

Report
Of
National Seminar on Interface between the trade union and
cooperative

3-4 August, 2013

Kathmandu, Nepal

Organized by FES / CLASS Nepal

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Introduction and goals of the seminar

This national seminar was organized by the Center for Labour and Social Studies (CLASS Nepal) , in partnership with the Friedrich Ebert Stiftung (FeS) , brings together trade unions , civil society organizations, political parties , employers and other stakeholders of social movements.

The central goal is to identify the way possible of the trade union and the cooperative movement for the workers. When the different objectives of the trade union and the cooperatives are similar and oriented towards the collective effort of the collective benefit, it will be feasible to explore the new dimension of the joint impact.

The country's economy is being informalized and it has been playing important role to grow income, nationally and globally. In Nepal, its share to GDP stands between the 15-40%. Out of the total labour force participation, 4 % is formal and 96% is informal. The downsizing of the industries , closure and employing the home based workers for the production as well as the service purpose. Outsourcing and contract work patterns are further informalizing the formal sector. The informal sector remains the highly exploited sector where the decent work and decent pay does not exist . In the context, there remains the poor industrial relation . The large industries are being closed due to the industrial dispute and this has been growing the informalized work force. The worker's are being exploited due to poor awareness. There is lack of social security mechanism and the common welfare mechanism and the industrial relation has not been fruitful due to the lack of the social dialogue and the win win situation has not been achieved.

The decent work is very essential for the sustainable development of the worker as well as the nation. The decent work can be achieved through the production of the green job through the cooperative movement and above all through the worker's education.

Cooperative are generally regarded to be the significant generator of the employment opportunities which has been proved by the cooperative movement practised in Kenya, China , Japan etc. It is also the source of the income generating opportunities for many people . This also has the major contributions of the cooperative towards poverty reduction and poverty prevention. This can be true as most of the income generated from the cooperative is used to address the long term poverty prevention measures.

The fact exists that the cooperative movement does not wither away by the economic liberalization although in some initial stage, the cooperative may need to succumb to the fierce competitive market force except the few, the majority of the cooperatives has survived through the liberalization storm, the examples can be evidenced from the global context. However, there remains the fact that the cooperatives are diversifying their activities and introducing innovative cooperative ventures in order to respond to the challenges of the market which has made them sustainable and they were able to reinvent the business wheel.

The decent work in the nepalese context includes the fair income that ensures the decent livelihood, job with equal treatment, workplace with good working condition, environment with the freedom of organization as well as the expressions and protected by the social security provisions from the state with the mechanism for social protection to the weak peoples.

The modern cooperatives beginning in 1954 has undergone several developmental phases and after the 90s, the cooperative flourished in various sectors. There are several positive gain achieved from cooperative movement. Such as the development of the rural areas, to cope with the natural difficulties and ultimately for the food security and decent income for all the people. However, the cooperative movement in nepal is lagging to show much impact on the overall food self sufficiency, agricultural commercialization and socio economic transformation of the nation. The necessity is the scientific farmer cooperative movement that empowers farmers, commercialized agriculture, enhances the food security, transforms the socio economic condition and contributing to the rural development in Nepal. Our focus should be towards renewed and revitalized cooperative movement, inclusive, fully managed especially focussed to the grass root level. For the successful cooperative movement the, government should make the effective policy and implment in the appropriate level.

The trade union can be the synergistic partner for the development and estension of the cooperatives in the grass root level with the members in the formal and informal sector. Hence, the new dimensions of the interlink and synergistic work in the dimension of the overall support and development of the workers can be explored. This seminars focusses in this issue.

Objective :

The objective of the seminar is to :

- Analyze the situation of the cooperatives and trade union in our country.
- Identify the mutual points and objectives of trade union and cooperatives for the people.

- The agendas of the trade union and cooperatives to work together.
- The identification of the positive aspects of the cooperative practices in the trade union.
- Share the good effects and results of the cooperatives for the economic empowerment of the people.

The seminar on “Interface between the trade union and cooperative” jointly organized by CLASS Nepal and FES Nepal started with the chairmanship of **Mr. Shanker lamichhane** , president of CLASS Nepal . The chief guest of the program was **Mr. Dipak Prakash Baskota**, the past president of National Cooperative Association and the pioneer of the Nepalese cooperative movement and the special guest and key note speaker was Mr. **Devraj Dahal**, Country Head, FES Nepal. The other guests in the opening ceremony were:

Mr. Saran K.C, Regional Director, SASK Finland.

Mr. Indra Deo Mishra, President, INTUC

Mr. Shiva Adhikari, General Secretary, CONEP

Mr. Rameshwor Shrestha, General Secretary, NDCONT

Mr. Kuber Niroula, Paper presenter

Mr. Chadra Dev Bhatta, FES Nepal

Mr. Hikmat Jung Bhandari, General Secretary, NDFONT.

The participants in the seminar were the representative from different trade union national centers, home based workers union, the civil society organization, the cooperatives, the worker’s cooperatives, saving group, the government representatives and the journalists.

During the opening ceremony, the guests, special guests and the chief guests gave the remarks which were very relevant and the synopses of the remarks were as follows:

Mr Indra Dev Mishra:

He appreciated the program as it had given the guidance how the trade union cooperative can be taken forward. Cooperative movement is very important for the country. The president of the Nepal Trade Union Congress has inspired the initiation to initiate the cooperative in the trade union. Individualism does not give success. Only cooperation works. The trade union movement has not identified the significance of cooperative for them, however it should be the agenda of the trade union, when we are talking about the

collaborative effort. In other countries, we have seen the successful cooperative run by the trade union. We have the cooperative movement leader here, so he will provide the insight into the probability and the feasibility of the trade union cooperative also.

Mr. Saran KC, regional director, SASK Finland:

When we are talking about the cooperative movement, Finland is very important because 84% of the total population is involved in cooperative. More than 80% of the worker are organized in trade union so if we look at Finland and the other Nordic countries, all of them are very important. If we see from the trade union perspective, the declining number of the members is the challenge and the cause of it is globalization and the neo liberalization, capitalism which creates the poorer and the richer. The gap between the have and have not is increasing; hence it gives the benefit to only the few peoples. Hence , the system should be explored which gives the benefit to all the people and the cooperative and trade union movement can be the major agent to bring this positive result . Through the program, we can explore the possibility of the trade union and cooperative joint movement.

Mr. Devraj Dahal, Country Director, FES Nepal:

The more inequality exists in the society, more conflict, violence arises. When we are talking about the interface we explore how both the movement can be forwarded .The history highlights that the expectation of the society and politics which were not fulfilled , then the social revolution started and the cooperatives were the result of the social revolution . The basic necessity of the people should be fulfilled to enjoy independence and both the cooperative and the trade union has prioritized this. The fundamental issue is if the invisible hands controls the economy, the political power gets weakened , then our policies , state's power, constitution gets into shadow , hence the economy should not be based on the supply and demand . If it happens , there will be no credibility of the government and it is the responsibility of the state to ensure the basic requirements of the people as it is their basic human right as well. The common attributes of the cooperatives are:

Provisions: Law, policy, objective and the membership provisions which are clearly defined. If these provisions are strengthened, the systemic and strong organization will be the result.

Production: Labours are not only for the creation of the trouble and the strike resulting to the conflict. There are several reports of the development agency like World Bank, ADB that the main reasons of our country development are the workers.

Exchange: The exchange of the production as well as the knowledge

Benefits: The trade union should give benefits to the members and it can be extended to the other peoples

The cooperatives values are based upon the democracy, participation, honesty and sense of the social responsibility. Participation creates the sense of ownership; hence the lower to the upper level should be encouraged to participate to make them more responsible. The leadership has the responsibility of the policies formulation and the good and bad of the organization is in the hand of the leader more upon the honesty of the leadership.

The good cooperative movement can contribute a lot in the progress of the nation. There comes the change in the politics and system, education system, economy, technology etc. The economy will be strong when there exists the social solidarity and cooperative promotes the social solidarity. So, to improve the economy, the social solidarity is very important. More specifically for our country where the economy rests on the remittance, the workers contribute significantly, however the policies are influenced by the industrialists and employers who have very less contribution in the economy. The incentive system also has the positive impact on the cooperative movement.

The cooperative and the trade union both have the bottom up approach and they both are owned by the stakeholders. We should also think how can we interface the money and the labour, the state also has some role and we should see what the state focuses.

The conclusion is that cooperative main role is to distribute the profitability after production to all. The trade union has the role in strengthening the local governance and the collaborative work can be the positive change, however it should be contextual. Both of them work for the public good. Production facility should be for all in access of all is the main objective. To improve the interface, the trade union should also start the cooperative and this brings the economy in social embedded.

Mr. Dipak Prakash Baskota:

This program is really relevant as we are talking about the interface between the cooperative and the trade union. As far as the cooperative and trade union movement are concerned, this has remained the concern of me. We have been discussing on how the trade union can be cooperatized and may be due to this there will come less dispute. He himself has been researching in his own tea production. It is registered as the company and there are more than hundred members and the employees are also the shareholders. It was the initiative of giving workers the opportunity to become the entrepreneurs.

The trade union and cooperative movement needs to be studied very well. The industries are being displaced due to several reasons as the tax policies are not relevant and feasible, the banking policy and the industries are not working compatibly with the banks and some

of the industries are being closed due to the industrial dispute between the worker and the employer.

If we analyze for the solution then the conclusion will be without labour there will be no industries, if the employer does not provides the appropriate benefits and facilities to the worker, the workers are less motivated to work and for workers also, if they place the demands only, the employers shuts the industries to escape these demands and there is the case when we don't find any facilitator in between these two component, the cooperative can be one of the medium. If we have the cooperative in the trade union then the social security provision can be initiated.

The worker in the informal sector has the poor health, poor working condition, very less pay, if the employers are talked for the health benefit, they escape by saying they are not responsible for that and they provide the salary, however we could start the cooperative and the social welfare fund, the employer will be obliged to contribute in it through the cooperative. The employment generating opportunity can be given to the workers. So, there should be cooperative in bank, industries etc with the workers as the members and this will initially create the way of saving. If any workers save regularly, by the end of the service, he will get the good money in his hand for the security in the old age. The cooperative in the other hand can invest the savings in other income generating activities and other industries can also be created which has the ownership of the trade union of the workers. This will develop the industrial sector also. The cooperative has all the members as the share holders and since these all have the share in it, there is no employer or employee.

He highlighted the important role of cooperative by giving the example of Amul of India which is the largest dairy run by the cooperative concept. Amul has the milk producer and farmers and they are now very rich and economically sound .There are about 26 lakhs farmers who have all the social security provisions not provided by the state but by their cooperative movement. The infrastructure development, school building and other charitable goods are made by Amul, the salary is also provided twice than that provided by the government.

The fertilizer producing cooperatives established under the multi state cooperative act is another good example of the cooperative of the informal and agriculture workers. It has around 5 crore, 55 lakh members as their member and produces the fertilizer and distributes. The subsidy of the fertilizer is compensated by the state. The entire farmers associated with it are economically sound.

However, if we see our workers and labours, do we find them socially secured? No, it is not at all in the informal sector. So, there should be the trend of the cooperative practice where

by the end of the service, one worker will not suffer from poverty and she will have the remarkable share in his hand.

The deteriorated industries of Nepal can be cooperatized and operated successfully, however, it is very difficult to win the faith of the state, as the state does not believe in this. If we can lobby from our side, we can revive the industries. There are several industries which could not be run by the employers due to various reasons; we should take the chance to start it.

In our context, when migration of the young people is increasing so rapidly, the industries should be operated in different way to attract these workers from going out. And the cooperative will be the best idea. There can be the rule as to how much will be the share of the state, employer and the trade union. The minimum benefit and provisions to the workers provided by the law should be assured and above that, the benefits can be shared among all. There will be ownership and accountability of all and disputes can be minimized, the industries will ultimately develop.

If we analyze the origin of the trade union and the cooperative, they both are created remaining on the same base i.e. the exploitation against workers. The workers formed the union to fight collectively for the right and the cooperative was also borne by the workers to promote the welfare provisions to the workers. Hence, both have the workers behind it, so the joint movement can be initiated, we can move forward together.

The first cooperative was started by the workers working in the dairy, cotton industries etc. The cooperative movement also came up as a reaction against the discrimination, exploitation against the workers. And those seven principles of the cooperative still are the principles of the cooperative today and they are more or less similar to the norms of the trade union. The history also justifies the trade union and the cooperative relation with each other, hence if we expect for the good economic condition, then we can go together. Cooperative is the primary school of democracy and socialism, so if there is no cooperative principle in the country, we cannot imagine democracy and socialism. However, we need to be aware that the cooperative movement has now a day's going out of the principle of the cooperatives especially the saving and credits one which is used for the other purposes. Training and education is very important for the transparent cooperative movement in the trade union also.

Mr. Shanker lamichhane:

He concluded the opening ceremony by thanking everybody for participating in the program and shared his view. We have been evidencing the good examples of the cooperatives of trade union operating successfully, however today we are talking in the new dimension of it. The trade union is divided; hence the cooperative can be the bridge to

bring the trade union on one platform for the joint motives. The trade union and the civil society's organization is not different thing only the registration process is different, so why can't we work together for the common goal. The cooperative movement should be the working people movement and it should be the contribution of the employers too. The health system, the education system of the country has been shifting from the government sector to the private sector and it has created financial problems to the working class people to get the access on health and education.

Labour is creation, it gives value addition, hence the workers are never destructed and they are destructive when the employer can't create a faith on him. The destruction at this stage can be prevented through the cooperative movement. The economy can develop if we shift our tendency of consumption to production. We should produce, we should consume and it can be only through the cooperative movement both in the trade union and outside of it .

The technical sessions were divided into two parts. The first panel discussion was on "Interface between the trade union and cooperative", the paper being presented by Mr. Kuber Niroula, the campaigner of the cooperative movement. The session was moderated by Mr. Saran KC, regional director of SASK, Finland. The comments on the paper were contributed by Mr. Yogendra Kunwar , the central member of NTUCI , Mr. shiva Adhikari , General Secretary, CONEP and Mr. keshav Thapa , division Cooperative office .

Interface between the trade union and cooperative by Mr. Kuber Niroula

The cooperative is owned by the members, managed by the members and controlled by the members and it has the theme of one for all and all for one. ICA in 1995 has defined cooperative as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspiration through a jointly owned and democratically controlled enterprises. The different people have pioneered the cooperative movement started by Robert Owen, F. W Raifalson and Franz Schultz after then cooperative has become the role model of economy in several countries like China , Japan, Denmark, India . In Nepal, the cooperative movement started after the establishment of cooperative department, after than the cooperative bank is also started, continuing with the formulation of the different acts related to the cooperatives. The structural hiererachy has also its own model with and the affiliation with the International Cooperative Association is also possible. The cooperative is governed by seven principles which are voluntary and open membership, democratic member control, member's economic participation, autonomy and independence, education, training and information, cooperation among the cooperatives and concern for community. The moral themes of the cooperatives are honesty, transparency, social responsibility, taking care of others etc. The trade union in the other hand are also the workers organization established by the workers for the workers and to the workers and the main objective are the economic and

the social empowerment of workers through the improvement in employment status, the establishment of good industrial relation, development of enterprises as well as the workers and empowerment of workers. Similarly discouraging the child labour, establishing the gender equality and ensuring the social security for the workers are the important objectives.

We find the deep interlink between the trade union and cooperative in terms of origin and starting. Both of these were originated as a reaction to the industrial revolution and its impact during which the worker's had worse working condition and very low wage. At that time, people come together to speak out for their right against exploitation eventually giving rise to the trade union and some workers came together to establish a welfare body to support themselves during the crisis. Hence, both of them originated on the base of needs to fulfill it especially in Britain and German where the cooperative was started to protect workers from poverty crisis.

The trade union and cooperative together can function in the saving habit of the workers and employers, financial discipline especially for the informal sector workers to assist in earning more, the communal income generating work, the base of daily needs fulfillment, easy access of products etc, Hence, it will contribute to the cooperation without discrimination and non political unity. If there is cooperative shop in the trade union then workers get the easy access of the daily goods, no compromise in quality, feasible and reasonable price, the organizational transaction etc. Some of the trade unions or the sectors where the cooperative in the trade union can be started are the rickshaw pullers, taxi drivers, security guards, the workers working in the same sectors like agriculture, construction etc. The industrial productions can also be distributed through the cooperatives. Some of the evidenced cooperative are Araniko transport cooperative, porter cooperatives, small retailers, media employees cooperatives, teacher's cooperative etc. However, there exists certain challenges for the cooperative movement because of the scattered work force and scattered living, the lack of the job continuity and stability, the small groups which has less priority of development, political influence, the changing policy of the state, the tendency of violating the rule and law, the challenge of incorporating the universal principles Both the organization are member based organization which can contribute to the social development and economic empowerment. The complete structure for the social and financial security and can contribute to the equality and justice in the society. The benefit can be observed through the utilization of the leisure time of workers, the habit of saving for future, the creation of the alternative occupation, the utilization of the family human resources, solidarity, the rehabilitation of the returnee migrant workers through cooperatives and ultimately through the empowerment of workers, the social development can be established.

Comments by Mr. Yogendra Kunwar:

For the economic and social protection of workers, the cooperative has emerged. The cooperative act 2048 has highlighted the fact that the medium class people are the major player of the cooperative; hence the workers and the labour can be the major beneficiaries. We are practicing the democracy and the bases of the democracy are the cooperatives and the trade union. If democracy is to be institutionalized, then both should be strong. The trade union talks about the political and social base and a cooperative supports the economic and the social base. The labour talks about the socialist democracy and the model of the socialist democracy is the cooperatives. In the economic policy if the private sector dominates, exploitation arises, labour are exploited and quality is compromised, there is lesser productivity, hence cooperative can be the linkage between the private and public production. We have evidenced democracy, but we are not adopting democratic culture, cooperative can help in establishment of democratic culture in the trade union through the combination of the right based and responsibility based approach. Hence both of them can bring a compact developed result.

The function of the trade union should be based on the membership dues. The base of the trade union has now based on the donation and project funds which is not sustainable. If we expect a sustainable trade union movement the concept of cooperative is very useful more for the organizing, systematization of the membership fees etc. In the trade union, the financial discipline remains the challenge, hence to bind the trade union functions within the financial discipline, cooperative is the best tool.

We have been evidencing, the trade union's thought that the state and the employer should guarantee the social security provisions, however, they may not be well capable of doing it, so the trade union can themselves provide the social security schemes through the cooperative movement. This should be our focus. We can do or implement it in our union. Among the members, the bonus they get annually, the member contributes certain fund to the welfare fund automatically. Through this, a remarkable amount of fund is created under the welfare fund and every year some members can get the help from that fund. Hence this can be the good model which the trade union can adopt for the social security of provisions of the members.

Comments by Mr. Shiva adhikari:

The paper was good but rather than being comprehensive, if it could have been in the bullet form, it would be easily readable. Trade union and cooperatives both are movement. Trade union focuses on the right and cooperative focuses on the production and benefit. Goal of both is the social change through right protection and economic empowerment. The workers flourish and develop in socialism. The ultimate destination remains the same, the socialist society. Both are the agent or movement for the social change.

The cooperative movement enables the workers to become the owners and this cannot be possible through the trade union movement. Hence, the cooperative is very important for the workers. The workers work for the wage, however, the definition has changed or has become broad, but the base is the earning through work. The country economy is based on remittance which cannot be a sustainable economic base; hence the cooperative movement can create the employment opportunity within the country. Also, the cooperative can be the tool for the social security. In the context, when there is lack of job security among the informal sectors, if there is a cooperative in the trade union, the workers job can be secured through the cooperatives; hence the cooperative movement in the trade union is very important. It creates the alternative employment also. The informal sector trade union has not been able to function effectively; hence the cooperative movement should be focused to these sectors for organizing also.

Our country has the the three pillar economic system based on the public production, private production and the cooperatives. The private sector has become very strong due to the policy support; the public sector cannot be ignored and had the state ownership. However the role and the influence of the cooperatives need to be improved. The dilemma still exists whether the public service employees should be the part of the cooperative, the barriers exist. If there are any such types of legal barriers, then we need to think of the other options. In the trade union, we not only have the cooperative shops and the saving and credits one, however we can think more which brings the tangible role in the development, the influence in the infrastructure development, hydropower, investment in production, and other development agendas. The political influence in the trade union and its impact upon the cooperative should not be ignored.

Comments by keshav Thapa;

The remarks were more like the contributions. The concept of the cooperative is one for all and all for one, not for charity, not for profit but for the service to eliminate the middle man, social economics, and people in the business for themselves, business at cost etc. The area is production, consumption and service. The definition can be understood by the people, for the people and to the people. Both of the trade union and cooperative are result of the bad work of the industrial revolution where the trade union focused o the right and the cooperative on the service and welfare or the economic protection.

After 2048, the public became very excited about the cooperative and it went out of limit and now there are large numbers of cooperatives and any trade unions have also been operating it. The members should be aware of many things in a cooperative as the mobilization of the savings, becoming the member only after understanding the situation, showing the concern on the regular operations and administration of the cooperatives.

In present context, the reason of joining the trade union is manipulated to be relieved from the office work, threat the employer, become the leader and sometimes corrupt and other bad practices have been evident. We have several laggings in terms of the monitoring which is a problem.

Taxation binds the loop under the financial discipline. We should not say we will take facilities but not pay the tax. Tax need to be paid

Open Fourm Discussion:

During the open forum several remarks and questions were raised by the participants who are as follows:

Pasupati Giri, Dhansar Bachat thata rin sahakari:

Trade unions are registered under the trade union act and cooperatives under the cooperative act. According to demand and time, we need to move forward. The trade unionist bargain collectively. What about the employees of the cooperative who are working under the vulnerable situation getting very low pay? We should think through this angle. Trade unionist are not always bad people, it is true that some people use it for their own benefit. So when we are talking about the collaboration, we should accept our shortcomings and try to improve it.

Roshan Bajgain, Sanchar Shramik Bachat Tatha Rin Sakahari:

We have kept the workers in one basket, and one of the norms of cooperative is equality. But may be we need to identify the different sectors and categories of workers, don't we think, this difference should be cared? Will not this bring conflict in future? The informal sectors don't have the fixed working place, so what will be the base for them for registering the cooperatives? How can these people be accompanied?

If we are talking about enterprises based workers and unions, are we thinking about the workers in the informal sectors?

Meena Pathak, Chandragiri Bachat Tatha Rin Sakahari:

How can the challenges of trade union cooperatives be minimized?

Chet Prasad Adhikari and Bhawani Pathak:

The leaders are working for the workers right. For that they need to dedicate the time. How can they bargain collectively without giving the time?

Remarks,

There exists difference in category in the cooperatives like in the enterprises, so may be we may need different cooperatives, but it is good if all of them can work together. The cooperatives are not purposed to operate banks or petrol pumps. The cooperative has not been targeting properly for the targeted low income workers but has become another industry of the well earning employees.

Mr. Saran KC:

The conclusion was drawn by Mr Saran KC where he highlighted that trade union can help in the political way ie the policy influence, policy making and cooperatives can help trade union through the saving, financial generation and finance governance. This subject needs to be talked more, rather than talking on other thing we know that cooperative and trade union both have good roles, these roles can be combined together for the synergistic effect. Hence, the people of the trade union need to be more knowledgeable and same for the cooperative also, so still more effort needs to be done.

Workers Cooperatives- An Opportunity of Empowering the Trade Union Movement by Mr. Lekha Prasad Burlakoti/ Mr. Parsuram Pudasaini

As labour workers should get or gets some benefit from employer for their survival, in spite of their labour that could be money or goods. Trade union is an organization which consist workers united to protect their common right. Trade unions are working for economic, social and political right for their members. Trade union exists both in formal and informal sector.

As per trade union history it emerged in England during the 12th century. The state had given some limited right to labour which is known as "Magna Carta".

Development of modern trade union concept started in 18th century, when there was rapid expansion of industrial society. Purpose of building a harmonious society is religion of trade union where economic, social and political right should have protected.

Basic principal of trade union

- Democratic Ownership
- Free and Autonomous
- Partnership and Solidarity
- Transparency
- Accountability
- Coherence
- Inclusiveness and Sustainability

Trade unions work under these principles. Now due to globalization and its impact on structural adjustment has adversely affected the working class people throughout the world.

Workers Cooperatives

A cooperative is defined as an "autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise."

The origin of cooperation as a movement for changing and improving the economic and social conditions of the less developed sections of society can be traced to the first half of the nineteenth century in the philosophy of Robert Owen. The first cooperative was started in England in 1844. A cooperative store set up by a handful of unemployed weavers at Toad Lane in Rochdale.

The basic principles governing the functioning of this cooperative were adopted by the cooperatives movement all over the world. These were; one vote for each member, sale at market prices, division of profits among the share holders on the basis of the shares each held and limited interest on share capital.

In the early days of the labor movement, strikers formed worker cooperatives so they could continue working and providing for their families while on strike. During the Populist Movement, before the turn of the 20th century, cooperatives and labor unions worked together to form a political movement.

The trade union and cooperative movements share a parallel history having emerged at the beginning of the industrial era, and having provided, in their own ways, responses to the insecurities brought about by the development of capitalist social relations. Yet the relationship while often complementary has not been without its challenges.

Financial institutions have failed in their role as providers of capital for the real economy while multinationals have proven ultimately disloyal to their stakeholders. The crisis is thus creating a new context to reconsider the dominant governance and organizational system of both financial and productive enterprises.

In recent years, trade unions and their members have turned to the cooperative model in attempts to save their jobs. They imagined cooperatives as instruments for transforming their societies.

Karl Marks, himself was not against formation of worker cooperatives. In fact, he advocated that worker cooperatives could play an important role in emancipating the working class from capitalism, provided they serve as allies of the labor movement.

Marx thus viewed cooperatives as a form of emancipation for the oppressed worker. Cooperatives provided greater confidence to the ordinary worker as he became aware that he could transform the prevailing socio-economic relations through collective action.

However there are sufficient problems in cooperatives but democratically run cooperatives can help reduce alienation among workers.

Interface between Trade union and Cooperatives

- Both are member based organizations.
- Purpose of both organizations is to empower their member economically, socially and politically.
- Cooperatives can create more jobs for their members likewise trade union can play vital role for their organizational betterment.
- Both follow the basic democratic principles.
- Both organizations have one member one vote system.
- Indifference with ethnicity, religion and apartheid.
- Accountability and transparency is the basic principles of both organizations.
- Both are services motivated organizations.
- Both organizations deliver the related education and skill full training for their members.

Thus, we can say trade union and cooperatives are interrelated to each others. Cooperatives can be the tools emancipate the exploited member and can change their social, economic and political conditions which are main purpose of the trade unions. The cooperative in the trade union provides the opportunity for the member's welfare.

Comments:

Mr Ganesh Aryal

The paper presents the perspective of the trade union and the cooperative. The globalization and its effects and result in the cooperative and trade union is mentioned, however few recommendations are suggested.

Regarding the conceptual mutuality between the trade union and the cooperative then we should identify the concept that guides the both organization. The principle is if you want to run fast, you don't need anyone, but if you want to run long, you need people. It is a team work about which both work. Together everyone achieves more is the base of both the organization. The theme is cooperation and collaboration. Before 1930 crisis, trade unions are not considered to be positive. The people think if the demand is created by the trade

union, the organization will go in loss; there will be no economic activity hence everyone will be in trouble. But it did not remain there, after 1948 after the UN human declaration and the ILO Conventions, the movement went on. However, it was realized that until and unless the organization is good then only the socio economic status of the employee will be good. In the same concept, the cooperative movement came on. In 1844, the cooperative movement was started; the base of the start was the collective bargaining and cooperation. Both talk for the lower class people. This should have come in paper. Structured equality, institutional management activities of the trade union and cooperatives are similar. Both of them talk about the team.

Interrelation: If the trade union and the cooperatives are interrelated, then there exist challenges. The major challenge is should not the trade union speak for the right of the workers in the cooperatives? Is there no need of the protection? Although the member of cooperatives are owner, what about the employee? If there are more than 10 workers in the cooperatives, they come under the provisions of the trade union; they should have the right of the decent wage and decent pay. I disagree on this part.

The cooperative has missed the way and now it has become the way of earning and in trade union also, the wrong practices is being done for the individual benefit. Although, both work for the states development. If the organization is talked of making good, governance then let's talk about it. The transparency of the cooperative has vanished hence there is a need of the improvement; same is the case of the trade union. If this is improved, then only there will be the opportunity to the trade union to come into the cooperatives, this is very important to think about.

Cooperative is not a relationship organization. The paper is good concept except for the few facts on the interrelation and challenges. We can take the good examples of Japan trade union and the way of strike they do and the agreement with the employer organization. Hence, creativity is very important both for the trade union and these two challenges exist here, hence we will have to think about this challenge.

Comments by Babool Khanal;

National cooperative act was enacted which was very long and eagerly awaited. The paper has become a good and descriptive ad sometimes the conceptual lagging can occur. The trade union protects the social, economic and political right but cooperative protects the social and economic but political right is not exercised. However, cooperative also empowers the member on the right participation also. The trade union guidelines also have the same guidelines as the cooperative. Transparency, independence, sovergin, accountability etc are the mutual one. The accountability of the leaders towards the member is very important and for both trade union and cooperatives. Cooperatives are said as the first school of democracy. As far as the coherence is concerned, there remains

the relation between the cooperative. Inclusion and equality though are not in norms, the statistics shows that the inclusiveness in the trade union. The norms and activities of cooperatives are designed to serve and also sustainable servicing.

Labour cooperatives are really important for the socio economic empowerment of the workers. If the cooperatives are for the labour development, then we should be aware that there does not come the blame upon the trade union of interfering in cooperative movement. This should be always taken care of.

Open Forum discussion:

Several participants supported the facts on the paper which were raised in the previous paper also.

Basudeb khatrri from the FIEUN Cooperative drew the attention towards the malpractice and problem in the cooperatives and he inquired that whether the policy formulation can minimize the problem.

Krishna Prasad Adhikari: The issues and concept of interrelation between the trade union and cooperatives should have risen long time back then we would have achieved a lot on this. In the paper, the definition of the trade union could have been elaborated in the paper. The informal sector and the cooperative and movement within informal sector can be achieved should have been focused. The conclusion should be either trade union should be established in the cooperative , or the cooperative to be opened in the trade union?

Hari Prasad Subedi: The cooperative in the trade union has been initiated in the enterprise based union since few years back. However, although there is a cooperatives ,there remains certain reservations in the investment , hence in practicality the guidelines should be extended . We have focused on the history but I think we should focus on how can we go forward?

Manju Gajurel, the home based worker and the member of the saving group highlighted the fact that the cooperative and the trade union cannot go forward together due to the political influence and affiliation.

In response to the remarks and query of the participants,

Mr. Ganesh Aryal said we need to be aware of the situation when we will deviate from our norms. The policies, democracy all are in picture and if they are changed, the organization discipline will not change, the major important agenda is the change in vision. It can be changed by education, information and training. We have the thinking that we know everything but today we are deteriorating hence to minimize the deviation, education, information and training is the most.

Babool Khanal in response to the queries said that there is no restriction in the membership by law. Nobody can be denied and segregated however; the cooperative was established for the welfare of the lower level people. However, the fact exists that the rich people or those who have the good earning are more benefitted.

Mr. Keshav Bhattarai, the moderator for the session said that the production and distribution is in the society since the ancient time and for the justified distribution of the production, labour has come into the existence. This is centennial process. The production and distribution however did not remained equal hence as a response to it the trade union and the cooperative came into the existence. Since both are advocating for the justice, they can have the probability of working together with the several illustrations. The mode and system of the production and distribution has to be changed and it can be changed to the justified system through the cooperative movement. The main agenda is how can be the profit socialized? The norm of the cooperative defines about socializing the profitability. 20% of the Canadian are associated in the cooperative and 1 out of 7 people are in the cooperative, $\frac{3}{4}$ of the wheat production in Brazil are produced by the cooperatives. Our cooperative movement needs to be production oriented. Due to the lack of the production, the worker's money is expended in consumption of the product produced in other countries. So, why can't the workers of the informal sector be engaged in the production oriented cooperative movement? It should be our concern.

Cooperatives can help the trade union both for the organizing and consolidating or empowerment of the organized workers. Hence, it is important and can produce the synergistic effect. Nobody can be independent, so we should talk on the interdependence among each other. This is what we are trying to do now.

Conclusion and Recommendations:

The seminar concluded with the active participation of the participants and the following conclusions and recommendations were drawn:

- While going in the cooperative model, the trade union should aim for the economic empowerment of the workers with the job security together with the main norms of the trade union of protecting the right of the workers.
- For this, if there is lagging in the policy formulation and implementation, then we can lobby for making them practical to the trade union and cooperative, then we can adopt the concept.
- The target and focused area for the initiation of the cooperative in the trade union should be the informal sector workers where there is no decent wage, no job and social security. If the living, earning, job and social security of the workers can be preserved through the cooperative through encouraged production. Also, informal

sector has lesser trend of the saving and there may be several reasons behind it but through the cooperative in the trade union, the habit of saving and the financial discipline can be maintained which will surely provide a better living to them.

- Those workers working in the formal sector and have the good decent work condition, they can also be involved in cooperative through the trade union, the savings of which is obviously more hence it can be invested or utilized in higher or larger investment which directly affects the development of the nation. This will improve the image of the trade union and becoming responsible towards the society and country.
- The cooperative in the trade union can be the organizing tool for the unorganized workers.
- The challenges exist as the lack of trust, identity crisis of continuity, competition of the investment etc.
- There might come the situation of the class difference among the trade union members in the cooperative and that can bring the difference among the members which might be lethal to the unity of the trade union. However, if we see the positive part, trade union with the ideology and cooperative for the need concept can be put forward, the different trade union in the same enterprises can come together and form one cooperative for the collective effort and welfare. This reduces the disparity among the trade union.

The trade union and the cooperative collaboration are possible. The cooperative in the trade union can certainly bring some positive aspects on the welfare of the workers. However, there exist several challenges and opportunities which need to be analyzed, segregated and sorted out. There is a need of the intensive discussion on the context, the trade union movement and the probability of the cooperative movement in the trade unions taking into account the challenges and opportunities that exist. The seminar brings this conclusion.