

Nepal

Trade Union Movement in a Newly Established Democracy

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Background

April 24, 2006 marked a historical juncture for Nepal because of the tectonic transformation of politics. Nepalese workers and their unions had played a vanguard role in this transformation. The outcome of this movement not only expressed the sovereignty of people but also prepared a ground for the negotiation of a new social contract through Constituent Assembly elections. Now, the main responsibilities for Nepalese trade unions are how to become a creative part of history in the making—in the shaping of vision of participatory democracy, evolution of political programs to focus on the needs of workers, laws that represent public interests, framework of social justice and institutional incentives and innovation.

The twentieth century social contract in Europe and the US provided better social security and prosperity for their workers. Nepal's main problems of poverty, uneven distribution of resources and deprivation have alienated workers from many opportunities. These problems originate from both the national system of political economy and its unilateral adjustment to the dynamics of the world capitalist system. Now, this system is changing its landscape. The global social movements propelled by Social Forums, social evolution of Europe and the resurrection of left politics in South America generated a hope that there is an alternative to neo-liberalism and neo-conservatism where workers can become stakeholders and exercise better freedom of choice.

Corporate, finance and technology-driven globalization has unleashed a tension between those forces who demand more democracy and those who fear from its effects. In this tension, Nepalese trade unions have a number of roles to play to minimize its negative effects, such as increasing inequality, labor-market flexibility, lowering of the minimum wages owing to trade liberalization and weakening of social protection. Unions' struggle to realize these roles has put them into demand side rather than fear side and *their common demand orientation has made a single union a realist option*. But, unless grassroots globalism triggered by unions offsets the globalization from outside and above it would be very difficult for them to shape economic policies politically.

Questions

Can Nepalese workers expect better welfare benefits from the new democratic evolution in Nepal? Or, their past will rebound to shape their future and leave them as usual a passive recipient of some welfare benefits? How can the membership need of the unions be reconciled with their greater role in shaping their political vision? Is there a possibility for creating economic democracy

in the country so that capital and labor can work together for social justice and peace building?

Obviously, these questions cannot be answered in full detail. If the Nepalese workers and unions think and act politically and involve in the massive organization of unorganized, informal, potential and left out workers they will have more democratic space to realize their rights and well being. Inaction or disarticulation, by implication, will put them into invisibility in policy scene and characterize them as mere agitators of society.

Nature of Nepalese Trade Union Movement

Historically, democracy movements of parties, trade unions and other civil society groups have often moved in tandem. During the union movement workers representatives framed the agenda, put negotiable demands to the state, mobilized workers and civil society along professional and class lines, removed the conventional division of politics into right and left and built inter-movement solidarity for collective action. Fear of curtailing their constitutional and universal human rights and the prospect for a better future shaped the “collective behavior” of Nepalese unions. But, the tendency of leadership to ignore workers has left them dissatisfied often ready to fight for their rights and rightful place in society. While political leadership had mainly set their interest in *the democratization of politics*, unions are interested not only in the democratization of politics but also economy and society. They prefer social representativeness in political power. Party movement often ended in the power equation while workers movement aspired for social transformation. It is, therefore, essential to look workers movement as a voice of equitable progress and innovation.

The current inter-movement solidarity of unions and civil society eloquently presents the transformative potential as they articulate alternative vision, goals, issues and strategies. The current trends in the union politics to emphasize on democracy, autonomy, workers control and participation will likely to *democratize party politics and the state if the social energy they unleashed does not dies down*. The vision of establishing a single union transcending its *columnized* character is a salutary effort but it is equally challenging also given the diversity and complexity of union politics.

Tasks Ahead

The historically articulated vision of trade union movement based on *freedom, social justice, solidarity* and *peace* are still vitally relevant. The only question lies in defining the legitimate means and strategies.

a) ***Building union pressure from bottom-up for the genuine representation of workers in national social contract***: A democratic social contract requires the interest mediation between the capital and labor. It is a step by step process, in which political understanding is built first among the enterprise level workers, then regional and then national level unions and democracy is harnessed as a source of production and distribution of societal resources.

Mediation of social contract is central to make the state neutral of class interest of society and gives the workers an ownership in the state. Unions can also open themselves with other unions and civil society forces where they can expand their constituency and protect their interest for democracy against exclusive corporate, technocratic and bureaucratic interests.

b) ***Strengthening solidarity at the local, national and global level:*** Trust building among the various unions—Nepal Trade Union Congress (NTUC), General Federation of Nepalese Trade Unions (GEFONT) and Democratic Confederation of Nepalese Trade Unions (DECONT) and others civil society groups is a must for their effective collective action, prevent corporate abuses of workers' core rights and strengthen unions' collective bargaining power for decent wages and working conditions. At the moment, formulation of a common legislative agenda on workers rights, needs and concerns will be important to enforce, overcome the differences of partisan interests and fight for workers rights to bargain decent wages and working conditions, affordable health care, education and upgrading of labor-intensive technology. This means employment of the workers should be the key to any economic policy.

c) ***Establishing a Mechanism to Promote Political and Policy dialogue:*** The waves of new policy changes have put the freedom of capital above the social interests of workers, weakened the constitutional system and the social security thus putting the workers in a disadvantageous position. New policy changes have resulted in a greater insecurity, wealth inequality, stagnating wages and poverty and migration of workers abroad for job and livelihoods. To reshape the major economic policy to be undertaken by the state and political parties unions have to engage themselves continuously into policy and political dialogues taking into account the consequences and limitations of those policies.

d) ***Building a Collective Response to Globalization:*** Globalization is more a challenge for a country like Nepal which has labor surplus but capital deficit due to historically induced problem of capital flight and investment of capital in non-productive sectors. Nepalese workers are forced to go abroad for their livelihood as decline in agro-production due to cut in subsidy and the policy of de-industrialization broke the linkage between the rural and urban areas. Non-investment of economic surplus in productive activities is the cause of misery of Nepali workers and sustained *development failures*. A progressing response to globalization requires organizing informal sector workers, mainstreaming youth and women in the union network and utilizing rural surpluses and money for production revolution. Similarly, unions have also to play role in the protection of Nepali workers both at home and abroad whose income and remittances are giving life to rural economy.

e) ***Linking Workers Rights to Market Access:*** Markets do not make rules, build solidarity of workers and enlist the voluntary participation of workers in

economic democracy. All these processes require the application of democratic principles. In the context of the increasing regionalization (SAFTA) and globalization (WTO) of economy and technology, globalization of human rights, democracy, social contract and collective bargaining is essential. International Labor Organization (ILO) is struggling to achieve core labor standards aiming to empower the workers and give them the right to free collective bargaining and dignity to work. The essence of bargaining is demanding higher wages, better labor relations and investment in productive activities so that competitiveness of workforce is created. Linking workers rights to market access in Nepal requires the mainstreaming of gender, Dalits, and youths for social and inter-generational justice and massive unionization of informal sector workforce for inclusive transformation.

Conclusion

To become vibrant, unions must be very cohesive, democratic, inclusive and participatory. Education, training, dialogue, organization and unity are key components for building efficient unions. The three central elements of human rights—freedom, social justice and solidarity—are as useful now as they were before. But, unions have also to lay stress on peace building. Bringing social justice in the market requires institution-building at various levels, coordination of policies and collective action of the unions. Formation of single union sets a right step in this direction.

In Nepal, market institutions are dominated by powerful elites who oppose social justice. Putting democratic constraints on them and making them understand the value of social justice require first promulgation of rational laws and establishment of effective machinery to set democratic ceiling on their excessive passion for wealth and power exonerated from constitutional control.

A sustainable democracy requires creative role of unions in establishing social justice to address the root causes of conflict and building the foundation of positive peace. Only a vibrant democracy embedded in the social interest of majority allows the option for a peaceful resolution of conflict.