

The Role of Trade Union in Nepal in the 21st Century

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1. Trade Union movement of Nepal: Present position

Nepal's trade union movements cannot be compared with the trade union movements of advanced nations. Our movement is in the young stage in terms of size, period and industrialization. Though started from 1947, the Nepalese working class was prohibited to form trade union organizations during the thirty years of party less autocracy. This movement has reached the present stage by a zigzag path, crossing a considerable part of suppression while making a few achievements.

There are almost two million agricultural labourers scattered all over the nation. "Kamaiyas", "Halis", "Gothalas", "Khetalas" (bonded workers, tillers, cattle herders, daily wage-farm-workers) and plantations workers as well as agro-farm workers are facing various problems of diverse nature. Comparatively workers in tea plantations, sugarcane plantations and agro-farms are organized. Although they feel some sort of certainty in their employment, they are suffering from the absence of adequate labour laws. Those working outside plantation and agro-farms are totally unorganized. Kamaiyas, the bonded agricultural labourers, are leading their lives as slaves even today.

Contemporary agricultural issues centres around unionisation of rural agro-workers, fixation of minimum wages and wage discrimination between male and female. Liberation from the bonded condition is the main issue in the content of Kamaiyas. The Kamaiyas, concentrated in the five far western districts, have to be brought within the labour market and be given their tenancy right to the land which they have cultivated for years. Union work has started amongst limited number of agro-farm workers and tea plantation workers. So the unionization of other scattered agricultural labourers, awareness building for minimum wages and collective bargaining are the major agenda at present.

Just after the enactment of Trade Union Act 1992 and Trade Union Regulation 1993, registration of trade unions, national federations and

confederations has started. (As reported by the Office of the Registrar, the status of the registered trade unions is given in Table No.1)

As per the latest information, recognized confederations are GEFONT and NTUC. NTUF and ANTUC are also in existence though not yet registered. In terms of international affiliation, GEFONT is non-affiliated and independent, whereas NTUC and NTUF are affiliated with ICFTU and WFTU respectively.

The labour sector is totally neglected in Nepal. Labour administration is incapable and weak in the enforcement of law, in monitoring, in dispute settlements, in implementation collective bargaining agreements and in updating labour statistics. For example, the provision of issuing an appointment letter in accordance with the Labour Act 1992 is not implemented for all workers. Even in PEs workers are not awarded a permanent certificate despite crossing 240 working days. A labour court has been established, but judges have not been appointed for long time. There is no reliable statistics in labour administration of the total membership of unions and their affiliations. The labour sector is still a victim of unequal wages. There is a tendency of providing wages less than the fixed minimum wage and wage discriminations exist between male and female in agriculture, plantation and other industries as well as service sectors. In various areas, particularly in rural areas, women are given half or 3/4th of wages given to males. Similarly, women are given half that of men where food payment is provided; in some places wages are given in kind and not in cash.

The system of minimum wage in service and industrial sectors is not scientific. A minimum wage is that level of wage below which an earner cannot survive. The minimum wage is fixed on the basis of various factors interacting in the market. However, the determination of minimum wages in Nepal is dependent on government attitude and on the bargain between the demand of workers and on the will of the employers. Furthermore, workers in agricultural farms and plantation are getting even less wages than the fixed minimum in other sectors (See Table 2).

After the establishment of the multi-party system, there have been four governments of diverse natures. But the national planners never made attempts to formulate a "National Labour Policy". Our labour sector remained a "travellers without destination" and ad-hocism never came to

an end. The absence of a concrete labour policy is the major causal factor responsible for drawbacks in addressing minimum wages, unemployment, poverty alleviation, commercialization of agriculture, production of skilled manpower and technical-vocational training. However, all these topics were accepted by all the governments as the crucial ones.

Recently, in July 1996, agricultural workers in *Dhanusha* of eastern Terai started a movement with a demand for higher wages. Their demand was in kind and they wanted 6 kg of paddy and lunch per working day. To evaluate it in monetary terms, the wage doesn't exceed Rs 36. They took a stand that they would not work without their demand being fulfilled. Surprisingly, an all-party meeting that included the participation of major national parties concluded that the demand was not genuine. The leaders of the movement were threatened of legal action under the infamous Public Offence Act.

2. Issues of the Trade Union movement of Nepal

We are entering the 21st century with above mentioned national realities. Facts warn that we will not be able to face challenges without genuine reforms and changes in present conditions. To address the challenges, following issues have to be raised by our trade union movement.

2.1 Adequate revision and modification in existing labour laws

Existing labour laws refer to the Labour Act 1992, the Trade Union Act 1993, the Transportation Act 1993, the Children's Act 1993, the Working Journalists Act 1995, the Labour Court Regulation 1996, a Bonus Act and Industrial Trainee's Training Act.

Serious efforts are essential in order to revise these existing labour laws in accordance with the existing condition. There is a need to establish appropriate norms and values in the labour sector. Concentration should be on the formulation, development and extensions of labour laws in a simple, appropriate and comprehensive manner mainly for dynamic labour relations and industrialization. A policy for labour laws has to be undertaken based on the following principles:

- Establishing balanced and equitable bargaining positions for the workers suffering from social imbalances caused by inherent weak social status including social economic, political, educational factors.

- Provision of selecting representative trade union at the central level based on multi-unionism.
- A fair and appropriate wage policy and a permanent wage board establishing a fair wage system for the entire work-force.
- Compulsory provisions for scientific management based on skills and expertise.
- Removal of unnecessary and illusory provisions and confusions from the legal system.
- Elimination of unnecessary restrictions imposed on workers and the creation of an agency for the implementation of collective agreements.
- Formulation of an industrial 'Trainee's Training Act' to develop skilled industrial manpower and its immediate implementation.

2.2 Industrial revolution and economic liberalization

Excluding the *Rana* rule and the autocratic *Panchayat* era, half a decade has gone after the establishment of the multiparty system. The term 'industrial revolution' is understood as a process of rapid industrialization of Europe after the invention of steam engine in the 18th century. But in our context, it should be taken relatively to express our urgent need of rapid industrialization.

In the past half a decade, after the vital political change brought about by the mass-movement of 1990, nothing has changed significantly in the industrial sector. A major causal factor in this respect is the continuous neglect of the importance of the role of working class in the process of rapid industrialization. As experiences indicate, Japan's process of economic growth is the outcome of the maximum utilization of manpower and labour-force. So is the Chinese scenario. In our case, however, no strategic initiative has so far been taken for the identification of a suitable industrial base and the prioritization of national industries.

The twin outstanding tasks are thus the identification of national industry that fits our realities and channelling of all efforts and resources towards the identified industry respecting the vital role of manpower and labour force in industrialization. The government policy of preferring commercial enterprises to industrial enterprises should change; there should be balanced coordination between the commercial policy and the industrial policy for the industrialisation in the country.

In the absence of strategic identification of national industry, our export trade could not be based on a solid foundation. Initially, it was based on agro-products and raw materials but later it became leather-dominated. It then depended on carpet and garments. Now, the situation has changed and it is clear that carpet and garment can no longer remain major items of our export. It is being imperative in our part to identify and select stable and dependable industrial base for the industrialization and export in the agricultural sector as our economy is primarily agricultural. So the priority should be given to the industries based on agro-products, forest-products and available natural resources.

Considerable influence of the character of capital can't be denied when industrialization is looked at in combination with long-term national interest. There are debates and differences on the character of existing capital in Nepal. The tendency of deriving conclusion about the character by classifying into small, middle and giant capitalists may hinder the development of national economy. It is often found that this type of classification has given inducement even to the small capitalists who are working against national interest and harassment to the giant ones who are positive about the development of national economy. It can not be logical to conclude that small capitalists should always be supported and large ones opposed by our movement.

We feel that classifying the capital into 'supportive of national economy' and 'supportive of foreign dependent economy' requires accurate analysis on the use of labour, nature of raw materials, technology and the market. In short, it will be very clear if we describe the existence of 'native' and 'foreign' capital in our country. Operating 'closed economy' by negating foreign capital is neither possible nor logical; foreign capital is to be invited and utilized. But the activities and policy governing foreign capital should be carefully monitored to make sure that they support the nation's need.

The explanation of the character of the capital and determination of the degree of the response of the trade union movement is not sufficient in a frequently changing world. The outlook, interpretation and analysis may not be practicable without the proper analysis of the present scenario of economic liberalization, SAPs and the newly established World Trade Organization under GATT. It is experienced that the first and second phase of liberalization and SAP has made rich sections of the society richer. But the conditions of working population have further

deteriorated. The interpretation that 'short period might be difficult but in the long run everything will be okay' has been proved wrong by evidences. In the process of market, trade and investment liberalization, efforts have been made to chase out unions from the labour market and the fundamental human rights of workers have been denied and violated.

Experiences of several countries show that they are terribly indebted and the social-welfare schemes and projects have been heavily curtailed because of debt-servicing. As a result, the standard of the working population is sloping downward steeply. Not only unemployment and insecurity of employment, the decline in real wages has also become chronic. Casualisation of labour and retrenchment have become common.

Facts have proved that silent acceptance of liberalization and SAPs will be absolutely wrong. It is generally accepted that economic liberalization and SAPs have been highly successful in Asian countries including South Korea, Taiwan and Singapore. But a study of World Bank in these countries revealed the fact that government interventions had played the dominant role in achieving high growth with equity and that the government subsidies to the export oriented industries had been surprisingly large.

Successful liberalization is not possible in any country which denies government interventions. This international experience and our own experience from 1985 clearly indicates that the trade union movement can only accept "Selective liberalization - selective privatization" when there is a guarantee of the full protection of workers' interests.

2.3 Elimination of child labour

Child labour is considered as a cheap and easily available source of labour supply in the labour market. As it is risk free with regards to collective bargaining and so on, employers have given promotions to the supply of child labour in different sectors of production and services. Legally child labour is prohibited in our country, yet it is quite clear that children are working in different sectors from hazardous jobs in factories, mines, construction and transport to the jobs in agriculture, plantation, hotels/restaurants, tea-shops and home services. It can be strongly argued that the rate of adult unemployment is increasing due mainly to the use of child labour.

In fact, child labour is the reflection of existing acute poverty and exploitative socio-economic relations in the country. The existing social system based on inequalities has further aggravated the close association among poverty-illiteracy-unemployment and child labour.

A number of provisions like the restrictions on employing children under 14 years of age, prohibition on the trafficking in children for occupational and sexual exploitation, prohibition on kidnapping and keeping under slavery and prohibition on using children in risky and hazardous jobs have been included in our constitution, laws, rules and regulations. But obviously, child labour can't be stopped at once. To view that child labour would take a very long time to eradicate and to boycott all the third world export items as their production uses child labour are two extremis viewpoints. We feel that child labour should be gradually and progressively eliminated. Doing so should involve following strategies:

- Preventive strategy: education, literacy and awareness campaigns as well as the extension of income generating and productive activities.
- Functional strategy: rescue of children at risk, welfare programmers for working children and planned and phase-wise effort for child labour elimination from hazardous to the light works.
- Rehabilitative strategy: liberating children from loans and bonded conditions, medical rehabilitation for sick and helpless child labourers, and operation of temporary relief centres.

As in the past, the national centres of trade unions will take up necessary efforts to pressure and/or persuade the concerned institutions towards the gradual eradication of child labour.

2.4 Women workers and gender discrimination

It is well known that the condition of female workers is miserable in Nepal. Because of the existing social system, woman workers have also been victimized by social discriminations imposed right from their birth.

National trade union movements have always raised voices for equal opportunity for education, capacity development and promotion, equal remuneration and against sexual harassment and rapes, night-shift work. Similarly, provisions for maternity leave, mother-child welfare, baby-care

centre and workplace conditions are other major issues taken up vis-à-vis working women.

In fact, the problems of Nepali women workers include both types of issues. Our labour policies have to emphasize the issue of 'equal remuneration' for women workers. Both types of thinking - one, humiliating tendency and the other, over emphasis on protection are the outcome of the assumption that women are comparatively inferior in every field. We feel an urgent need to wash this social outlook off. 'Equal wage for similar jobs' has to be associated with the efforts to increase productivity and efficiency of the women workers. Absolute equality has to be made common in minimum wages on the basis of working hours. Fair wages and incentive earnings have to be based on their productivity and efficiency. For this, technical and skill-development training has to be provided without discrimination so that they could get equal opportunity with high competitiveness in all types of works.

2.5 Foreign employment and migrant workers

We have a long tradition of joining foreign military services by young men belonging to certain ethnic groups. The lack of employment options in the country is an attraction towards foreign employment. It is well known that Nepalese workers have a long tradition to go to India for different works ranging from gate-men to home servants. From the last decade the outflow of the Nepali workers has started towards East Asia, the Middle East, Germany and Australia.

Together with foreign employment the trafficking in Nepalese girls, mainly towards India for the purpose of prostitution, has terribly increased. For its absolute control, highly effective measures are urgently needed and we will participate actively in the programmes jointly launched in collaboration with social organizations and others which have been working against. Similarly, displacement of local labour within our national boundaries is taking place mainly because of free entrance and penetration of foreign labour. We are in the conclusion that displacement of native labour force by foreign labour-force in our employment opportunities is always against national interest and self-dependence.

2.6 Self employed masses

Self employed masses are engaged in works of varying nature ranging from carpentry to handicrafts and from boot-polishing to foot-path

selling. All these works can be covered by the trade union movement. However, craft unionism is depreciating day by day and industrial unionism has become world-wide. It is really fruitful to utilize the role of craft-unionism for wide coverage and strengthening of trade union movement in socio-economically backward countries like ours. So it is essential to organize these self employed 'employers cum workers' in accordance with their craft and nature of the service they provide. We have thought of working for the protection of their interest, for the improvement of the quality of their products and services, and for the development of their skills and training and mainly for the upliftment of the living standards. For this, the government should adopt a policy of physical and financial investment.

2.7 Workers' participation in management

Two aspects of an enterprise are ownership and control. Control refers to management. Ownership and control used to be inseparable in early days. Today, they have come into two distinct areas. Shareholders of a company these days are just the owners and do not exercise or have no control over the processes of management or decisions of the company. A distinct class has evolved which controls and manages, although the managers concentrate themselves on the interest of the ownership. In these circumstances, the question is whether the labourers can become owners or not, whether they should participate in management and control or decision making processes.

There is a concept of the 'employee stock ownership plan' propounded by Louis Kelso who is of the opinion that workers are natural shareholders, not natural managers. This plan of collective ownership of workers' trust by purchasing the shares of the enterprise through loans from banks and financial institutions has gained popularity in USA. Under this ESOP, workers do not have any role in management or in the system of control. On the contrary successful workers' cooperatives in many countries have also proved that workers can play active role in management as well as ownership.

The thought that participation of workers in management is inevitable in the process of decision making for the smooth functioning of industrial democracy has gained much strength because of the realization that labour is not only the factor of production but also a sensitive human element. In our context, we feel that the demand for participation in management should be raised in order to bring about transparency in

managerial activities, and to strengthen the psychology of labourers as labour-investors of an equal status. Participation will produce positive results in connection with productivity and distribution of bonus. To sum up, the issue of workers' participation in management has to be raised in resemblance to the promotion of industrial democracy.

2.8 Workers' cooperatives

The concept of workers' cooperatives was first generated in 1844 by unemployed young men in England. As the time passed, the use of cooperatives proceeded on to fulfil diverse objectives. Somewhere 'cooperatives' is taken as a collective company. In contrast, the role of social responsibility of cooperatives has been neglected in other places. Similarly, cooperatives with more emphasis on social cause and labour investment, rather than the number of shares, are also in operation.

While looking at them, we can find cooperatives of three distinct characters - government controlled, operated for the benefit of certain concerned individuals and lastly cooperatives dedicated to workers' interest. Even among the cooperatives managed by labourers one category is sick or closure-approaching enterprises overtaken by the workers and the other is originally established workers' cooperatives.

We have felt it suitable to carry on the cooperatives campaign on the basis of the worldwide flow of capital and the displaced working-community. We would like to advocate the policy of operating cooperatives by trade unions in favour and protection of labourers victimized by retrenchment and displacement and for those forcefully ousted from their job. The policy of giving initiatives to enterprise-level trade unions and national federations in order to establish workers' cooperatives and of mobilizing resources for the purpose is being essential at present.

2.9 Workers' education and training

No one can neglect the significance of trade union education, workers' education and training in countries like ours where trade union movement is recently developing. National level seminars and short-term training programmes have, often been conducted by national and international institutions including ILO and the leaders and workers from national federations of different confederations have been actively participating in the programmes. Similarly they have represented and

participated in such programmes also outside the country because of their own international linkages.

The opportunity of participation in long-period training abroad has also been provided and some friends have gained good knowledge and expertise in some of the aspects of trade union movement. But no responsible trade union can regard it as sufficient and neglect the urgent need of education and training for the working masses. Naturally, we have been induced mentally and technically by such programmes to expand the programmes of trade union education, workers' education and training in a wide coverage for the working class. It falls under our responsibility to equip the working class with systematic information and knowledge of contemporary situations.

So we should give the details of changing policies in the world, positive and negative consequences, serious impacts on our working community and measures for the protection of interest through conscious efforts. The concept of mobile trade union school will, we believe, have tremendous impact on workers' consciousness and will give new heights and dimensions to the pro-worker trade union movement.

Through 'Basic Course' and 'Special Courses', at National, District and Enterprise level, on labour law, tactics and processes of collective bargaining, working conditions, health hazards and on safety measures, workers' education have to be expanded to skill-training, on the job training, training to adjust workers with technological changes, vocational training and training for the development of self employment opportunities. It will enhance vertical as well as horizontal mobility.

Thus our role on education and training will cover both pressurizing and creative roles. We will work effectively not only in the programmes of our own and of collaborations with others, but also for the programmes being conducted by government and employers as a result of our pressures.

2.10 Massive unionisation

It is already mentioned above that Nepalese trade union movement has not yet organized the vast majority of agricultural workers and there are no clear legal provisions for them. Since the economy is agro-based, unorganized agricultural labourers have to be brought under the umbrella of the trade union movement also for the commercialization of

agriculture. The issue of minimum wage is as important as the unionization of agricultural workers. However, there are numerous complications in the determination of minimum wages due to non-monetisation in rural areas and kind payment practices. Along with the fixation of minimum wages, steps have to be taken for the protection of health conditions, for the adjustment of workers to technological changes in agriculture and for the increases in skill and productivity. We have been serious on the necessity of bringing them into the comprehensive social security network and we express our commitments to the roles and leadership required.

Finally ...

On the eve of the 21st century, the trade union movement should firmly address above mentioned issues. No opportunity of continuous upliftment should be given to higher classes on the base of the miseries and pains of working population. Labour policy-makers and national development strategy formulators must always keep in view that human aspect of development may not be minimized. We believe, development should not be viewed merely with technocratic eyes in the statistics of production. The welfare aspect of distribution and stable as well as continuous improvement in the quality of life of the general people have to be associated with development. The trade union movement should also be mobilized as an integral part of people's movement.

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