and clothes and increases in wages. The movement was one step ahead as it had voiced for trade union rights. On March 4, 1947, the Nepali workers held banners for their rights. It was the first event of its kind in the rule of autocratic Rana regime, a cornerstone for democratic movement which charted a path to the overthrow of the Rana oligarchy.

### **Dispute and the beginning of the struggle**

As the movement began, Girija P. Koirala and his associates called B.P. Koirala from Patna, India. B. P. Koirala was in support of Socialist Party of India. On the other hand, Com. Man Mohan Adhikari invited Mahila Baje of Communist Party of India to address the strike.

The conflict between two schools of thoughts also gave rise to the debate on flag and banner of the movement. One group wanted Workers

Association (Majdoor Sabha) to be the banner with it's a flag like that of Hind Mazdoor Sabha of India. Another group wanted the banner to read Trade Union Congress. Their choice of the flag was similar to that of All India Trade Union Congress. Both groups had their own arguments and assumptions. There was no strong political party in the country at that time. The Nepali National Congress Party was formed just a month ago; the Communist Party was still not in the scenario. Therefore, Com. Man Mohan Adhikari and Mr. B. P. Koirala were standing with their experience based on that of Indian Communist Party and Indian Socialist Party respectively.

### **The first political action in Nepali soil**

B. P. Koirala, Prominent leader of Nepali Congress  
and the first elected Prime minister of Nepal

It was March 1947 when the movement of Biratnagar began. This movement was under the leadership of Girija. This was the action to achieve certain labour rights. Virtually, there was no labour right and monopoly of Mill-owner was widespread. Girija, Tarini, Man Mohan, Yubaraj etc. were working as employees in that mill. A handful of people were brutally suppressing the workers in the mill. The living condition of workers was the worst. There was no water in the quarters. The strike was launched with the demands purely based on labour rights. The later demand for trade union rights was the demand for political rights and this became the first political action that took place in the Nepali soil. This movement had given a tremendous momentum to the country and there was a very encouraging response from the people. I got the telegram to join this movement, because this action was of a political nature. The government and the Mill owners were united, and on the other side, workers had a wide support of the people.

General Ram Shamsheer was the chief officer in Biratnagar at that time. I reached Biratnagar and we offered full support to the movement on behalf of the National Congress Party. The political importance of this event was not just the strike of the 5-7 thousand workers, but it was the first movement against autocratic government in the open air. Peoples came from villages. There was a pressing situation to feed the workers on strike. People donated rice, cereals, money to let the strike continue.

Man Mohan Adhikari said, on that occasion, he would address the mass on behalf of the Communist Party, hence introducing the Party for the first time in Nepal. What I wanted to tell is that the Communist Party was not founded later, but in the same period as the founding of the Nepali Congress.

(Excerpts from the Self Portraits, page 53 (in Nepali))

There was no formal trade union. But an overwhelming support to Man Mohan helped decide a mechanism as proposed by Man Mohan. Mr. Girija Prasad was made Chairperson and Man Mohan General Secretary. Then the movement kicked off ultimately. However, almost all leading activists, including B.P., Man Mohan, Tarini, Girija, Biku, and Yubaraj, were arrested. The movement was brutally suppressed.

This suppression led the movement to extend to India. A pamphlet entitled "gun against bread, lathi charge against workers" was distributed on March 25, 1947. Unfortunately, the pamphlet carried only the names of the socialist supporters and not of the communists.

### **Suppression and aftermath**

The appeal of Sihaniya proved to be effective. A platoon of army under the command of Brigadier Colonel Uttam Bikram Rana brutally suppressed the movement. The situation was diffused after arresting the leaders and activists. The leaders were imprisoned and transferred to Kathmandu and others were thrown into Dhankuta Jail. The officer published a notice in Hindi by the order from Prime minister on the 23rd day of the struggle. "By order of his majesty", the notice read, "it is notified that the wage rate has been increased by 15 percent and all workers would be paid for the period of strike. His majesty has ordered to give the same benefits as awarded in the Jute Mill in Katihar. All workers are notified to resume the work before 3.0 PM today. In case of non-compliance with this order, the Mill will be closed for an indefinite period and the workers will have to collect their dues from the office and leave the quarters". Colonel Uttam Bikram Rana, through another notice of March 31, 1947, further announced, "As the leaders confessed their mistakes, begged a pardon and agreed to resume works, all workers are informed to resume their job accordingly."

The story of 1947 labour movement did not end here. Despite the arrest of leaders, the struggle came to a new height in spite of the brutal suppression. The movement achieved some of the demands and laid the foundation of Nepali trade union movement. Prominent leader BP Koirala of Nepali Congress opined that this movement had given a tremendous momentum to the country with a highly encouraging response of the people. People's Leader Madan Bhandari remarked "though the autocratic Rana regime brutally suppressed the movement, the foundation of their repressive regime was badly shaken. As a result, the government declared an act, in 1948, banning the right to association

and even announced a National Assembly with a provision of workers' representative on it."

The period of 1947 to 1951 was a dynamic period with series of ups and downs. The workers' activities in this period contributed tremendously to the establishment of the 'All Nepal Trade Union Congress'. Comrade Man Mohan Adhikari was a pioneer of this union.

The Biratnagar Majdoor Sabha (Biratnagar Workers Union) emerged as a parallel stream—to that of communist oriented Trade Union Congress—in the Nepali Trade Union Movement, a trend that has a strong influence in the Nepali trade union movement until today.

### **The movement compelled the autocratic regime to establish worker's representation in the Governing Assembly**

People's Leader Madan Bhandari,  
the then General secretary of CPN (UML)

For the first time, the workers in the Biratnagar Jute Mill and Morang Cotton Mill launched a strike from March 4, 1947. The principal demands of this strike were proper shelter, appropriate wages and the recognition of independent trade union. The movement as such consciously raised the fundamental demands for the improvement of living and working conditions. This event has become the cornerstone not just in the history of the trade union movement but also in Nepal's democratic movement. This movement is not valued just because this is the first event of this kind but its value is enhanced by its spirit, clarity of demands and its being the precursor of the democratic movement of the country. The first anti Rana regime movement was embarked from here, which later fuelled throughout the country. The autocratic Rana regime was forced to come into an agreement with agitators. However, the Rana regime brutally suppressed the movement, but it could shake and tremble the foundation of the Rana oligarchy. As a result, the government declared an act, in 1948, banning the right to association. It was also compelled to announce a National Assembly with a legal provision for a workers' representative in it. The major success of the movement was to compel an autocratic regime to include workers in its state machinery.

(People's Leader Madan Bhandari with the workers, page 43)

### **The Illusive Concepts**

After 1990, moves through fronts in special situations were begun with some illusive trends. The illusive concept 'trade unions for merely

factory workers' developed the wrong feeling that service sector workers are petty bourgeois. Based on this wrong notion, white-collar workers were considered outsiders.

Only after 1996, the right notion of 'All wage earners in the trade union' has gained its due place. Unions have, now, started to treat one another on the basis whether the union in question is legally recognised or not. Nowadays, a new debate is ongoing to develop a giant and unified trade union movement through the wide unity among the workers of agriculture, manufacturing and service sectors of work.

### **Trade Union Act and Recognition of Trade Unions**

In accordance with the Trade Union Act-1992, unions have been classified in three structures. They are –

- **Confederation** - Mention as **Trade Union Federation** in Law
- **Federation** - Mention as **Trade Union Association** in Law
- **Enterprise level Unions** - Mention as **Trade Union** in Law

The process to form such unions has also been regularized in the law. To form enterprise level union, at least 25 percent of the workers of the enterprises should be signatories. The law has been formulated making compatible to the multi-party system and with high honour one's freedom of association as well. But it is equally aware on division in labour movement and problems of multiplicity of trade unions. Thus, a provision of **Authentic Union** has been made. It will be decided holding an election between registered unions (there may be 4 unions in maximum in an enterprise) to identify **CBA Agent**.

Trade Union federation can be formed under three conditions, which is as following:

1. By associating 50 enterprise level unions
2. By organising 5,000 individual members from trades & industries having same nature of jobs.
3. By organising 5, 00 individual members having same nature of jobs from informal sector.

Likewise, co-ordinating **10** or **more** federations can form a **confederation**. However, it is mandatory that there should be at least **6** federations, which is formed as per process 1 &2 mentioned in above paragraph.

There have been mentioned different roles and responsibilities of trade unions in all levels. The **Confederation** shall represent all labourers in National tripartite committee. It will provide policy inputs to the competent authority. To fulfil member's demands, it will hold various legal measures to pressurise government as well as the employers. Further, Confederation is entitled to launch highest means of peaceful struggle-strike to meet its demands. Confederation shall participate in every labour related forum including the minimum wage board and the ceremonial forum. Maintaining international relationship & policy intervention in National level comes under the Confederation.

**Federation** shall work same as the confederation. The only difference is Federation cannot participate in tripartite body like Central Labour Advisory Committee and the Minimum Wage Board. Federations are responsible to maintain industrial relation with in their **line of industries**.

### **Trade Union Movement Today**

After the success of popular mass movement, open environment for union activities has been achieved. Then next confederation Nepal Trade Union Congress (NTUC) also came into existence. In 1998, another union Democratic Confederation of Nepalese Trade Unions (DECONT) came into existence through division in NTUC.

GEFONT covers general manufacturing, food and beverage, chemical and iron, transport, garment and textile, carpet, hotel and tourism, trekking and rafting, construction as a whole, press, auto-mechanics, rickshaw-pullers, garbage cleaning, tea plantation, agriculture. It's role to relinquish bonded agricultural workers known, as Kamaiyas is significant in post democracy periods.

The NTUC covers general manufacturing, carpet, garment, transport, hotel, tea plantation, financial sector, and health workers etc. In connection with the unions of white-collar workers of public enterprises, two types of trend are being observed. Unions of left-orientation are functioning independently whereas those with non-left orientation have affiliated with NTUC.

However, still non-affiliated left oriented unions are under interaction and discussion to go under GEFONT umbrella. At present, it is indicative that the GEFONT, which initially worked as blue-collar

unions, has been gradually converting itself into common platform for all white and blue-collar workers of Nepal.

A small confederation DECONT claims its activities are on carpet, garment, small hotels and restaurants, brick workers, construction and wood workers, salesman and cinema hall workers etc.

### **Union Density in Nepal**

Through Trade Union Act 1993, a process of union registration and regulation started. According to this Act, unions can be formed at enterprise level with at least 25% of the workers of the enterprise. To the maximum, 4 unions can be formed in an enterprise and collective bargaining agent is decided through election in the enterprises. In this way, present labour law itself has avoided multiplicity of unions in workplace and also has guaranteed the freedom of association provided by the constitution of Nepal.

Trade union federations can be formed through the association of 50 enterprise-level unions or a minimum individual membership of 5000 workers working in the enterprises of the same nature. In informal sector, a trade union federation can be developed with 500 or more workers engaged in the same nature of work. Self-employed workers have also the right to form union. Agricultural workers have also been given the right of unionisation through an amendment in the Act in early 1999. An association of 5000 agricultural workers, covering at least 20 districts out of a total of 75 districts with a minimum of 100 members in each of the district, is necessary to form a national federation in agricultural sector.

Trade union Confederation can be registered with a minimum of 10 national federations under its umbrella where 6 federations must be representing formal sector either of 50 enterprise unions or of 5000 individual members. Thus, at the level of national centres, multiplicity has been restricted to some extent. Just after the establishment of multiparty democracy, almost a dozen of unions associated to different political parties declared themselves as confederation, but when this Act was enacted, most of them could not fulfil the requirements and thus, couldn't have any legal existence.



We can compare the extent of union density at present as following:

**Table 1:** Union Density in formal economy

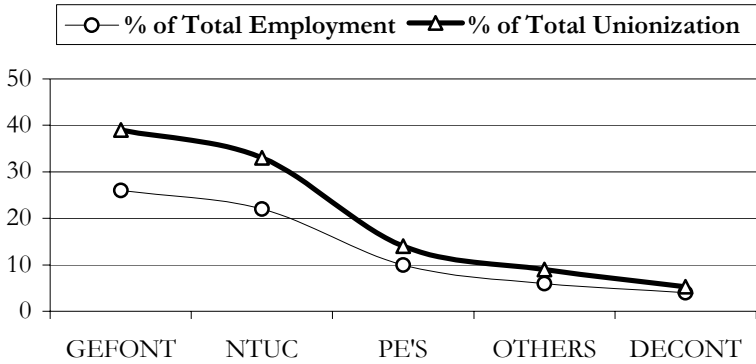
Unions	Total employees under survey	Total number of union membership	% of unionisation out of total employees	% of unionisation out of total unionised workers
DECONT		6270	4	5
GEFONT		45404	26	39
NTUC		39020	22	33
OTHERS		10373	6	9
PE'S		16889	10	14
<b>Total</b>	<b>173702</b>	<b>117848</b>	<b>68</b>	<b>100</b>

*Source: Labour Offices, HMG/N: 2004*

GEFONT conducted a survey throughout the country to examine union density and status of recognised trade unions in formal sector. The information supplied by the 10 labour offices of the HMG/N indicates that there are 68% workers organised under the unions (*Table -1*). Out of 173,702 workers under the survey, 26% are the members of GEFONT. This number backs authenticity of sample size as well. Similarly NTUC covers 22% and DECONT shares just 4% membership. A remarkable number (6%) are the members in non-affiliated unions either of the national centre. It is interesting that the workers from the public enterprises working closely with GEFONT without formal affiliation cover 10% of total unionised labour force.

If we calculate strength of National Centres based on total unionised force, GEFONT shares 39% and the NTUC shares 33%. It is interesting that recent manufacturing census prevails total number of workers working in the enterprises having more than 10 workers are 181,695.

**Graph 1: Union Density in formal economy**



With regards to recognised unions in enterprise level, there are 935 registered unions (*Table –2*). Out of total registered unions, 60% are with GEFONT. Similarly, NTUC, DECONT and others represent 26%, 4% and 10% respectively.

**Table 2: Number of recognised unions**

Unions	Total Recognised Unions	% of Registered unions
GEFONT	561	60
NTUC	247	26
OTHERS	37	4
DECONT	90	10
<b>Total</b>	<b>935</b>	<b>100</b>

*Source Labour Offices, HMG/N: 2004*

**Trade Unions and International Relations**

Globally, different trade unions are associated with this or that International Centres. Those who are not associated with any Powerful Centres have linked themselves with alternative alliances. The association with such Alliance Groups and Centres has special importance.

However, following the international tradition since its inception, Nepali trade union movement followed a trend of affiliation with international trade union centres. For instance, the first trade union confederation-the All Nepal Trade Union Congress (ANTUC) was also affiliated with the WFTU.

This tradition was broken after imposition of dictatorial political system called *Panchayat*, when all mass organisations along with the trade unions

were banned. After 19 years of silence, **Second Generation of trade union movement** gets birth in new height.

On the one hand, the initiation of newly re-organised union movement in Nepal was heavily influenced by extreme-left orientation and on the other; both ICFTU and WFTU had been juggling around in an exercise to occupy the unions in the continent. They were following a policy like that of super-powers in the third world. They first hurriedly affiliated the so-called unions and later perhaps they realise- Oh! What sort of union became the member now? Moreover, there was no existence of such unions in Nepal who do support either the WFTU or the ICFTU. Thus, a trend of *Non-alignment* has been started.

Dissolution of USSR after 70 years of its establishment resulted into inevitable changes in the influence and base of WFTU, as well as in the role and size of ICFTU.

Post 1990 periods in Nepal similar initiatives had been started again taken by either side. However, GEFONT still maintained non-aligned policy regarding international affiliation.

"Our confederation does not have any biases or prejudices towards any international centre. However, we have our own reservations on some trends still active in the existing centres. We believe corrections may be produced through independent efforts instead of affiliation, and positive contributions can be done even independently for the integration of world trade union movements". This statement by GEFONT 2<sup>nd</sup> National Congress clearly exhibits GEFONT stand on International Trade Union Centres.

GEFONT's this stand has been recognised internationally. Thus, it is now a day working closely with ICFTU and WCL as the **Contact Group member**, and actively participating in the process of creation of New International.

The NTUC immediately seek affiliation by ICFTU after its inception. Very recently DECONT is associating with WCL. A tiny 'union', which is almost a political grouping only, is continuing its relationship with the WFTU.

A remarkable turn has been observed since 1996 in Nepal's trade union movement. After having series of discussion and participating in their

programmes, the GEFONT started to re-think its relationship with some of the potential GUFs. Following the trend, the IFBWW disaffiliated its member related to NTUC. On the other hand the GEFONT allowed some of its National Federations to be affiliated with such GUFs. As a result the CUUPEC-Nepal, one of the GEFONT affiliate active in construction sector affiliated with the IFBWW in May 1999. Like wise Nepal Independent Chemical-Iron Union has been affiliated with the ICEM. By the year 2000, IGCUN also joined ICEM. Further, three national Federations—ITGWUN, NICWU and footwear section of NIWU affiliated ITGLWF.

NTUC enjoys affiliation of its affiliates with most of the GUFs, where as TUN- an umbrella of teachers unions including NNTA & NTA is the affiliate of EI. A DECONT affiliate is also affiliated with IFBWW and TEAN one of the independent Telecom unions is affiliated with the UNI.

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### Chronology of Major Events in the Labour Sector

1989	July 20	GEFONT established
1990	February	Participation in Pro-democracy movement
1991	May	NTUC established
	May 26	First Labour Advisory Committee formed and GEFONT represented
	June	First National workshop on women workers & Trade Union Movement
	Aug	Minimum wages declared after restoration of Democracy
1992	Mar	GEFONT first National congress convened.
	May	CWWD formed Labour Act 1992 enacted Child Labour Act 1992 enact
	Nov	Bonus Act 1973 fourth amendment Trade Union Act 1992 enacted
1993	January	Transport and Vehicles Management Act 1993 enacted
	June	Foreign Employment Act 1985 first amendment
	Aug	Transport and Vehicles Management Act 1993 first amendment
	Nov	Tea Plantation Workers Regulation 1993 enacted Labour Regulation 1993 enacted Trade Union Regulation 1993 enacted

1994	Feb	Review of Minimum Wages (Increased NRs. 300/- as allowances)
	June	Industrial Relation forum established within FNCCI with the support of Friedrich Naumann Foundation
		Emergency Fund Scheme started by GEFONT
	Dec	International Trade union conference hosted by GEFONT
1995	Jan	Child Labour Protection & Promotion Act 1995 enacted
	Feb	Working Journalist Act 1995 enacted
		Nepal government announced public holiday on 8th March (women's day) for government & public corporations
	Mar	Nepal government ratified ILO convention No 144 on Tripartism.
	May	GEFONT registered as a first Confederation of Nepali Trade Union
1996	Sep	National Labour Academy (NLA) established
	November	Friedrich Ebert Stiftung Nepal Office established Child Welfare Committee formed
1997	Jan	Labour Court Operation Regulation 1997 enacted Labour Court established
	Feb	NTUC registered as a second National con federation
	March	GEFONT 2 <sup>nd</sup> National congress convened
	April	A rift emerged in NTUC, DECONT formed
	Aug	DECONT registered as a third confederation
	October	Nepal government ratified ILO convention No 98 on freedom of organisation and collective bargaining Nepal government ratified ILO convention No 138 on child labour
	Nov	First National Labour Conference.
	December	Working Journalist Regulation enacted
1998	March	National Labour Advisory Committee formed according to Labour Act 1992 Minimum Wage Board formed
	June	Transport and Vehicle Management Regulation 1998 enacted
	Sep	Review of minimum wages
1999	Jan	First amendment of Labour act 1992 Second amendment of Foreign Employment Act 1985
	April	First amendment of Trade Union Act 1993; provision included for unionisation of agricultural workers
	July	GEFONT ocelebrates 10th anniversary
	Dec	National Labour Policy formulated

2000	Jan	Minimum wages fixed for Agriculture labourers
	Feb	Bonus Regulation enacted (with amendment) National Welfare Fund formed
	Apr	Reviewed Minimum Wages
	May	Inauguration of GEFONT Health Co-operatives Inauguration of GEFONT central office, Man Mohan Labour Building GEFONT Third National Congress convened
	July	Declaration of Kamaiya freedom Minimum wage revised (NRs. 316 added)
	Nov	TUC-GEP formed
	Dec	Hotel Workers strike
2001	Mar	Essential Services Act imposed on 11 areas of work
	Sep	Malaysia formally welcomes Nepali migrant workers
	Nov	CLAC reformulated Govt. declares privatization of 4 PEs & puts 20 in Pipeline
	Dec	Nepal celebrates its 35 years in ILO GEFONT & NLA launch labournepal.org
2002	Jan	Nepal Ratify ILO Conventions No. 29 & 182
	Feb	Kamaiya Labour (prohibition) Act declare
	Dec	Tripartite declaration for Promotion to gender equality Consensus of trade unions on common priority Agenda for 2003
2003	Feb	First National Congress of DECONT
	Mar	Third National Congress of NTUC South Asian Women Trade Unionist Conference
	May	Joint Celebration of May day by GEFONT & NTUC
	June	GEFONT Organised National Women workers Conference
	Aug	Minimum wage revised
	Sept	Minimum wage for tea plantation revised GEFONT and other 2 recognised Trade Union Centres
	Nov	proposed detail view on 7-point agendas for labour law reform during bipartite social dialogue with FNCCI
2004	May	GEFONT organises 4 <sup>th</sup> National Congress
	Sept	Violence sparks in Kathmandu after annihilation of 12 Nepalis in Iraq; vandalised more than 300 Manpower Company Trade Unions along with employers opposed Maoist call for closure of 5 dozen industries & enterprises

2005 Jan	2 <sup>nd</sup> National Labour conference held
Mar	Unions jointly organised 8 <sup>th</sup> March
May	Trade unions and professionals jointly Celebrated May Day with grand mass show
July	Trade Unions and professionals jointly convened National Seminar on Poverty; declares organising committee for wider trade union Conference
Sept (10-12)	1 <sup>st</sup> Wider Trade union Conference organised by GEFONT, NTUC, DECONT and TUN; Conference was participated by almost all units of labour movement Govt propose ordinance to amend labour law, unions oppose it- employers ask for consensus
Sept 30/Oct 1	Nationwide protest programme to oppose labour ordinance

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