

# **THE ROLE OF TRADE UNION IN HOTELS OF POKHARA**

**A Thesis Submitted to The Department of Political Science,  
Prithvi Narayan Campus, Tribhuvan University (Pokhara)**

**In Partial fulfillment of the Requirements for  
the Master's Degree in Political Science**

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July, 2017

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**LETTER OF RECOMMENDATION**

This is to certify that the Thesis submitted by Bhishan Gurung entitled "**The Role of Trade Union in Hotels of Pokhara**" under my guidance and supervision. I therefore, recommend this thesis for final approval and acceptance.

Date: 2074/ 04 / 02 BS

17<sup>th</sup> July 2017 AD

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**LETTER OF APPROVAL**

This thesis is prepared and submitted by Mr. Bhishan Gurung entitled "**The Role of Trade Union in Hotels of Pokhara**" has been evaluated and accepted as partial fulfillment of the requirement for the Master's Degree (M.A) in Political Science.

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## DECLARATION

I hereby declare that the work reported in this thesis entitled "*The Role of Trade Union in Hotels of Pokhara*" submitted to Research Department of Dean, Faculty of Political Science, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the degree of Masters of Political Science under the supervision of Associate Professors *Umanath Baral* and *Lal Bahadur Kunwor*, Department of Political Science, Prithvi Narayan Campus, T.U.

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## **ABSTRACT**

A trade union or labor union is an organization of workers who have come together to achieve common goals such as protecting the integrity of its trade, improving safety standards, achieving higher pay and benefits such as health care and retirement. The rights of the labor are considered after the entry of trade unions in almost every sector of industries, including the hotel business. With the opening of Trade Unions in the Hotel industries, the labors are more privillaged with various facilities and their needful requirements.

No trade union movement may have divisions and splits like trade unions in hotels of Pokhara but have some unique characters in agreeing whenever they call a strike and go to lock up the industry when owners refuse to fulfill their genuine demands. There are about dozens of trade union movements and all of them have their own strategies and demands. This research study has been conducted as what is the relationship between trade unions and hotels in the context of Pokhara as the major research question. To study the present role and situation of trade union especially in hotels of Pokhara and to explore about the positive and negative impacts of the trade union in the hotel management in Pokhara are the basic objectives of this research study.

This research study has accomplished with descriptive and analytical designs. The sources of facts and data are both primary and secondary and qualitative and quantitative in nature. Interview schedule and in-depth tools had adopted for trade unions workers and key informants as leaders of trade unions and hotels manager to collect the require information in fulfillment of the objectives. One star hotel and one non-star hotel were selected with using the judgmental sampling to collect the required data. Most of the staffs in the hotel industry seem to be satisfied with their job and the relationship between labor union and management seems to be diplomatic in nature. Although most of the demands of the labor unions have been solved by the management of the hotel, the labor union somehow sometimes create serious problems and hinder the smooth operation on the regular work of the hotel. As long as the trade unions are guided by politics, one cannot see any modesty and modality in negotiations. Violent protests and lock ups will be used for a long time to come.

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**Date : 2074 / 04 / 15**

**Bhishan Gurung**

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## ACRONYMS

<b>AFL</b>	:American Federation of Labor
<b>AFL-CIO</b>	:The American Federation of Labor and Congress of Industrial Organizations
<b>ANTUC</b>	:All Nepal Trade Union Congress
<b>APRO</b>	:Asian-Pacific Regional Organizations
<b>BCN</b>	:Basic Campus Network
<b>BFTU</b>	:World Federation of Trade Union
<b>BWU</b>	:Biratnagar Workers Union
<b>CGT</b>	:General Confederation of Labour
<b>CPA</b>	:Comprehensive Peace Accord
<b>CPN – UML</b>	:Communist Party of Nepal – Unified Marxist – Leninist Party
<b>CTU</b>	:Conservative Trade Unionists
<b>DECONT</b>	:Democratic Confederation of Nepalese Trade Union
<b>EI</b>	:Education International
<b>EU</b>	:European Union
<b>FES</b>	:Friedrich Ebert Stiftung
<b>FNCCI</b>	:Federation of Nepalese Chambers of Commerce and Industry
<b>GCC</b>	:Guest Comment Cards
<b>GEFONT</b>	:General Federation of Nepalese Trade Union
<b>ICEM</b>	:International Federation of Chemical Energy, Mine & General Workers' Unions
<b>ICFTU</b>	:International Confederation of Free Trade Unions
<b>ICFTU-ARO</b>	:International Confederation of Free Trade Union Asian Regional Organisation
<b>ICONT</b>	:Independent Confederation of Nepalese Trade Unions
<b>IFBWW</b>	: International Federation of Building and Wood Workers
<b>IFJ</b>	: International Federation of Journalists
<b>ILO</b>	:Tnternational Labor Organisation
<b>IMF</b>	: International Metalworkers' Federation
<b>ITF</b>	: International Transport Workers' Federation

<b>ITGLWF</b>	:International Textile, Garment & Leather Workers' Federation
<b>ITUC</b>	: International Trade Union Confederation
<b>ITWAN</b>	:Independent Transport Workers Association of Nepal
<b>IUF</b>	:International Union of Food Agric. Hotel, Rest. Cater. Tobac. & Allied Work. Association.
<b>JTUCC</b>	:Joint Trade Union Coordination Centre
<b>MNC</b>	: Multi National Company
<b>NGO</b>	:Non Governmental Organization
<b>NIFBWU</b>	:Nepal Independent Food and Beverage Workers Union.
<b>NIHWU</b>	:Nepal Independent Hotel Workers Union
<b>NIWU</b>	:Nepal Independent Workers Union
<b>NTUC</b>	:Nepal Trade Union Congress
<b>PACs</b>	:Political Action Committees
<b>PATCO</b>	:Professional Air Traffic Controllers Organization
<b>PHA</b>	: Pokhara Hotel Association
<b>PHAP</b>	: Paschimanchal Hotel Association Pokhara
<b>PRSP</b>	:Poverty Reduction Strategy Program
<b>PSI</b>	:Public Service International
<b>PTTI</b>	:Postal, Telegraph and Telecommunication International
<b>RHAN</b>	: Regional Hotel Association Nepal
<b>STF</b>	:SAARC (South Asian Association For Regional Co-operation) Teachers Federation
<b>TU</b>	:Trade Union
<b>TWAN</b>	:Trekking Workers Association of Nepal
<b>TWARO</b>	:Textile Workers Asian Regional Organization
<b>TUCGEP</b>	:Trade Union Committee for Gender Equality and Promotion
<b>UGC</b>	:University Grants Commission
<b>UNI</b>	:Union Network International
<b>UNITRAV</b>	:Union of Trekking, Traveling and Rafting Workers – Nepal.
<b>UK</b>	:United Kingdom
<b>US</b>	:United States

**WCL** :World Confederation of Labour  
**WTO** :World Trade Organization  
**WFTU** :World Federation of Trade Unions

# CHAPTER I

## INTRODUCTION TO THE RESEARCH STUDY

### 1.1 Background of the Study

A trade union or labor union is an organization of workers who have come together to achieve common goals such as protecting the integrity of its trade, improving safety standards, achieving higher pay and benefits such as health care and retirement, increasing the number of employees an employer assigns to complete the work, and better working conditions. The trade union, through its leadership, bargains with the employer on behalf of union members (rank and file members) and negotiates labour contracts (collective bargaining) with employers. The most common purpose of these associations or unions is "maintaining or improving the conditions of their employment". This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies. The agreements negotiated by a union are binding on the rank and file members and the employer and in some cases on other non-member workers. Trade unions traditionally have a constitution which details the governance of their bargaining unit and also have governance at various levels of government depending on the industry that binds them legally to their negotiations and functioning. Originating in Great Britain, trade unions became popular in many countries during the Industrial Revolution. Trade unions may be composed of individual workers, professionals, past workers, students, apprentices and or the unemployed.

The concept of Trade Union emerged from the theory of Interest Group & Pressure Group. In America, the title "*pressure group*" has been replaced with the title "*interest group*". Therefore, an organisation such as Greenpeace would lobby for the interests of environmental issues; the pro/anti gun groups would lobby for the interests of those concerned with either side of the gun issue. The word "interest" is seen as being less forceful than the word "pressure" which could hint at vaguely undemocratic tendencies and processes as a pressure group goes about the work it does to support its beliefs –

especially if they represent a minority of people within a community. The differences between pressure groups and political parties are often hard to see, but generally, political parties nominate candidates for elective office, seek to win and then staff these offices, by appealing to the electorate. Pressure groups, on the other hand, do not usually offer candidates in elections or seek to gain political power by holding positions in office, but try to influence legislation by mobilising public opinion. Pressure groups can be called to give evidence at Congressional hearings and give evidence to government departments on their specific area(s) of concern. A pressure group may therefore be described as “*anorganised body of individuals who share some goals and who try to influence public policy.*”

During the Industrial Revolution the factory workers spend a lot of hours in their dirty and dangerous work. By the 1800s, workers became more active in politics. To press for changes in their working conditions they join together in voluntary groups called unions. A union protests for all the workers in a particular trade. These groups engaged in collective bargaining (negotiations between workers and their employers). They asked for better working conditions and higher wages. If factory owners delegate these petitions, workers could strike or refuse to work. Talented workers led the way in forming unions because their talents gave them extra bargaining power. This made the employers have trouble because replacing such talented workers was hard. At the beginning of this period Britain denied the workers the right of forming unions but with the passage of the years Britain tolerated unions. Finally the unions spread around the world and in 1886 several unions formed an organization named American Federation of Labor (AFL). A series of strikes won AFL members higher wages and shorter hours.

Since the publication of the *History of Trade Unionism* by Sidney and Beatrice Webb, the predominant historical view is that a trade union is a continuous association of wage earners for the purpose of maintaining or improving the conditions of their employment. “The trade unions aim at nothing less than to prevent the reduction of wages below the level that is traditionally maintained in the various branches of industry. That is to say, they wish to prevent the price of labour-power from falling below its value,” (Capital VI, 1867:1069). A modern definition by the Australian Bureau of



Statistics states that a trade union is "an organization consisting predominantly of employees, the principal activities of which include the negotiation of rates of pay and conditions of employment for its members. According to historian R.A. Leeson, in *United we Stand*, "Two conflicting views of the trade-union movement strove for ascendancy in the nineteenth century," (Leeson, 1971).

Recent historical research by Bob James in *Craft, Trade or Mystery* (2001) puts forward the view that trade unions are part of a broader movement of benefit societies, which includes medieval guilds, Freemasons, Odd fellows, friendly societies, and other organizations. The 18th century economist Adam Smith noted the imbalance in the rights of workers in regards to owners (or "masters"). In *The Wealth of Nations*, Book I, chapter 8, Smith wrote. We rarely hear, it has been said, of the combination of masters, though frequently of those of workmen. But whoever imagines, upon this account that masters rarely combine, is as ignorant of the world as of the subject. Masters are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise the wages of labor above their actual rate When workers combine, masters never cease to call aloud for the assistance of the civil magistrate, and the rigorous execution of those laws which have been enacted with so much severity against the combination of servants, labourers and journeymen. As Smith noted, unions were illegal for many years in most countries, although Smith argued that it should remain illegal to fix wages or prices by employees or employers. There were severe penalties for attempting to organize unions, up to and including execution. Despite this, unions were formed and began to acquire political power, eventually resulting in a body of labour law that not only legalized organizing efforts, but codified the relationship between employers and those employees organized into unions.

## **1.2 Statement of the Problem**

*Interest group*, also called *special interest group* or *pressure group*, any association of individuals or organizations, usually formally organized, that, on the basis of one or more shared concerns, attempts to influence public policy in its favour. Interest groups are a natural outgrowth of the communities of interest that exist in all societies, from narrow groups such as the Japan Eraser Manufacturers Association to broad groups such as

the American Federation of Labor–Congress of Industrial Organizations (AFL–CIO) and to even broader organizations such as the military. Politics and interests are inseparable. Interests are a prevalent, permanent, and essential aspect of all political systems—democratic, authoritarian, and totalitarian regimes alike. In the political realm, interest groups perform important functions, particularly in a democracy but also in an authoritarian regime. These include aggregating and representing the interests of groups of individuals in a way that a single individual would not be able to do, helping to facilitate government by providing policy makers with information that is essential to making laws, and educating their members on issues and perhaps giving them political experience for entering politics.

An organization whose membership consists of workers and union leaders, united to protect and promote their common interests. The principal purposes of a labor union are to negotiate wages and working condition terms, regulate relations between workers (its members) and the employer, take collective action to enforce the terms of collective bargaining, raise new demands on behalf of its members, and help settle their grievances. A trade union may be: (a) A company union that represents interests of only one company and may not have any connection with other unions. Also called house union, a company union is often a bogus one and generally illegal. (b) A general union that represents workers from several companies in the same industry. Also called industrial union. (c) A craft union that represents skilled workers in a particular field such as carpentry or welding.

The history of trade union movement in Nepal is of recent origin. There were no trade unions in Nepal before 1945 as the country was under the family rule of Ranas. Nepal had followed closed-door economy having almost no relations with the outside world. In 1946 All Nepal Trade Union Congress (ANTUC) was formed. In 1947, Biratnagar Workers Union (BWU) was set up. In March 1947 the first workers' movement took place at Biratnagar for the establishment of democracy. In 1951 ANTUC and BWU became united and formed the first trade union federation in Nepal. The World Federation of Trade Unions (WFTU) in 1953 granted membership to ANTUC. After the democratic change of 1950, the freedom of association allowed the opportunities to many voluntary organizations in the country and the workers, too, felt the need to be united

under one umbrella to fight against the exploitation of the management and the government. The unions existed at that time were: Biratnagar Workers' Union, Cotton Mills Workers' Union, All Nepal Trade Union Congress, Independent Workers' Union, Biratnagar Mills Workers' Association, All Nepal United Workers' Union, All Nepal Trade Union Organization and Nepal Labour Union. It also granted the freedom of expression and association, which has inspired the formation of trade unions. At an early stage, there was mushrooming growth of trade unions. They were heavily divided in the line of political ideologies. Each party has its own unions, if not general federation. With the passage of time, most of these unions could not exist and some of the unions were merged. That is why the researcher is keen at finding out the problems for below questions to satisfy the concerns regarding the relationship between the trade union and the hotels of Nepal.

- What is the present role and situation of trade union in Nepal?
- How the trade unions have been activating in Hotels of Nepal since those established over there?
- What are the positive and negative impacts of the trade unions in the hotels of Nepal?

### **1.3 Objectives of the Study**

This study has generally focused on trade unions in the hotel industry in terms of historical and present scenario perspective. Therefore, the general objective of this study is to describe the historical and present role and context of Trade Union movement of Nepal. This research study has been conducted as what is the relationship between trade unions and hotels in the context of Pokhara as the major research question. Therefore, following are the specific objectives of the study:

- To study about the role of trade union in hotels and to analysis the relationship between the Trade Union and Hotel Management in Pokhara.
- To explore about the positive and negative impacts of the trade union in the hotel management in Pokhara.

## **1.4 Methodology of the Study**

Research is a process of systematic and in depth search of any particular subject or topic or area of investigation, backed by the collection, compilation, presentation and interpretation of the relevant data. To gather the necessary data, the previously entrepreneurs were identified as respondent. As it is needed to identify the residents who were doing the business for long and essence can be recovered from them. Meantime the workers of different hotels from the valley of Pokhara were selected randomly in order to get the concept of all the actual problems, facts and figures regarding the status of the trade union workers and their relations amongst their hierarchy, the hotel staffs, managers and the owners of the hotels where they work.

### **1.4.1 Introduction and justification to research area/field**

The list of the hotels of Pokhara (star and non star category and normal hotels) is shown in Appendix-A. For sampling, questionnaires and views from different level staffs managers and worker staffs from different category hotels in and around Pokhara are included. The researcher selected this particular topic because of his own personal interest. The researcher is very much interested in the hotel business and he had seen a very good scope of hotel business in Pokhara. However the hotel business in Pokhara seems to suffer a lot from the trade union activities since more than a decade ago. We can find ample of researches regarding on tourism in pokhara but the researcher has not come across even a single research carried on Trade Union activities on hotel sectors.

The Fishtail Lodge is a hotel with 5 star Hotel facility in Pokhara located on the far bank of Fewa lake from the city with a mesmerising scenic view of Pokhara with royal accommodations and wonderful cuisine. It's effective management, caring hospitality and service for the cause "Hospitality for a Heart" in the name of Princess Jayanti "Jayanti Memorial Trust" by Annapurna is purely operated as a non profit motive aim. It has altogether 122 staffs including 6 staffs at corporate cell in Kathmandu. The hotel in Pokhara has 4 managers, 6 assistant managers and 106 other staffs under a General Manager for the smooth operation. It faced lockup mode pang of protest for around two weeks during late March and early April 2011. Finally Labor disputes in the hotel were settled after the management side accepted the demand of labor unions. Although the

Fishtail Hotel resumed its operation, the lockup of the hotel showed that no one could be safe from labor unrest. Likewise researcher has selected Hotel Tara located in main downtown of lakeside as representing case from list of non-star hotels. It has 9 staffs including a manager, an assistant manager and 7 other staffs. Such types of hotels might not suffer or hardly suffer from the trade unions and labors troubles. Therefore the researcher has selected the research topic “The Role of Trade Union in Hotels of Pokhara” and both hotels for the collection of required data.

### **1.4.2 Research Design**

To achieve the goals of this study, descriptive cum exploratory research design was adopted. It is descriptive because, it describes about the main problems of the hotel workers, family, society & nation faced due to trade union during the smooth operation of hotel business. On the other hand, it is exploratory because the study focuses in investigating the problems of hotel staffs due to super imposing behaviour of trade union activities, insufficient wages and instable government policies which ultimately gives impacts on the nation development process. The study has attempted to assess the relationship of appointment holders of trade unions like union leaders, secretary, union members and all types of skilled and non skilled workers including managers, receptionist, bar tenders, tour guides, cook, helpers, sweepers, etc in the hotel business of Pokhara city.

### **1.4.3 Population and Sample**

The researcher has conducted the survey on Hotel Fishtail, Lakeside Pokhara and Hotel Tara for the primary source of data collection. There are more than 400 hotels, lodge and guest house in Pokhara so it is not easy to choose nice hotels in Lakeside Pokhara. Many hotels in Pokhara have beautiful website to promote, but few of them have real photos on website. Many hotel put unsuitable, photo shop created photo to promote their hotel. Many hotels even don't have small garden, adequate parkings, and mountain view but only big-big buildings. Some hotels in Lakeside offer high speed free wireless Wi-Fi internet. Some hotels website mention WiFi free but very slow and not working in rooms. To collect the views and visions from different level staffs (managers and workers of different category staffs) the researcher purposively selected 15 staffs (12 labors and 3

managers) from Hotel Fishtail Lodge and 5 staffs ( 4 labors and 1 manager) from Hotel Hotel Tara. Altogether 20 respondents including 5 Managers and 15 labor workers were included to apply the judgemental and purposive methods as non random data collection method.

#### **1.4.4 Sources and tools of Data Collection Technique**

Data collection phase are classified into two categories. They are:

##### **a. Primary data**

These are freshly gathered data collected for the first time to meet the research.

Main source of collection of required information were interview schedule and indescrptive interview methods. Certain set of questions is designed to study the Trade Union roles in Hotels of Nepal. All 20 hotels staff were administered by the Interview schedule which contained close-ended as well as open-ended questions. To collect basic information about the subject area indepth interview were conducted with two managers and two trade union leaders of hotels.

##### **b. Secondary data**

Apart from the primary sources, The researcher has collected most of the datas from internet and previous thesis on related topics in order to have clear picture of historical events and the chronological updates of the differrent trade union affiliated parties that are involved in the hotel business.

#### **1.4.5 Reliability and Validity of the Data**

To obtain an error free valid and reliable data following techniques were followed.

- The questions were checked and cross checked to avoid overlapping questions.
- Pre-testing of interview schedule was done.
- The interview schedule was prepared in most easy and understandable language (Were asked in simple Nepali language) avoiding duel meaning or ambiguous questions and enough time was given for each respondent.
- Due attention was given to avoid the duplication of the respondents.

#### 1.4.6 Data Processing and Analysis

**Editing:** The raw data were collected and edited on the same day so as to detect errors and omissions if any and to correct them timely. Editing was done to assure that the data are accurately filled, consistent, uniformly entered, complete and well arranged to facilitate coding and tabulation.

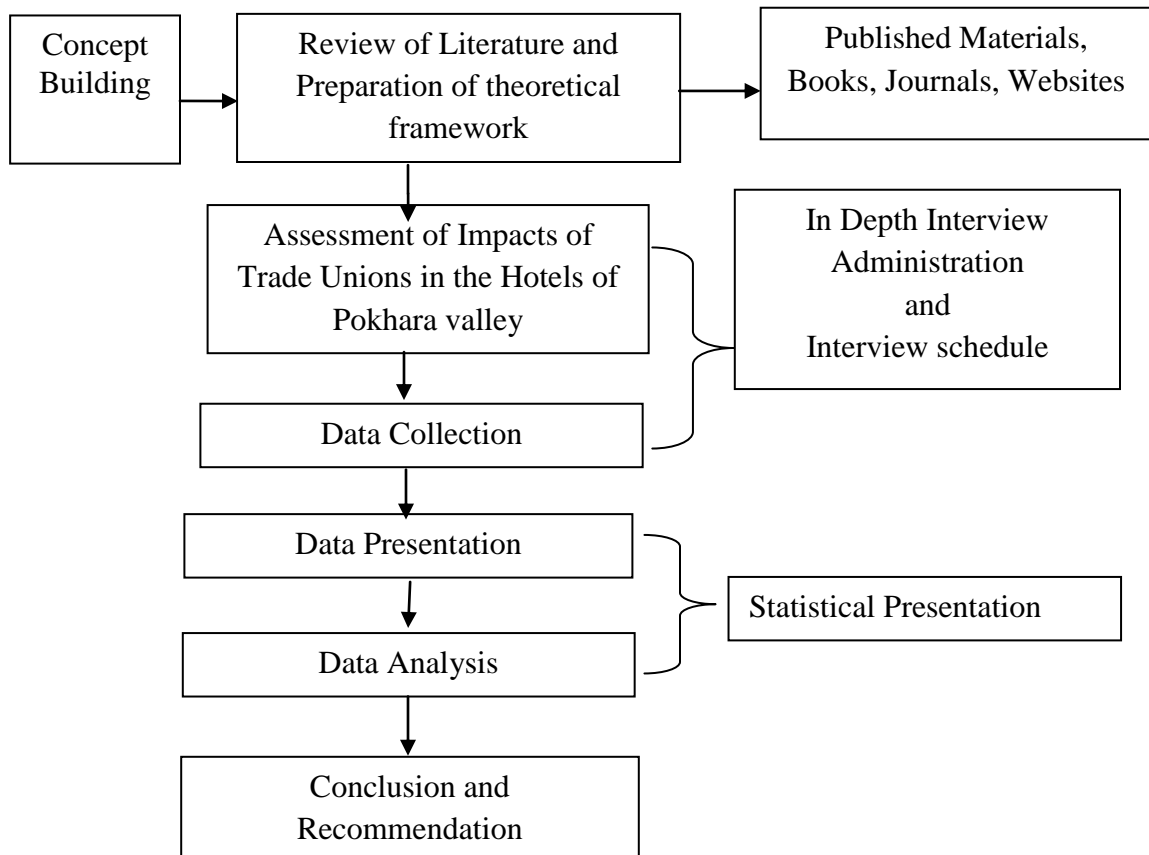
**Coding:** Coding were done by assigning number and symbols to the answers collected so as to arrange them in limited number of categories or classes.

**Classification:** The data obtained were arranged in various classes on the basis of common characteristics.

**Tabulation:** Dummy tables were prepared and filled up with raw data so as to summarize them in statistical form.

The data were further analyzed in order to detect the results, and interpretations of the findings will be deduced on the basis of measurements from statistical tools.

#### 1.4.7 Format of Research Methodology applied in the research work



## 1.5 Literature Review

There are different findings and different views in different articles and writings related to the trade union in Nepal. According to a thesis by Rajesh Palikhe (2058 B.S.) on “Nepal ma Trade Union Andolan, the study of trade union in Nepal from 2046 BS to 2056 BS”, Mr palikhe has stated that there is around 15 % of people unemployed, more than 50 % are half employed, therefore the poverty and unemployment have to rely on the workers. the self employment and partial employment of the Nepalese workers espically which are not under any union have to remain as a burden as it ultimately increases the poverty and unemployment. The comparision of impact of the workers espically which are not under any union is more in the urban areas with respect to remote village areas due to the unhealthy competition of workers being ready at very low wages. So Mr Palikhe has raised a huge question that this unhealthy competition will increase the poverty and ultimately be the cause of voilence and andolan in the name of trade unions.

Dev Raj Dahal ( 2002) in his article “The current trade union situation in Nepal” has mentioned that there is an increasing trend towards migration of nepalese workers abroad due to decline of unemployment condittions and reckless privatization of state-owned industries, collapse of industrial enterprises, violent conflicts and lack of opportunities in the country. Out of 60 state owned public sector industries, 17 industries have already been privatized and 8 industries are on pipeline for privatization, 2 public industries are already liquidated. During 2001-2002 alone 679 enterprises have collapsed having a negative impact on the job market of the country. The share of workers’ remittances in the Nepalsese Gross Domestic Product (GDP) is about 9 percent. Growing regional inequality, economic stagnation and political instability at the national level has easily fractured the country’s security. the flow of capitals, commodities and entrepreneurs from the periphery to the centre, Kathmandu, left behind tattered social fabrics and a crumbling local economy. Both the industrial and agricultural growth rates in Nepal hover around 3 percent. The industrial sector is import substituting except in the case of carpet and garment sectors. Both the sectors have shown a sign of decay since 1995 - - carpet due negative advertisement of the use of the use of child labor in Germany and garment due to gradual phasing if out of quota under the World Trade Organization



(WTO) regime. Reduced trade barriers have allowed foreign goods to enter the country freely and at lower tariffs, applying pressures on native industries.

Khadka (2014) in his book *"The performance and efficiency of hotel investment in generating foreign exchange earnings."* Khadka shed some light on the linkage between tourism and the domestic economy. The study has examined the impact of tourism under the conditions of both the constrained and unconstrained supplying capacities of domestic economy using an economy wide input output model. Import leakages estimated under the limited supplying capacity of the domestic economy were found to be much higher than in an unconstrained situation. The study also shows that hotel bed occupancy rate, double bed rooms, price and marketing activities are found to be important factors for the performance of hotel industry.

Pradhanaga (2015) in his book *"The changing pattern of tourist consumption and its economic impact on employment, export and national revenue."* It analyzed the direct, indirect and induced effects of the tourist expenditure on Nepalese economy. The study examines both forward and backward linkages of tourism, imports of goods and services and employment generation. He further concludes that leakage of foreign exchange earnings, high import contents, seasonal fluctuation in demand for tourism and overdependence on seasonality factors have been the major weakness of the tourism industry.

Sinclair (2016) in his book *"Employment effects of tourism (based both on case studies and multiplier analysis):"* One leading study on the impact of tourism and economic development is by Proença (2005). In his investigation, the correlation between the bed capacity of Portuguese regions and the regional economic growth measured by GDP per capita growth. They find that 1 percent increase in accommodation capacity in tourism sector induces 0.01percent increase in per capita income. Tourism also increases the convergence rate of per capita income in Portuguese regions. Using a different methodology, Lanza and Pigliaru (1999) examine the tourist specialization of the country and its effect of the economic growth based on Lucas's two-sector endogenous growth model. The authors state that countries with endowments of suitable natural resources

large relative to the size of their labor force are likely to develop a comparative advantage in tourism and will grow faster than those who specialize in the manufacturing sector.

Ojha (2009) in his article *"Challenges of Tourism in Nepal"* has discussed Nepal as an unanimous shangrila for the rapid growth of global tourism. Rising from an elevation of 56 meters to 8848 meters above the sea level, possesses all the climate zones of the world from the bitter tundra vegetation to the hot tropical forestation, Nepal's biodiversity is a reflection of physiographic climatologically and attitudinal variation. Nepal's combination of world class cultural and natural and natural tourism attractions' including the rich heritage of the Kathmandu valley, culture diverse of Nepal, the beauty of Nepal Himalaya, super wildlife resource and hospitable mountain people ensure a destination well suited for international tourism.

He has also stated that Nepal having famous tourist destination, world heritage site, historical monuments and natural beauty is not utilizing properly same of the identified problems of the development of tourism in Nepal are lack of tourist information centers, infrastructure, health services, water and sanitation proper accommodation in some places. Ineffective national plan and policy, fail to control over street vendors, lack of public awareness, lack of trained tourist guides, poor publicity campaign, lack of tourism packages variable price structure and presence of non-nepali in tourism business. There are pertinent problems that need to be addressed properly. Government and its authorities only are seeking to show the inclined graph( increasing number), manipulating data's and interpreting as increment but really falls or other hand. Government and other business persons, now a days are only seeking quantity tourism but the national requirement is quality tourism. If quality tourism sustained it does not concerned with decreased number. Nepal will be grateful only if quality tourists made their destination as Nepal. Therefore government, its authority, concerned departments and concerned stakeholders must think for quality tourism as sustainable tourism.

Joshi, (2010). has presented that *"Tourism can increase the opportunities for the poor people in rural area in their own communities."* It also has the potential to reduce rural out migration, to the urban areas, increase employment opportunities for the urban poor, and give them additional income to provide for their families in the rural areas. Also

tourism related skills gained by the urban poor could be applied in rural areas, helping to reverse the migration process.

Tourism provides employment opportunities by diversifying and increasing incomes that help reduce the vulnerability of the poor. Through increased national income, additional funds can be diverted to poverty reduction programs and can be linked with local development. The receptive capacity and socio-economic strength of the locals like that seen in Bandipur, Ghandruk, Ghalegaon, Dhampus, Sirubari is also equally important to establish any place as an attractive rural tourism destination. It demands several features and a committed, commanding and qualified leadership at the local level like captain Rudra Man Gurung in Sirubari. So, tourism plays a number of important social and economic roles. It is commonly seen as an important form of community economic development with the place and scale of tourism placing significant pressure on heritage resources.

Kandel, (2011). In his article "*The village tourism is new concept convert and implemented to as part of Tourism In Nepal.*" Village tourism emerged as a response to the negative effect that mass tourism has had on the culture and geography of countries. In reality, it is a culturally and environmentally sensitive travel that contributes to conservation and management of natural areas for sustainable economic development (Gayan & Brijesh, 2006). It has been touted as an attractive sustainable development alternative to mass tourism for two main reasons. The first is that it has fewer negative impacts on natural resources than mass tourism, while the other reason is that village tourism related activities can enhance conservation of natural resources, community development and overall socio-economic improvement of the area. However, village tourism has long term social influences on such community. Many local traditions and habits have come under the influence of western tourists. As a result, generations old traditions and cultures have been negatively impacted in many areas. This is common among porters and trekking guides of the younger generation who come into direct contact with tourists, to the extent that some of them leave the country to go to the West and work. The increased use of drugs and growth of criminal activities are also linked to tourism. The word rural literally means countryside or village which is located far from urban area. In Nepal, most of the people living in villages are poor and are not getting

equal access to mainstream of development due to various factors. Poor economic condition is one of them. It is, therefore, in order to raise the economic condition of the rural people, rural tourism was considered as one step solution.

Upadhyay, (2012). In his article '*Rural tourism to create equitable and growing economy in Nepal*' defines, 'Rural tourism is a complex multifaceted activity. It is not just farm-based tourism. It includes farm based holidays, eco-tourism, walking, climbing and tiding, adventure, sports, health tourism, hunting, fishing, educational art and heritage tourism and ethic tourism, in this article, he states the main objectives of the rural tourism like; to achieve maximum human welfare and happiness, through sustainable socio-economic development of rural area, to reduce regional inequality and economic disparities and to contribute in poverty alleviation and attainment millennium development goals. He concludes that rural tourism is Nepal's oil and key for poverty alleviation, likewise, he has recommended government, Tara Gaon Development Board, public, private and cooperative sector to pay their attention in time to develop rural tourism in Nepal.

Rajesh Palikhe (2058 B.S.) has submitted his thesis on "Nepal ma Trade Union Aandolan B.S. 2046-2056 ek Adhyayan" (Trade Unions Movement in Nepal: A Study of 2046 to 2056 BS) to the department of political science, PN Campus. He has given an elaborative history of origin of Trade Union in Nepal. Palikhe himself was a very active trade union member who had a thorough knowlwdge of Nepal trade union activities and developments. He has stated that the main problems and challenges in Nepal trade union were related to service and limitations, Law implimentations, Relation between Union and management, Political Pressures, Welfare related, public opinion in trade union aandolan, and business, health and social security. On his findings, 37.50 % people think that the trade union has brought more unrest and trouble in their daily job, 33.33 % had a version that trade union is good for their job rather than enhancing the quality of their job carrier but majority of the public 62.50 % rely on the trade union only on required basis. This showed that the selfish nature of public and this unclear concept of trade union amongst the majority of public can be a problem in the days to come.

Gauttam, (2014). In his dissertation entitled *'Tourism as a leading Sector in Economic Development of Nepal'* has opined that many countries have made various attempts to promote tourism industry as a means of economic progress. The economy of Nepal lacks in terms of industrialization some further alternative is to be fund which can induce the process of industrialization to put the path of rapid economic development, to study the scope for global linkage of the Nepalese economy with special reference to tourism. He has suggested that tourism sector has the potential to link the backward Nepalese economy with the forward economic and to induce the other sector of the economy.

Dhital, (2015). In his study "*The impact of tourism in female employment generation from the contribution of tourism in Nepalese economy.*" He adopted field survey and simple random sampling methodology selected 5 employers from various sectors of tourism field where 275 employers were working. Among hem 14.1 percent were working in basic level. 38 percent people in middle level and 13.28 percent in high level. Out of the total 110 sample were in between 20-30 years old and rest were above 30 years. He opined that male domination, sex harassment and abuse insecurity, social and family non co-operation traditional level of thinking etc. are the major problems faced by women employers. Lack of quality education, job oriented training low salary and facilities, traditional social values, caste/religious system, lack of knowledge of foreign language are the problems to generate job opportunity for the women in tourism sector. Findings and recommendations are: proper training, job security, high scale salary, social freedom, gender equality, better education, family support are the basic requirements to generate more female employment opportunities in tourism. He also suggested that some of the legal provision should be changed in favor of female employment generation.

Similarly, cottage and small scale industries related to tourism should also be increased and promoted to generate additional job opportunities for female. Most of the tourist prefers female services than male in shopping sector by 74.0% followed travel and tours by 71.8% and more than 60% in hotel and lodges. Hence, female employment in this sector is inevitable. Out of total, 10.8% female visitors and 9.0% male visitors especially like the female services in every sector of tourism. Education and trainings are the major factors to generate female employment in various sectors of tourism.

Sharma, (2016). In his dissertation "*Rural tourism in Nepal: measures to minimize its negative impact*". In this research he has presented the concept and present situation of rural tourism in Nepal and other countries. Similarly, he has suggested measures to minimize possible negative impact, which are useful to develop the rural tourism in Nepal. Tourism links unique natural resources with an exciting living cultural heritage and friendly and hospitable people. It provides significant potential to use nature -based tourism as a low-cost, ecofriendly alternative to support socio-economic growth and fight poverty. It is safe to assume that the center (Kathmandu) benefits disproportionately from incoming tourism. Much of the tourists' dollar remains in Kathmandu and little finds its way into other parts of the country. There exists a situation of core-periphery dependency in which the Centre controls to a very considerable extent the distribution of tourism around Nepal, accumulating most of the income generated, organizing much of the travel activity in prepared packages and supplying many of the needs from the center so that benefits flowing out to rural areas and towns are limited.

Over the years, Tourism has become more and more popular because people have begun to realize the importance of preserving the environment. With knowledge, people are more curious about exploring natural environment and doing good deeds at the same time. Frequent changes of Government in Nepal have created problems getting the buffer zone by-laws passed by cabinet. Within the past two years, government was reshuffled three times. Each government started studying documents from the beginning and just when they were ready to approve it, a new government took over and started the whole process from the beginning. Consequently the by-laws were not passed until 1996. Even then, the exact mechanisms by which funds will be returned to University Grants Commission (UGC)'s has not been defined. The earnings from the micro-enterprise activities and programs carried out by the communities has attracted local politicians who now want to have their member take credit for work done by the UGC formed under the Basic Campus Network (BCN) program. They often try to create misunderstandings among the community members so that they can create factions in the Users Group and take advantage of the situation. Transparency and open dialogue among Users Group members and stakeholders has helped tackle such problems. In many instances, misunderstanding is the root cause of problems. For example, in many of the

communities forestry programs, initial opposition from people was due to the threat that they still felt from nationalization of the forest. When their fears were calmed and the benefits were made clear to them, they started supporting the projects. According to the management policy of community forests, the work plan and all other programs have to be approved at the User Groups general meeting. However, it is not easy to gather all User Group members in one place because people are busy trying to survive. In some cases people struggle to get enough to eat each day and they cannot afford a day in meetings. This problem was solved by going to the people, visiting each household, explaining the program, acknowledging their additional suggestions, and getting their approval.

**Research Gap:** After making analysis from the data presented and views received from the different personnel, facts and figures; at some points in the research the entire research process is not being able to illustrate some practical aspects of research. The researcher has come across with different researches on trade union activities but none of them are able to explain the relation and role of the trade unions in the hotel business. It may also be the reason for the researcher not being able to explore the trade union problems in the hotel as he has encountered with maximum numbers of hotels running independently on their own without any support or involvement of trade union. Only big star hotels have trade union affiliations and there are not any records of non star hotels.

## **1.6 Limitation of the Study**

Limitation is the certain condition of limits. Project work and survey have some problems and limitations as well. In due concern to purpose, time, and budget the research study has limited as follows:-

- This research study has generally described about the concept and development of Trade Union.
- This study has only focused the role of Trade unions in Hotels of Pokhara.
- This research work has only concerned to the negative and positive impact of trade union in Hotels of Pokhara.

## **1.7 Rationale and Significance of the Research Study**

Since the trade unions in the world has played a significant role in providing the workers' welfare and security in their respective field of work and jobs they perform. Security is not only the means of peace so that trade union has established millennium development goal that most of its national trade unions and various international organizations have all agreed to achieve these goals relating to reducing poverty, and assuring a level of satisfied job to all its union members and developing a global partnership in terms of international development and uniformity in the union trade acts which is the ultimate end of subject.

## **1.8 Organization of the Study**

The research deals with the various chapters and the sections. The division of my study will manage into the five chapters for the convenience. First chapter of the research deals with the Introduction, Background of the study, statement of the problem, the research methodology, research designed, population and sampling, data collecting tools, significance of the study, Limitation of the research and the organization of the study. Second chapter presents the review of Literature of the research where the applied review of books and journal with the theoretical and Conceptual framework of trade unions in hotels. Third chapter presents the role of trade union in hotels of Pokhara. Fourth chapter presents the data collected, tabulation of the data, its analysis and interpretation through the use of the various statistical tools, bar graphs pie charts etc and their findings. Fifth chapter deals with the derived summary, conclusions and suggestions.



## CHAPTER II

# THEORETICAL AND CONCEPTUAL FRAMEWORK OF TRADE UNIONS IN HOTELS

### 2.1 Meaning and Concept of Trade Unions

The concept of Trade Union emerged from the theory of *Interest Group & Pressure Group* in the field of political science. *Interest group*, also called *special interest group* or *pressure group*, any association of individuals or organizations, usually formally organized, that, on the basis of one or more shared concerns, attempts to influence public policy in its favour. All interest groups share a desire to affect government policy to benefit themselves or their causes. Their goal could be a policy that exclusively benefits group members or one segment of society (e.g., government subsidies for farmers) or a policy that advances a broader public purpose (e.g., improving air quality). They attempt to achieve their goals by lobbying—that is, by attempting to bring pressure to bear on policy makers to gain policy outcomes in their favour, (Thomas, 2017). Interest groups are a natural outgrowth of the communities of interest that exist in all societies, from narrow groups such as the Japan Eraser Manufacturers Association to broad groups such as the American Federation of Labor–Congress of Industrial Organizations (AFL–CIO) and to even broader organizations such as the military. Politics and interests are inseparable. Interests are a prevalent, permanent, and essential aspect of all political systems—democratic, authoritarian, and totalitarian regimes alike. Furthermore, interest groups exist at all levels of government—national, state, provincial, and local—and increasingly they have occupied an important role in international affairs.

Interests and interest groups in all types of political systems can be placed broadly in five categories: economic interests, cause groups, public interests, private and public institutional interests, and non-associational groups and interests. The structure and activities of interest groups must be adjusted to the distribution of effective power within the political system. Hence, where there is power there will be pressure, although pressure—the continuation of bargaining by other means—denotes only one form of

group influence (Wootton 1963, p. 7). Conversely, the high or low density of group activity can serve as a gauge of the flow of influence in a given system and at various periods. The location of political power in the political system determines the access points and methods of influence used by interest groups. In authoritarian regimes, power usually lies with the dictator or a small cadre of officials. Thus, any interest group activity in such systems will be narrowly directed at these officials. In democracies, power is more diffused. In parliamentary systems, such as Canada and New Zealand, the executive is chosen from the legislature, and, because of party discipline, power tends to be concentrated in the executive, which therefore becomes the focus of lobbying. In presidential systems, particularly the United States, where there is a separation of powers between the executive and legislative branches, a lobbying strategy must focus on both branches of government. In addition, in some countries, power is divided among multiple layers of government. In unitary systems, where central government is the locus of policy making, lobbying efforts can concentrate on that level of government. By contrast, in federal systems (e.g., the United States, Australia, and Germany), interest groups often find it necessary to mount simultaneous campaigns at both the national and state levels. Which party or party coalition controls the government influences the relative importance and impact of interest groups within society. For example, in a democracy, if a left or centre-left government is in office, it is most likely that allied groups (e.g., labour unions and environmental groups) would have more influence on and be consulted more often by the government, whereas business groups usually have wider access and importance when a conservative government is in office. Even in authoritarian regimes, changes in the executive can bring about the increased success of some groups at the expense of others. For example, the shift from a civilian to a military dictatorship or vice versa in a host of African, Asian, and Latin American countries in the period from the 1930s to the 1980s changed the configuration of interest groups and interest influence. According to American political scientist Howard Tolley, an authority on international interest groups, without political parties and elections to voice concerns at the international level, nongovernmental pressure groups are even more vital in world politics than interest groups are at the domestic level.

In their nonpolitical role, interest groups may have several functions, but, when they become enmeshed in the political sphere, they have one overriding goal: to gain favourable outcomes from public policy decisions. In the political realm, interest groups perform important functions, particularly in a democracy but also in an authoritarian regime. These include aggregating and representing the interests of groups of individuals in a way that a single individual would not be able to do, helping to facilitate government by providing policy makers with information that is essential to making laws, and educating their members on issues and perhaps giving them political experience for entering politics. In addition to providing this political experience, groups sometimes actively recruit candidates for public office, with the hope that once elected these individuals will support their cause. Interest groups in most democracies are also a source of financial support for election campaigns. In the United States the development of political action committees (PACs) after World War II was geared to providing money to candidates running for public office. In western Europe, campaign funding is provided by many interest groups, particularly trade unions for social democratic parties as in Sweden and Germany. Mass parties in authoritarian regimes also often rely on interest groups for support. For example, in Argentina Juan Perón used the General Confederation of Labour (CGT), the trade union peak association, to gain and maintain the presidency of that country from 1946 to 1955. In addition to financial resources, members of interest groups are important resources for grassroots campaigning, such as operating telephone banks to call prospective voters, canvassing neighbourhoods door-to-door, and organizing get-out-the-vote efforts on election day.

### **2.1.1 Development of Pressure Groups**

Each pressure group has its own history and particular circumstances surrounding its formation, but political scientists have suggested three linked factors that are important in determining whether pressure groups develop or not :

(1). When a group of unorganised people are adversely affected by change. It has been suggested that pressure groups form when the need arises. This is why when governments attempt to regulate some social, political, or economic activity, those affected will lobby the government not to take actions that would adversely affect them.

For example, when President Reagan announced his re-armament programme and the construction of the neutron bomb, the Nuclear Freeze Groups began a series of protests attracting significant public support. These groups tended to fade away in the eight years of Clinton's presidency as the Star Wars issues had been dropped by then.

President George W Bush's plans to build on Reagan's dream of a Star War's 'peace shield' with "Son of Star Wars" has rekindled these pressure groups, though with less enthusiasm when compared to the 1980's. Most complaints against the new system seem to be based on cost and reliability as opposed to an ideological issue.

President Clinton faced pressure from both logging groups and environmentalists when the loggers wanted parts of Washington State opened to them whereas the environment groups protested that rare species found there were likely to become even rarer. A compromise that satisfied both groups was arrived at : some logging, but stronger protection for those areas not opened to logging.

(2). Pressure group leadership : the quality of a pressure group's leadership has been crucial in determining its success. if a pressure group is to be successful, the leader must convince its members that the benefits outweigh the costs. Martin Luther King was very good at this. Kink's campaign of passive resistance attracted much needed support from leading white politicians. The passing of the Civil Rights Act of 1964 and the Voting Rights Act of 1965 was largely due to King's leadership in the Black American community.

(3). Socio-economic structure of pressure group membership : In addition to group leadership, another factor is the 'quality' of group membership. Those who are well educated and better off have a greater knowledge of how the political system works and an increased confidence in their activity having some impact. This also gives members more incentive to devote their time and resources to organising and supporting interest groups. However, the less well off and the politically less experienced can achieve significant results as the Civil Rights movement demonstrated.

### **2.1.2 Introduction of Trade union**

The principal originator of the idea of International Labor Legislation, and precursor of the work of the International Labor Organization (ILO), was Daniel Le Grand (1783 – 1859), a Frenchman who from 1840 to 1853 repeatedly appealed to several European Governments for joint agreement on labor legislation as a means of eliminating merciless competition. He also worked on several projects for establishing International laws covering hours of work, a day rest, night work, unhealthy or dangerous occupations and special rules for children. These projects were very carefully drafted after a study of the legal position in different countries-in much the same way as the International Labor Organization prepares drafts standards today. The International Labor Office in Geneva, Switzerland is the permanent secretariat of the ILO. It prepares the documents and reports which are the essential background material for the conferences and specialized meetings of the organization; provides the secretariat for these conferences and meetings; recruits technical co-operation experts and provides guidance for the technical co-operation programs throughout the world; engages in research and educational activities; issues a broad range of specialized publications and periodicals dealing with labor matters and social issues; and assists government departments and employers and workers organizations. A number of regional ILO offices are located in various parts of the world and in most of the countries. The ILO is composed of a general assembly, the International Labor Conference, which meets every year; an executive council, the Governing Body; and a permanent secretariat, the International Labor Office. The organization also works through other bodies such as regional conferences, industrial committees and panels of experts.

A trade union or labor union is an organization of workers who have banded together to achieve common goals in key areas and working conditions. The trade union, through its leadership, bargains with the employer on behalf of union members and negotiates labor contract with employers. This may include the negotiation of wages, work rules, benefits, work place safety and policies. The agreements negotiated by the union leaders are binding on the rank and file members and the employer and in some cases on other non – members workers. These organizations may comprise individual workers, professionals, past workers or the unemployed. The most common, but by no means only, purpose of

these organizations is maintaining or improving the conditions of their employment. Over the past three hundred years, many trade unions have developed into a number of forms, influenced by differing political and economic regimes.

In the early stages of their growth, unions in many countries concerned themselves primarily with their members' interests, but took on wider functions in due course. Thus trade unions have become far more developed than their forerunners undertaking a wider range of functions and having a clearer perception of their ultimate aims. As put by John Price,<sup>5</sup> "The trade union of today is not content with protecting and improving wages and conditions of labour; it concerns with all matters by which the workers are likely to be affected whether as producers or consumers, whether as units of industrial manpower or as citizens."

### **2.1.3 Objectives and need of trade unions**

Unions concentrate their attention to achieve the following objectives:

(1) Wages and Salaries : The subject which drew the major attention of the trade unions are wages and salaries. This item may be related to policy matters. However, differences may arise in the process of their implementation. In the case of unorganised senior the trade union plays a crucial role in bargaining the pay scales.

(2) Working Conditions : Trade unions with a view to safeguard the health of workers demand the management to provide all the basic facilities such as lighting and ventilation, sanitation, rest rooms, safety equipment while discharging hazardous duties, drinking water, refreshment, minimum working hours, leave and rest, holidays with pay, job satisfaction, social security benefits and other welfare measures. Counnson J, 'Labour Organisatioin' London, 193; p-13.

(3) Personnel Policies : Trade unions may fight against improper implementation of personnel policies in respect of recruitment, selection, promotions, transfers, training, etc.

(4) Discipline : Trade unions not only conduct negotiations in respect of the items with which their working conditions may be improved but also protect the workers from the clutches of management whenever workers become the victims of management's unilateral acts and disciplinary policies. This victimisation may take the form of penal

transfers, suspensions, dismissals etc. In such a situation the separated worker who is left in a helpless condition may approach the trade union. Ultimately, the problem may be brought to the notice of management by the trade union, which explains about the injustice meted out to an individual worker and fights the management for justice. Thus, the victimised worker may be protected by the trade union.

(5) Welfare : As stated earlier, trade unions are meant for the welfare of workers. Trade union works as a guide, consulting authority and cooperates in overcoming the personal problems of workers. It may bring to the notice of management, through collective bargaining meetings the difficulties of workers in respect of sanitation, hospitals, quarters, schools and colleges for their children's cultural and social problems. 45

(6) Employee-Employer Relations : Harmonious relations between the employees and employer are sine qua non for industrial peace. A trade union always strives for achieving this objective. However, the bureaucratic attitude and unilateral thinking of management may lead to conflicts in the organisation which, ultimately, disrupt the relations between the workers and the management. Trade union, being the representative of all the workers, may carry out continuous negotiations with the management with a view to promoting industrial peace.

(7) Negotiating Machinery : Negotiations include the proposals made by one party and the counterproposals of the other. This process continues until the parties reach an agreement. Thus, negotiations are based on the 'give and take' principle. Trade union, being a party for negotiations, protects the interests of workers through collective bargaining. Thus, the trade union works as the negotiating machinery.

(8) Safeguarding Organisational Health and the Interest of the Industry : Organisational health can be diagnosed by methods evolved for grievance redressal and techniques adopted to reduce the rate of absenteeism and labour turnover and to improve the employee relations. Trade union by their effective working may achieve employee satisfaction. Therefore trade unions help in reducing the rate of absenteeism, labour turnover and developing systematic grievance settlement procedures leading to 46 harmonious industrial relations. Trade unions can thus contribute to the improvements in level of production, productivity and discipline thereby improving quality of work-life.

Why do workers organize themselves into a trade union? It is however, a significant question. The worker joins a trade union for a variety of reasons, but he may be no more conscious of the motive or motives that prompt him to join a union. The trade unions are the organizations formed by working male and female workers both to improve the conditions of labour and to further to attain better life. Need For Trade Unions are illustrated below.

(1). The individual workers all alone feels specially weak in a world of mass production and mass movement. An organization may give him an opportunity to join others for the achievement of those objectives that he considers as socially desirable.

(2). The basic purpose of trade union is to safeguard the economic interests of its members. One of the problems in the life of the workers is how to provide sufficient food, clothing and a home for himself and for the members of his family. This is first and foremost a question of finding a job on a reasonable wage. To improve and maintain the wage at a reasonable standard is one of the primary reasons for which a worker joins a trade union.

(3). A worker does not only require the bare necessities of existence but he also wants to obtain the amenities of civilized life, e.g., a better home, more leisure, better conditions of work, etc. The workers also join the trade unions, to a very large extent, because they have interests such as these to promote or defend.

(4). The need for trade unions arises due to this fact also that the workers require help in time of sickness or death, protection from suffering and want when they are not of a job and an income of some kind when they are too old to work any more.

(5). There is another reason for the existence of trade unions, viz., need for adequate machinery for settling the relations between the employers and employees. In modern industry the old personal relationship between the employers and the workers largely disappears. The worker may become dissatisfied with his working conditions or the treatment of his employers while the employer may feel that he has reason for complaint against the workers. With the growth to industry the number of such questions to be settled increases and it is much better to adjust these differences by agreement between the employers and employees through negotiations. Thus, a trade union is the best and



socially most desirable to conduct bargaining on behalf of the workers and the development of collective bargaining between the employers' and workers' organizations is an essential basis for the establishment of peace in industry.

(6) Trade unions developed on proper lines lessens violent class conflicts and, thus, is beneficial to employers, the employees, the state and the public. It is, thus, clear that no agency formed or promoted to look after the interests of the workers can be a real substitute for trade unions. The organization of workers is, therefore, not only necessary but also inevitable.

#### **2.1.4 Hotels of Nepal**

The word Hotel originated from the word hostel and again the word hostel from the word host. The word hotel was used in England in about 1760. Hotels may be generally defined as place, which provides over night furnished and serviced accommodation in return of payment. According to British law hotel is a place where bonafied travelers can receive Food and Beverage, shelter if he is in a fit condition to receive hence hotel must provide Food and Beverage, shelter to the travelers on payment and has might to refuse if the traveler is drunk disorderly and is not in a condition to pay for the service.

The Nepal hotel industries are perhaps one of the oldest commercial endeavors in the world. The earlier Inn where ventured by husband and wife team, who provided large hall for travelers to make their own bed and sleep on the floor. They also provide some food and also some beverage like wine, ale and stabling facilities. The enter cooking service and recreation was provided by the husband and wife team and by their family. This condition prevailed for several hundred years. After the industrial revolution and the development of railways, steamship made traveling more provident. The industrial revolution changed travel from social travel to business travel. There was a need to clean and quick service. The lead in Hotel was taken by Europe especially Switzerland. The real growth of modern hotel took place in the U.S.A beginning with opening of “City Hotel” in New York in 1794, (Shrestha, and Ghimire, 2003:215)

History of Hotel Industry in Nepal has turned into positive aspect after the peace process taken action in 2008. The real boom in Nepal Hotel industry comes in 20th when two new concepts emerged. Hotel and International chain operation. International chain operation provide modern technology that individual owner merged themselves to large international chain such as Sheeraton, Hyatt, Holiday Inn, Ramida Inn, Hilton, etc.

The first hotel opened in Nepal was “Nepal Hotel” in Patan Jawalakhel in 1151 to 1952 this hotel was opened and closed in one fiscal year. Mr. Boris Lisanevich Russian nationality arrived in Nepal with his Denish wife Inger in 1951 and established “Royal Hotel” in “Seto Durbar” or “Dip Bahadur Bhawan” in Kathmandu. In 1952 “Parash Hotel” and in 1954 “Snow View Hotel” was opened. In 1956 hotel “Coronation” was opened in Bagbazar was first purposely built hotel in Nepal, (Kayastha, 2008:235).

#### **2.1.5 Trade Union and Hotels of Nepal**

The history of trade union movement in Nepal is of recent origin. There were no trade unions in Nepal before 1945 as the country was under the family rule of Ranas. Nepal had followed closed- door economy having almost no relations with the outside world. In 1946, All Nepal Trade Union Congress (ANTUC) was formed. In 1947, Biratnagar Workers Union (BWU) was set up. In March 1947 the first workers movement took place at Biratnagar for the establishment of democracy. In 1951 ANTUC and BWU became united and formed the first trade union federation in Nepal. The World Federation of Trade Unions (WFTU) in 1953 granted membership to ANTUC. After the democratic change of 1950, the freedom of association allowed the opportunities too many voluntary organizations in the country and the workers, too, felt the need to the government.

The unions existed at that time were: BWU, Cotton Mills Workers Union, ANTUC, Independent Workers Union, Biratnagar Mills Workers Union, All Nepal United Workers Union, All Nepal Trade Union Organization and Nepal Labor Union. But these unions were merely instruments of political parties without the capacity of free collective bargaining. This is clear from the fact that Girija Prasad Koirala, now, the President of Nepali Congress Party and late Mana Mohan Adhikari, former President of Communist Party of Nepal-Unified Marxist-Leninist Party (CPN-UML), were active both in trade unions and their respective parties. After the success of democratic struggle against 104

years of Rana family rule in 1950 freedom of expression and organization became part of political life. The Nepalese political history took a new turn in 1960 when the then king Mahendra staged a party less Panchayat System in 1962. This system limited the freedom of expression and association but envisioned creating exploitation-free society through the harmonization and co-ordination of the interest of different classes. For this, six different class organizations were controlled by the system and also that the central body was heavily politicized, the objective of ensuring the labor welfare remained unfulfilled. Still, some of the noticeable achievements were also made during this period in the field of Labor Administration, such as, establishment of a separate labor ministry, department and some labor offices and the admission of Nepal into ILO as a member. Multi-Party democracy was restored in the spring of 1990 after the success of people's movement, in which many professionals organizations, including workers had actively participated. The constitution of the Kingdom of Nepal 1990 guaranteed multi-party parliamentary system, human rights, constitutional monarchy and the sovereignty of people. It also granted the freedom of expression and association, which has inspired the formation of trade unions. At an early stage, there was mushrooming growth of trade unions. They were heavily divided in the line of political ideologies. Each party had its own unions, if not general federation. With the passage of time, most of these unions could not exist and some of the unions merged.

Labor Unions have existed in Nepal since the All Nepal Trade Union Congress (NTUC) was formed in 1947, but really came into power after the collapse of the Rana regime in 1951 and the movement towards democracy. The Nepal Independent Hotel Workers Union (NIHWU) was a Nepalese trade union formed in 1981. The union existed as a separate entity until 1989 when it helped form the General Federation of Nepalese Trade Unions. General federation of Nepalese Trade Unions (GEFONT) was established in 20 July, 1989 by the Nepal Independent Workers Union, the Independent Transport Workers Association of Nepal, the Independent Hotel Workers Union and Trekking Workers Association of Nepal. This union is a confederation of 17 national labor union federations. It is politically tied with Communist Party of Nepal-Unified Marxist Leninist (CPN-UML). GEFONT declares its goal to be - Socialism for the dignified working class and prosperous life. It was founded with four founder federations: Nepal Independent

Workers Union (NIWU), Independent Transport Workers Association of Nepal (ITWAN), Nepal Independent Workers Union (NIHWU) and Trekking Workers Association of Nepal (TWAN).

Paschimanchal Hotel Association Pokhara (PHAP) is the leading organization in the hospitality industry, representing more than 300 hotels, resorts & guest houses ranging from tourist standard hotels to 5 star deluxe hotels in Pokhara and the western development region of Nepal. It was established in the 27th of March, 2009 after the merger between Regional Hotel Association Nepal (RHAN) and Pokhara Hotel Association (PHA) which was established two decades ago. It has wide network among other association in neighboring districts. It is non profit making organization recognized by the government of Nepal. Different entrepreneurs and trade union workers are under the union of PHAP with their internal affiliation with NTUC, GEFONT, DECONT and they all have their own interests and motives.

## **2.2 Historical development of Trade Unions**

### **2.2.1 Origin of Trade Unions in Nepal**

The beginning of the Nepali trade union movement goes back slightly before 1951. While the historic workers' movement started on 4 March 1947 in Biratnagar, the workers themselves did not know what a trade union was and what it would contribute to. They were unknown about collective bargaining and industrial relations. The main concern of the workers then was to attract more and more workers to the political movement. The then leaders – Girija Prasad Koirala, Manamohan Adhikari and Tarani Prasad Koirala – entered the area of Biratnagar Jute Mills with this purpose in mind – to mobilise the workers in the political movement to follow. In an interview, Girija Prasad Koirala says, "Manamohan went to the Chemical Industry; assigning clerical jobs to Tarani Prasad and Yuba Raj Adhikari. Gehendra Hari Sharma was sent to jute mills area and I was sent to cotton mills area by giving a work to count jute ropes. The internal motif was, however, to start a political movement from there." The four year long duration from 1947 to 1951 sustained through a number of ups and downs. Girija Prasad Koirala thus clarifies the then dilemma of the labour movement: "We used to gather together during off hours at night. I was not confident enough about the workers' movement and politics. What I

knew was we have to do something, that is, movement. Amidst this, we decided to call a strike at 7 am on 4 March 1947. We decided to operate the mills only for 7 minutes, and then close all functions. We asked the workers to suggest their demands from which to make a list of common demands. Manamohan was quite familiar with the labour movement. He had experience from Indian Trade Union movement, but I was totally ignorant on it. Regarding demands, BP Koirala reminded us to put only a few demands, the main one being the wage increase by a half. It was easy to be addressed, and with it we could also further inject our political work. In this way, the leaders involved in the movement tried to convince the workers relating them to their problems and educating them about the importance of forming unions. However, this campaign could not include all the workers. As Girija Prasad put, "In the beginning, only the leaders were involved, the workers took some time to join." The ruling Rana oligarchy took the movement as an 'unruly behaviour of the Koirala family', and decided to imprison the leaders of the movement. But the regime was also forced to respond to the workers' demands. On the 23rd day of the movement, the labour wage was increased by 15 percent as per 'the directives of the Shree tin maharaja (Rana prime minister)'. The regime also announced to give the full wage of the workers for the strike period. Repressions notwithstanding, the workers involved in the movement had a great impression of it. The way of launching the movement, organising demonstrators, and the arrangement of flag and leadership were similar to the Indian trade union movement, which had a strong influence on the participants of the movement. BP Koirala, the first elected prime minister of Nepal, had this to say about the movement, "This was the first movement launched from Nepali soil. It really touched the spirit of the workers. I was also invited to lead it. This was a political movement to suppress which the government and the mill owners were united. The people had however a great support to the workers. ...At that time, General Ram Shamsher was a senior officer [badha hakim]. Around 5-7 thousand workers were involved in it disobeying the order of the government, the first time in Nepal's history. The people spontaneously helped the agitating workers providing food, water and money, and thus saw its success. Padma Shamsher was the prime minister at that time." People's Leader Madan Bhandari's take on the movement is the following: "the main demands of the movement were provisions of appropriate shelters, a wage system

addressing livelihood needs, and recognition of the workers' organisation. Thus the movement had raised various issues related to direct and long term concerns of the workers. Although the Rana Regime seriously suppressed this movement, it was equally fearful too. As a result, in 1947, an act was promulgated banning the right to organisation, on the one hand. On the other, this act proposed to appoint a worker's leader in the 'national assembly'" The labour movement of 1947 -1951 developed two parallel streams, namely communist and socialist streams. The main points of debates between these two schools of thought were about what name and flag to be used for the movement. Manamohan and BP both were inclined to the communist stream and socialist parties established in India. Girija Prasad says, "I was also a communist in the beginning. Later on, I left the (student) federation and joined another line, while Manamohan remained in the same federation." The labour politics during this period followed the 'top to bottom' character, and not the vice versa. The duration from 1951 to 1959 was one of expansion period of the Nepali trade union movement. The political change in 1951 did also change the role of the leaders established in 1947. After 1951, Manamohan Adhikari's role changed to one of a communist leader. Afterwards, the evolution of the trade union movement can be analysed through the expansion of All Nepal Trade Union Congress. After the ban on communist party in 1950, the most active affiliates of various mass organisations the ' Jatiya Janatantrik Morch or mass organisation's front' formed on 7 July 1951 was the All Nepal Trade Union Congress. Around 6,000 workers were organised under this. There is no uniform viewpoint as to who were the established trade unions and their leaders between the duration of 1947 and 1951. Girija Prasad Koirala says, "At that time, the union's name was 'Biratnagar Mills Workers' Association'. The union was only one. The division appeared only after the political change in 1951. They [Manamohan's group] changed the name of the union. They renamed it as All Nepal Trade Union Congress and we did it as Nepal Trade Union congress." Girija Prasad Koirala has claimed him to be the president of the Biratnagar Mills Mazdoor Sangh in his letter Asian Regional Secretary G. Mapara of International Confederation of Free Trade Union Asian Regional Organisation (ICFTU-ARO) for affiliation with the then ICFTU in 1959. "Our organisation is not at all affiliated to any other Foreign trade union organisation; Our trade union organisation is wedded to Socialism and Democratic way

of life both the ideals being equally dear to us. ... It was this organisation which launched the first Democratic movement in the country in the year 1947 and then subsequently was vanguard of the Democratic movement throughout under the inspiring leadership of the Nepali Congress." In a query, whether any other union centres in the country, Koirala says- "All Nepal Trade Union Congress (controlled and directed by the Communist Party of Nepal); address- Kathmandu, Nepal; membership not known. But they are quite potential and have some strongholds." During this period, the trade union movement in Nepal got polarised as 'leftist and non-leftist', influenced by 'cold war' politics. Instead of the issues and interest of the world of work, the labour politics was rather influenced party politics, and was a carbon copy of the Indian movement.

Nepali Trade Union Movement during Extreme Oppression and counter-offence. On 15 December 1959, King Mahendra assumed power by staging a coup d'état. He dissolved the then constitution, banned all the political parties and organisations, including the two decade long trade union movement. Then, between 1959 and 1979, the trade union movement could not build a 'national centre of trade union'. However, the labour movement was not fully collapsed. The workers were involved in a series of local level movements. A case in point was the 1973 labour strike in Biratnagar Jute Mills, which prepared a base for the progressive trade union movement as an alternative to the then regime-backed 'Nepal Labour's Organisation.' In 1976, some new possibilities appeared in the Nepali politics with students' movements gaining momentum. The students' movements picked up following the imprisonment in Kathmandu of the leaders involved in the Peasants' uprising in Jhapa accused of killing, robbery, and others. The students wanted them to be recognized as the prisoners of conscience. Then came a point when a number of student leaders were also kept behind bars. The imprisoned students got an opportunity inside prisons to meet face to face political leaders. These meetings bolstered them to intensify the movement for freedom. As soon as out of the prison, the student leaders started to organize the workers in Hotel Crystal and Hotel Shankar. Nepal, like other South Asian Nations, has a tradition of multiplicity of unions. Realising the adverse effects of unhealthy competition, rivalry and splits witnessed during the decade from 1990, GEFONT and NTUC agreed with commitment to freedom, equality and social justice, and formed a high level Task Force in 2000, comprising of senior

leaders from both confederations. That was the departure point for the unity process of Nepali trade union movement. Joint action during April Uprising of 2006 built mutual trust among GEFONT, NTUC, DECONT with the signing of the Comprehensive Peace Accord (CPA) in 21 November 2006 and with the commitment of forward transformation of existing political, socio and economic system, the 11-year conflict has ended and Nepal entered into a new era of peace and prosperity. GEFONT, NTUC, DECONT and ANTFTU, all of which played a prominent role in restoring peace and democracy in the country welcomed the Accord through Lahan Declaration signed in December 2, 2006. These two events became watershed for formation of Joint Trade Union Coordination Centre (JTUCC); which was launched with the sole objective of identifying workers' genuine issues, developing policies, making coordination among Trade Unions, and forming a joint voice to address their issues. Seven National Trade Union Centres founded the JTUCC in December 1, 2007. The First National Trade Union Conference held in Oct 26-27, 2008 formalised it. In 28 December 2014; over seven hundred delegates including leaders of member-confederations of JTUCC converged in Third National Trade Union Conference. And, the JTUCC affiliated confederations believe, this is Strength; the Unity in Diversity.

### **2.2.2 Major Trade Union Federations**

- Nepal Trade Union Congress (NTUC)
- General Federation of Nepalese Trade Unions (GEFONT).
- Democratic Confederation of Nepalese Trade Unions (DECONT)

**a. Nepal Trade Union Congress (NTUC).** NTUC was established in 1947 with the objectives of promoting workers rights. The labour movement in Nepal started on March 4, 1947 in Biratnagar against the hereditary Rana rule for the establishment of democracy and advancement of workers' rights. The ideology of NTUC was based on democracy, nationalism and socialism. After the establishment of democracy in the country in 1950, NTUC became active in the promotion of workers' rights to organize, express and struggle for their collective welfare. In 1960 with the dissolution of multiparty democracy in Nepal, trade unions were banned along with political parties for almost 30 years of Panchayat system. With the overthrow of Panchayat polity in 1990 following popular



movement for the restoration of democracy, freedom of expression and organization became a part of national life. Nepal Trade Union Congress also revived its organization in 1990 and now works closely to ruling Nepali Congress party in general and Nepali Congress President Girija Prasad Koirala in particular. NTUC is the sole federation affiliated to ICFTU in Nepal. The list of NTUC Affiliates are shown in Appendix-C

**b. General Federation of Nepalese Trade Unions (GEFONT).** GEFONT was established in July 20, 1989 with four founder federations: Nepal Independent Workers Union (NIWU), Independent Transport Workers' Association of Nepal (ITWAN), Nepal Independent Hotel Workers' Union (NIHWU) and Trekking Workers' Association of Nepal (TWAN). It is affiliated to Communist Party of Nepal, Unified Marxist-Leninist party (CPN-UML). The list of GEFONT Affiliates are shown in Appendix-D

**c. Democratic Confederation of Nepalese Trade Unions (DECONT).** DECONT was established on August 14, 1997 after it broke away from NTUC. It is not affiliated to Nepali Congress party but works closely with former Prime ministers Krishna Prasad Bhattarai and incumbent Prime Minister Sher Bahadur Deuba group in particular. This division extends to the grassroots level on factional lines of the political party. The list of DECONT Affiliates are shown in Appendix-E

### **2.2.3 International Union**

The largest trade union federation in the world is the Brussels-based International Trade Union Confederation (ITUC), which has approximately 309 affiliated organizations in 156 countries and territories, with a combined membership of 166 million. The ITUC is a federation of national trade union centres, such as The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) in the United States and the Trades Union Congress in the United Kingdom. Other global trade union organizations include the World Federation of Trade Unions. National and regional trade unions organizing in specific industry sectors or occupational groups also form global union federations, such as Union Network International, the International Transport Workers Federation, the International Federation of Journalists, the International Arts and Entertainment Alliance or Public Services International. The World Trade Union Centres are shown

below. The list of Global Unions and Labour Related Sites are shown in the Appendixes-F & G respectively.

World Trade Union Centres:

- International Confederation of Trade Unions (ICFTU)
- World Federation of Trade Unions (WFTU)
- World Confederation of Labour (WCL)

#### **2.2.4 Diversity of International Unions**

Union law varies from country to country, as does the function of unions. For example, German and Dutch unions have played a greater role in management decisions through participation in corporate boards and co-determination than have unions in the United States. Moreover, in the United States, collective bargaining is most commonly undertaken by unions directly with employers, whereas in Austria, Denmark, Germany or Sweden, unions most often negotiate with employers associations.

Concerning labour market regulation in the European Union (EU), Gold (1993) and Hall (1994) have identified three distinct systems of labour market regulation, which also influence the role that unions play:

"In the Continental European System of labour market regulation, the government plays an important role as there is a strong legislative core of employee rights, which provides the basis for agreements as well as a framework for discord between unions on one side and employers or employers' associations on the other. This model was said to be found in EU core countries such as Belgium, France, Germany, the Netherlands and Italy, and it is also mirrored and emulated to some extent in the institutions of the EU, due to the relative weight that these countries had in the EU until the EU expansion by the inclusion of 10 new Eastern European member states in 2004.

In the Anglo-Saxon System of labour market regulation, the government's legislative role is much more limited, which allows for more issues to be decided between employers and employees and any union and/or employers' associations which might represent these parties in the decision-making process. However, in these countries, collective

agreements are not widespread; only a few businesses and a few sectors of the economy have a strong tradition of finding collective solutions in labour relations. Ireland and the UK belong to this category, and in contrast to the EU core countries above, these countries first joined the EU in 1973.

In the Nordic System of labour market regulation, the government's legislative role is limited in the same way as in the Anglo-Saxon system. However, in contrast to the countries in the Anglo-Saxon system category, this is a much more widespread network of collective agreements, which covers most industries and most firms. This model was said to encompass Denmark, Finland, Norway and Sweden. Here, Denmark joined the EU in 1973, whereas Finland and Sweden joined in 1995."

The United States takes a more laissez-faire approach, setting some minimum standards but leaving most workers' wages and benefits to collective bargaining and market forces. Thus, it comes closest to the above Anglo-Saxon model. Also the Eastern European countries that have recently entered into the EU come closest to the Anglo-Saxon model.

In contrast, in Germany, the relation between individual employees and employers is considered to be asymmetrical. In consequence, many working conditions are not negotiable due to a strong legal protection of individuals. However, the German flavour or works legislation has as its main objective to create a balance of power between employees organized in unions and employers organized in employers' associations. This allows much wider legal boundaries for collective bargaining, compared to the narrow boundaries for individual negotiations. As a condition to obtain the legal status of a trade union, employee associations need to prove that their leverage is strong enough to serve as a counterforce in negotiations with employers. If such an employees association is competing against another union, its leverage may be questioned by unions and then evaluated in a court trial. In Germany, only very few professional associations obtained the right to negotiate salaries and working conditions for their members, notably the medical doctors association Marburger Bund and the pilots association Vereeniging Cockpit. The engineers association Verein Deutscher Ingenieure does not strive to act as a union, as it also represents the interests of engineering businesses.

Beyond the classification listed above, unions' relations with political parties vary. In many countries unions are tightly bonded, or even share leadership, with a political party intended to represent the interests of the working class. Typically this is a left-wing, socialist, or social democratic party, but many exceptions exist, including some of the aforementioned Christian unions. In the United States, trade unions are almost always aligned with the Democratic Party with a few exceptions. For example, the International Brotherhood of Teamsters has supported Republican Party candidates on a number of occasions and the Professional Air Traffic Controllers Organization (PATCO) endorsed Ronald Reagan in 1980. In Britain trade union movement's relationship with the Labour Party frayed as party leadership embarked on privatization plans at odds with what unions see as the worker's interests. However, it has strengthened once more after the Labour party's election of Ed Miliband, who beat his brother David Miliband to become leader of the party after Ed secured the trade union votes. Additionally, in the past, there was a group known as the Conservative Trade Unionists (CTU), formed of people who sympathized with right wing Tory policy but were Trade Unionists. Historically, the Republic of Korea has regulated collective bargaining by requiring employers to participate, but collective bargaining has only been legal if held in sessions before the lunar New Year.

### **2.2.5 Current Trade Union Situation in Nepal**

The current population of Nepal is 29.25 million as of July 2017 by worldometers. The growth rate of population is 2.27 percent. About 80 percent of the Nepalese works in agriculture, where growth depends on the vagaries of monsoon. The GDP growth rate of 3.1 percent roughly balances the population growth rate. The life expectancy is 59.7 years. Illiteracy and poverty rates are high--GDP per capita income is US \$ 249. About 60 percent of its development budget comes through foreign aid. Adult literacy constitutes around 57.6 percent. Nearly half of the population is below poverty line living on a dollar or less a day. About 54 percent of Nepal's population constitutes labor force (aged between 15-64 years). Every year 3 hundred thousand persons enter into the labor market in Nepal. Five percent of population is totally unemployed while under-employment ratio is 45 percent. Forty-one percent of children aged 5-14 is economically

active. Higher unemployment, lower paid jobs and unfavorable working conditions badly affect the workers.

Due to the decline of employment conditions in the country, there is an increasing trend toward the migration of Nepalese workers abroad. Labor Department reveals that 242 005 Nepalese workers are employed in 48 countries, bulk of them in the Gulf region, Japan, East Asia, Southeast Asia, Europe and America. Nearly half of them (104 039) migrated just last year after the declaration of emergency in the country in November 26, 2001. Two hundred thousand Nepalese workers have applied for jobs abroad. In India alone, there are over 115 000 Nepalese ex-servicemen getting pensions and almost same number is serving in the Indian army. Due to open border, seasonal migration of Nepalese workers in India and Indians in Nepal is enormous. The share of workers' remittances in GDP is about 9 percent. Growing regional inequality, economic stagnation and political instability at the national level easily fractured the country's security. The flow of capital, commodities and entrepreneurs from the periphery to the center, Kathmandu, left behind tattered social fabrics and crumbling local economy. Both agricultural and industrial growth rates in Nepal hovers around 3 percent. The industrial sector is import substituting except in the case of carpet and garment sectors. Both the sectors have shown a sign of decay since 1995--carpet due to negative advertisement of the use of child labor in Germany and garment due to gradual phasing out of quota under WTO regime. Reduced trade barriers have allowed foreign goods to enter the country freely and at lower tariffs, applying pressures on native industries.

Nearly around 81 percentage of labor depends on the non union field of agriculture. The state of unemployment is also included in it. The tendency of working abroad is exceptionally higher in present scenario resulting in the decline of the agricultural works which is clearly shown by 1991 AD Survey. It was more than 90 % in 1981 AD and around 81% in 1991 AD. This is how the majorities of Nepalese labors from agriculture and self employment has been drastically tranforming into those field where the labors are paid with wages (Manandhar, 2001). During 1990 AD the minimum wages in Nrs for unskilled labor was 800, semi skilled 850, skilled 950 and highly skilled was 1141. Later Nrs 50 was added with the new introduced democracy. As time passed it was increased to

1800, 1850, 1960 and 2150 respectively by 2001 due to the pressures created by the trade unions (Manandhar, 2001).

### **2.2.6 Strength of Trade Union Federations**

Restoration of multi-party democracy in Nepal in 1990 opened the space for civil society organizations including trade unions. Registration of trade unions started in 1993. Trade Union Act of 1992 makes the registration and renewal of trade unions in every two years mandatory. The period between 1993 to 1999 can be called a "conducive" period for union activism while the period between 2000-2002 can be regarded as a bad period. Violent Maoist conflicts, closing of many enterprises, the successive government's bias towards the capital, declaration of the state of emergency and suspension of civil rights (also workers' rights) can be attributed to the decline of trade union movement in Nepal.

The registration of trade union federation is based on the legitimate membership patterns of member unions under Trade Union Act. The recognition of all three national federations, Nepal Trade Union Congress (NTUC), General Federation of Nepalese Trade Unions (GEFONT) and Democratic Confederation of Nepalese Trade Unions (DECONT) will remain until 2003.

NTUC claims that it has one hundred 92 thousand members. GEFONT affirms that it has five hundred thousand members and DECONT claims that it has two hundred thirty-nine thousand members. But, the fee-paying members are less than stipulated. The Department of Labor also reveals that only a half million workers are unionized. One hundred thousand in agriculture sector and four hundred thousand in industrial sector, bulk of those organized are concentrated in construction and transportation sectors. NTUC and GEFONT's strength lies in organized sector while DECONT's strength lies in unorganized sector.

### **2.2.7 Registration and the Type of Membership of Trade Unions**

Trade Union Act of 1992 has underlined four criteria for the registration of Trade Union Association: (Dahal, 2002)

- At least 50 Enterprise Level Trade Unions can form a national Trade Union Association by Mutual Agreement (Clause 4 (1) of Trade Union Act).

- Five-thousand workers from similar nature of Enterprise can also form a trade union (Clause 4 (1) of Trade Union Act).
- In the case of agriculture sector, 5,000 workers can form a union by mutual agreement but the union must have a representation from at least 20 districts and a minimum of 100 workers' representation from one district (Clause 4 (1) of Trade Union Act).
- Those working in informal sector and self-employed can also form a union if they have at least five hundred members working in the same nature of occupation (Clause 4 (2) of Trade Union Act).

In the Department of Labor 85 national level trade Unions are registered. Out of them only 57 are "active." In this figure, the share of GEFONT is 15, NTUC 17, DECONT 14 and those unaffiliated to any federation is 11. Out of 15 trade unions affiliated to GEFONT 7 trade unions are registered under the Clause 4 (1) of Trade Union Act having more than 50 enterprise level unions, 2 trade union associations have been registered under the more than five thousand individual membership, 1 agricultural workers' union and 5 unions are registered under Clause 4 (2) of Trade Union Act.

Out of 17 trade unions affiliated with NTUC 3 unions are registered under the Clause 4 (1) having more than 50 unions at enterprise level, 4 union are registered under Clause 4 (1) of Trade Union Act with five thousand individual membership, and 10 unions are registered under Clause 4 (2) of Trade Union Act.

None of DECONT affiliated unions are registered with 50 or more enterprise level unions. Its 7 unions are registered with 5000 members each, 1 agricultural workers' union with 5000 members and rest of its unions are registered under Clause 4 (2) of the Trade Union Act having each union 500 individual members.

Though the legal status of the central level unions formed on individual membership basis is equal to the central federation of enterprise level unions but at the local level they are not effective in collective bargaining, do not participate in industrial relations committee, become authoritative through election, run public welfare fund and engage in day to day problems of workers. This implies that in Nepal's labor market out of existing

57 active trade unions it is only GEFONT's 7 and NTUC's 3 unions organized at the enterprise level which have the real capacity to empower the unions in the organized sector. Unaffiliated unions have their own independent role. It is not clear whether there is a decline of members in unions formed by individuals. Industrial decay throughout the nation indicates that there is a corresponding decline in the number of such unions.

The survival of Nepal Hotel Workers' Union of NTUC is in danger. In the days ahead Nepal Independent Workers' Union and Nepal Independent Food and Beverage Worker's Union of GEFONT and Nepal Hotel Workers' Union of NTUC might suffer the same fate if they do not have fifty union memberships. This implies that the unions affiliated with GEFONT have important role in collective bargaining. Evidently, no matter how many numbers they have in the trade union federation registered under Clause 4(2) of Trade Union Act they are counted only as four unions.

Twenty-three national level unions relating to brick, wood, barber, restaurants, garment, health workers, leather shoe, commercial artist, workshop, etc affiliated with different federations and others' registration at the Labor Department were cancelled recently due to a lack of requisite members.

### **2.2.8 Promulgation and Implementation of Labor Laws in Nepal**

After the promulgation of the Constitution of the Kingdom of Nepal in 1990, many progressive acts are formulated to promote labor welfare. The different acts are shown in Appendix-B.

### **2.2.9 Legal status of trade unions and Minimum Wage Structure**

**Legal status of trade unions:** Trade unions have a special status in law which gives them special rights that professional associations don't have (Dahal,2002). Employers have to work with recognized unions to:

- Negotiate pay and working conditions;
- Inform and consult over changes at work such as redundancies;
- Make sure that the health and safety of workers is protected.



**Minimum Wage Structure:** In Nepal, minimum wages for workers per month have been classified into four categories (Dahal,2002):

- unskilled workers US \$ 27.00
- semi-skilled workers \$27.76
- skilled workers \$31.61
- highly skilled workers\$33.00

The minimum wage structure is unable to meet even the basic needs of workers and their families where the average family ratio is 4.5 members. Trade Unions are, therefore, demanding the rise in minimum wage conditions and its effective implementation so that it can meet the basic needs of workers. In informal sectors, there is the problem in the implementation of this wage structure. Due to lack of adequate resources and proper institutional mechanism many of these labor standards have become non-actionable and non-justice able. Government also violates these standards (Dahal,2002). There are several examples:

In 2001 the government banned the Independent Hotel Workers Union's strike on March 19, 2001. The hotel workers had gone on strike demanding a ten per cent service charge in the hotel sector which was suppressed by imposing the Essential Service Act 1957. The Joint Struggle Committee had filed a case at the Supreme Court against the government's move to ban the hotel workers from going on strike. ILO in a letter sent to the government has requested it to lift the ban and has said the hotel workers have the right to go on strike.

Trade unions also resisted the former premier Sher B. Deuba's efforts to bring flexible labor laws by giving the right to "hire and fire" to employers contrary to labor laws. The verdict of the Supreme Court on July 26, 2002 also went contrary to government's decision to relax labor laws. The Court has instructed the government to initiate necessary steps towards reviewing provisions in the treaty and the Labor Act to issue work permit for foreigners.

The parliament has even passed International Financial Center Bill in 1998 that contravenes the Nepalese people's right to work, right to information and citizenship rights.

A Labor Force conducted in 1998-1999 unveils that about 41 percent of the total 4.9 million children aged between 5 to 14 years are child labor involved in agriculture and even in worst forms of child labor practices, such as rag-pickers, carpet workers, mines workers, porters, bonded labor and child trafficking. About 12,000 girls are trafficked each year. Child labor practices continue due to the laxity in the implementation of Child Labor Act 1999.

GEFONT conducted a survey research in 2001 in 750 enterprises (textile, garment, jute, spinning mills, tea plantation, printing press, carpet, cement, chemical iron, food and beverage, hotel, construction, transportation, agriculture, etc) to test the "effective implementation of labor laws" since the enactment of Labor Act 1992.

On recruitment process, for example, regarding the granting of appointment letter, making permanent after working 240 days, an advertisement for recruitment and employment on contract basis on permanent nature of jobs, the survey result reveals that only 38 percent of enterprises provides appointment letter to their workers, 20 percent made workers permanent after the stipulated days of work, 11 percent did advertise before recruiting workers and 40 percent did not employ workers in contract in permanent nature of works.

On working hours and facilities, for example, the survey shows that 63 percent of enterprises did have fixed working hours (8 hours a day), only 44 percent of them paid for overtime work, and 42 percent of them implemented minimum wage.

On provision of leaves, such as, weekly rest, public holiday, compassionate leave, house leave, sick leave, and maternity leave the survey result shows that 64 percent of enterprises provides weekly leave, very few of them provide 45-day maternity leave, 55 percent provides both public holidays and compassionate leave and 50 percent provides house leaves.

On trade union rights, 40 percent of the enterprises accept the charter of demands, in 42 percent of the enterprises management discusses about the collective bargaining process and in 64 percent of enterprises, collective agreements and decisions made by the government are not implemented. Thirty-seven percent of enterprise has tried to harass the establishment of unions while 35 percent of enterprises frequently harass the workers involved in union activities.

On occupational safety and health 62 percent of enterprises have treatment facility during accident and injury, 15 percent of enterprises has compensation during sickness, 15 percent has health check up facility, 22 percent has accident insurance and 23 percent has treatment facility.

On the worker-management relationship and regulation, 24 percent of the enterprises have their own regulations and 7 percent has constituted labor relations committee according to Labor Act 1992. Most of the organized sectors have their own regulation and labor relation committee in each enterprise to settle industrial disputes.

In 1999, Industrial Relations Forum conducted a study on labor disputes. Based on 150 cases sampled from the court, it is found that over 56 percent of the cases were related to employee's dismissals while another 23 percent was related to remuneration. On an average it took nine month to settle the case. These findings vividly indicate that violation of labor rights is frequent. Carpet sector is a major one which does not maintain even minimum norms and labor standards. There is an increasing trend of recruiting workers in casual and contract basis, agricultural and construction sectors host big number of guest workers and majority of the enterprises are not prepared to operate the labor relation committee. Bulk of enterprises ignores occupational health and safety measures. Trade unions blame that Labor Departments are often biased in tripartite negotiations, influenced by the government in power and suffer from inadequate personnel, legal jurisdiction and government's neglect. Yet, compared to trade unions employer's council Federation of Nepalese Chambers of Commerce and Industry (FNCCI) is very much institutionalized and is backed by research and development, specialized departments, government's backing and international support. To solve some of the problems underlined above, Nepalese trade unions are demanding for a Code of

Ethics for Business Communities and Multi National Companies (MNCs) and legislation for ethical business practices.

### **2.3 Trade Union Movement in Nepal**

After the declaration of the state of emergency in November 2001, the law and order situation of the country sharply deteriorated causing the shutdown of industries and business and, consequently, accelerating the process of job layoffs of workers. This process has badly affected enterprise level trade unions. Trade Union Acts require compulsory renewal of all the enterprise level registered trade unions in every two years. Those duly renewed and registered ones are called "active unions." Based on the data provided by 10 Labor Departments of the country until June 2002, the analysis below explains the situation of trade unions in Nepal.

The year 1999 can be regarded as the most favorable period for union registration. The year 2000 marks a declining trend owing to the growth of Maoist attacks on industries and closing of many ailing factories by the government. This brings the union registration trend back to 1993, pointing a disturbing trend in Nepal's labor market. Owing to a lack of systematic record keeping system about the renewal and registration system in the Labor Department, it is very difficult to present accurate picture. Official records show that there were 1,491 enterprise level unions until June 2002. Out of those the registrations of 731 unions have been abrogated. All the federations are badly affected in terms of cancellation of the registration of unions.

The labor Court has announced the cancellation of registration of five trade unions which were registered with fake names and signatures. They are: (Dahal,2002)

- Nepal National Independent Shopkeepers Workers' Union
- Nepal National Independent Grill Workers' Union
- Nepal Electric, Electronics Technicians' Union
- Nepal Independent Trekking Workers' Association
- Nepal Independent Construction Workers' Organization

### **2.3.1 General Focus of Trade Union Activities (Dahal,2002)**

- Trade Union education/ training/ workshop/exposure
- Networking/solidarity building
- Democratization of Workplace
- Policy Intervention at various levels
- Occupational Health and Safety measures
- Social security
- Elimination of child labor/ bonded labor/ forced labor and caste discrimination over Dalit community
- Campaign and education on gender equality at workplace
- Collective bargaining agreements
- Lobbying and collective action

### **2.3.2 Joint Initiatives of Trade Union Federations (Dahal,2002)**

Dialogue between NTUC and GEFONT for creating a joint high-level national confederation. A high-level task force has been formed for this. They have agreed to work jointly, at least for one year, on the following issues:

- Full implementation of Labor Act
- Authentic membership verification process
- Working unity among affiliated federations
- Addressing terrorism and its impact on workers
- Formation of Occupational Health and Safety
- All three unions (NTUC, GEFONT and DECONT) are involved in Poverty Reduction Strategy Program (PRSP). Trade Union Committee for Gender Equality and Promotion (TUCGEP) secretariat has been created in 2000 on gender issue. Chiefs of women departments, women leaders and executive level male counterpart of all trade union federations man it.
- Under the initiative of International Federation of Building and Wood Workers (IFBWW), there is a joint committee of GEFONT, NTUC and DECONT in the

Construction, wood and building sectors. Under the International Federation of Chemical Energy, Mine & General Workers' Unions (ICEM) initiative a national steering committee has been established for Chemical, Iron and Energy Sector of NTUC, GEFONT and independent unions.

- NTUC and GEFONT affiliates at hotel and catering sectors have constituted a Joint Struggle Committee.
- On Foreign Employment and Migrant Workers all the federations have established a common position.
- On the revision and promotion of Minimum Wages all the federations have established a common position
- All the federations consult among themselves regarding their representation in ILO, the government, and even MNCs.
- Social Security Bill has been tabled by the NTUC in the parliament which has been supported by all federations.

### **2.3.3 Role of Friedrich Ebert Stiftung (FES) in Strengthening Trade Union Movement in Nepal**

FES Nepal Office is cooperating with its TU partners to achieve the following objectives: (Dahal,2002)

- Professionalization of trade Unions
- Improving knowledge, skills and information among trade unions and assist them in building solidarity

To meet these broad objectives following activities have been carried out:

- Preparation of training manuals on Information Handling, Documentation and Union Office Management
- Material support in the forms of journals and books
- Trainers' Handbook on Trade Union Organization, Trade Union Rights and Collective Bargaining
- Financial support to invite technical experts related to Trade Union education

- Training on the issues of collective bargaining, co-determination, labor economics, health and safety for the workers, trade union rights and responsibilities and status of informal sector workers in Nepal
- Seminars and research publication on labor legislation, strengthening union capacity through membership drives, organizing female workers through union campaigning, leadership empowerment, the impact of structural adjustment and globalization on the workers, women in garment industries
- Facilitation of international and regional exposure of trade union leaders and workers through participation in international seminars, workshops and training programs
- Providing scope for the unions and their leaders to share experiences and conduct joint national and regional programs with International Trade Secretariats such as International Transport Workers Federation (ITF); International Federation of Metal Workers (IMF); Union Network International (UNI); International Federation of Chemical, Energy, Mine and General Workers Union (ICEM); International Federation of Building and Wood Workers Union (IFBWW); Asian and Pacific Regional Organization of the International Federation of Commercial, Clerical, Professional and Technical Employees; Public Service International (PSI); International Federation of Journalists (IFJ); Education International (EI); ILO; International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers Association (IUF); Postal, Telegraph and Telecommunication International (PTTI); International Confederation of Free Trade Unions (ICFTU); Asian-Pacific Regional Organizations (APRO); and FES-organized regional and international conferences, including the extension of cooperation to South Asian Trade Union Council.

## **2.4 Conceptual Discussion**

The purpose of the review is to provide the theoretical base for understanding the research problem aiming to review the critical ideas and current knowledge as well as theoretical and methodological contribution to the particular topic. The research will be

an outcome of the review of different research papers, articles and books published by various scholars and researchers. The concept of hotel is much wider today. Hotel industry was one of the oldest professions in the world. Mention about hotels is found even in the ancient religious books. There were inns in different places of Nepal to cater to the needs of the travelers. Many references of Pati and Pauwa (temporary accommodations for tourists for tourist and pilgrims) have been given in the historical accounts of Nepal.

World Tourism Organization (1987) sustainable tourism is envisaged as leading to management of all resources in such a way that economic and social needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support system. Sustainable development implies “meeting the needs of the present without compromising the ability of future generations to meet their own needs”. Dahal (2002) in his article “The Current Trade Situation in Nepal”, due to the decline of employment conditions in the country, there is an increasing trend toward the migration of Nepalese workers abroad. Labor Department reveals that 242005 Nepalese workers are employed in 48 countries, bulk of them in the Gulf region, Japan, East Asia, Southeast Asia, Europe and America. Nearly half of them (104 039) migrated just last year after the declaration of emergency in the country in November 26, 2001. Two hundred thousand Nepalese workers have applied for jobs abroad. In India alone, there are over 115 000 Nepalese ex-servicemen getting pensions and almost same number is serving in the Indian army. Due to open border, seasonal migration of Nepalese workers in India and Indians in Nepal is enormous. The share of workers' remittances in Gross Domestic Production (GDP) is about 9 percent. Likewise, Popescu (2011) for many countries, tourism is considered as having a great economic importance, with quite a large share in the country's GDP. Hence, numbers of tourists is it domestic or foreign is a measuring factor for the prosperity and existence of the hotel business in the country. Therefore it directly will have adverse affect in the jobs related to the hotels.

Wright, Chris F. (2011), a research fellow at the faculty of Economics University of Cambridge has written widely on unions, employment relations and labour market institution in the UK and elsewhere in 2010-2011. He was the lead researcher for a major research project sponsored jointly by the Economic and Social Research council and The



Trade Union Congress on unions and collective bargaining. This paper at the membership trends and examines how unions are shaping relations between workers and their employers in today's workplaces, union responses to labour market fragmentation and the strategies the unions are perusing to revitalize the membership and restore their influence in the workplace. It provides an assessment of future opportunities and prospects for trade unions in the Hotels of Nepal. The researcher is looking forward to find out the most appropriate response of trade union in the labour market of the big hotels of Nepal.

Unions may organize a particular section of skilled workers (craft unionism, traditionally found in Australia, Canada, Denmark, Norway, Sweden, Switzerland, the UK and the US), a cross-section of workers from various trades (general unionism, traditionally found in Australia, Belgium, Canada, Denmark, Netherlands, the UK and the US), or attempt to organize all workers within a particular industry (industrial unionism, found in Australia, Canada, Germany, Finland, Norway, South Korea, Sweden, Switzerland, the UK and the US). These unions are often divided into "locals", and united in national federations. These federations themselves will affiliate with Internationals, such as the International Trade Union Confederation. However, in Japan, union organization is slightly different due to the presence of enterprise unions, i.e. unions that are specific to a specific plant or company. These enterprise unions, however, join industry-wide federations which in turn are members of Rengo, the Japanese national trade union confederation.

In Western Europe, professional associations often carry out the functions of a trade union. In these cases, they may be negotiating for white-collar and/or professional workers, such as physicians, engineers or teachers. Typically such trade unions refrain from politics or pursue a more liberal politics than their blue-collar counterparts.

A union may acquire the status of a "juristic person" (an artificial legal entity), with a mandate to negotiate with employers for the workers it represents. In such cases, unions have certain legal rights, most importantly the right to engage in collective bargaining with the employer (or employers) over wages, working hours, and other terms and conditions of employment. The inability of the parties to reach an agreement may lead to industrial action, culminating in either strike action or management lockout, or

binding arbitration. In extreme cases, violent or illegal activities may develop around these events.

In other circumstances, unions may not have the legal right to represent workers, or the right may be in question. This lack of status can range from non-recognition of a union to political or criminal prosecution of union activists and members, with many cases of violence and deaths having been recorded historically.

Unions may also engage in broader political or social struggle. Social Unionism encompasses many unions that use their organizational strength to advocate for social policies and legislation favorable to their members or to workers in general. As well, unions in some countries are closely aligned with political parties.

Unions are also delineated by the service model and the organizing model. The service model union focuses more on maintaining worker rights, providing services, and resolving disputes. Alternately, the organizing model typically involves full-time union organizers, who work by building up confidence, strong networks, and leaders within the workforce; and confrontational campaigns involving large numbers of union members. Many unions are a blend of these two philosophies, and the definitions of the models themselves are still debated.

In contrast, in several European countries (e.g. Belgium, Denmark, the Netherlands and Switzerland), religious unions have existed for decades. These unions typically distanced themselves from some of the doctrines of orthodox Marxism, such as the preference of atheism and from rhetoric suggesting that employees' interests always are in conflict with those of employers. Some of these Christian unions have had some ties to centrist or conservative political movements and some do not regard strikes as acceptable political means for achieving employees' goals. In Poland, the biggest trade union Solidarity emerged as an anti-communist movement with religious nationalist overtones and today it supports the right-wing Law and Justice party.

Although their political structure and autonomy varies widely, union leaderships are usually formed through democratic elections. Some research, such as that conducted by the Australian Centre for Industrial Relations Research and Training, argues that unionized workers enjoy better conditions and wages than those who are not unionized.

Nearly seven million people in the UK belong to a trade union. Union members include nurses, school meals staff, hospital cleaners, and professional footballers, shop assistants, teaching assistants, bus drivers, engineers and apprentices. Most trade unions are independent of employers but have close working relationships with them.

Providing services those customers prefer is a starting point for providing customer satisfaction. A relatively easy way to determine what services customer prefers is simply to ask them. According to Gilbert and Horsnell (1998), and Su (2004), Guest Comment Cards (GCCs) are most commonly used for determining hotel guest satisfaction. GCCs are usually distributed in hotel rooms, at the reception desk or in some other visible place. However, studies reveal that numerous hotel chains use guest satisfaction evaluating methods based on inadequate practices to make important and complex managerial decisions (Barsky, 1992; Barsky and Huxley, 1992; Jones and Ioannou, 1993, Gilbert and Horsnell, 1998; Su, 2004). The most commonly made faults can be divided into three main areas, namely, quality of the sample, design of the GCCs, and data collection and analysis (Gilbert and Horsnell, 1998). In order to improve the validity of hotel guest satisfaction measurement practice, Barsky and Huxley (1992) proposed a new sampling procedure that is a quality sample. It reduces non-response bias by offering incentives for completing the questionnaires. The components of their questionnaire are based on disconfirmation paradigm and expectancy-value theory. In this manner, guests can indicate whether service was above or below their expectations and whether they considered a particular service important or not. Furthermore, Gilbert and Horsnell (1998) developed a list of criteria for GCC content analysis, which is adopted in this study as well. Schall (2003) discusses the issues of question clarity, scaling, validity, survey timing, and question order and sample size. A study conducted by Akan (1995) showed that the main determinants of hotel guest satisfaction are the behavior of employees, cleanliness and timeliness. Choi and Chu (2001) concluded that staff quality, room qualities and value are the top three hotel factors that determine travelers' satisfaction. Over the last four decades, the marketing literature has defined and measured customer satisfaction in many different ways. Oliver (1997) specifies customer satisfaction as pleasurable fulfillment; as such, the consumer views consumption as satisfying some need, desire, goal, etc., in which its fulfillment is pleasurable. In spite of

many definitions of customer satisfaction in the literature, a common way to define customer satisfaction is to follow the approach of the expectancy confirmation/disconfirmation paradigm (Anderson 1994; Anderson and Sullivan 1993; Kotler 1991; Oliver 1980; Oliver and De Sarbo 1988; Oliver and Swan 1989; Yi 1991). In this perspective, customer satisfaction is delineated as the consumer's evaluation that products or services meet or fall to meet the customer's expectations (Oliver and Swan 1989; Yi 1991). Out differently, customer satisfaction consists of post-consumption judgment concerning product or service quality, given pre-consumption expectations (Kotler 1991). From this expectancy-confirmation/disconfirmation point-of-view, customer satisfaction happens in the case of a buyer's post-evaluation of a specific purchase experience (or experiences), contingent upon the buyer's quality perceptions and expectations, and confirmation/disconfirmation – the discrepancy between actual and expected quality (Yi, 1991). Customer satisfaction has generally been suggested to contain two such different dimensions as a transaction-specific evaluation approach and an overall, cumulative evaluation approach.

That is, there exist two general conceptualizations of customer satisfaction in the literature (Anderson and Fornell 1993; Boulding et al. 1993; Yi, 1991). Prior research has portrayed customer satisfaction as transaction-specific. Using this framework, customer satisfaction is seen as a post-consumption evaluative judgment of a particular purchase experience or activity (Bearden and Teel 1983; Cronin and Taylor 1992; Oliver 1980, 1993; Oliver and DeSarbo 1988). The theoretical rationale behind this framework is a variation of the expectancy-confirmation/disconfirmation paradigm (Prakash 1984; Oliver and Swan 1989). Another formulation to measure customer satisfaction, widely used in recent studies, including studies utilizing the satisfaction metric in the ACSI data, is overall or cumulative satisfaction, which is, in other words, relationship-specific. With this formulation, overall satisfaction can be viewed as a customer's overall satisfaction experiences (Olsen 2002), and is gauged as the cumulative post-purchase evaluative judgment of a group of discrete purchase activities or transactions for a particular brand or firm over duration of time (Fornell et al. 1996; Johnson and Fornell 1991; Oliver 1997; Rust and Oliver 1994). Of these two formulations of customer satisfaction, overall or cumulative satisfaction has been widely used with regard to the association between

customer evaluation approaches. That is, there exist two general conceptualizations of customer satisfaction in the literature (Anderson and Fornell 1993; Boulding et al. 1993; Yi, 1991). Prior research has portrayed customer satisfaction as transaction-specific. Using this framework, customer satisfaction is seen as a post-consumption evaluative judgment of a particular purchase experience or activity (Bearden and Teel 1983; Cronin and Taylor 1992; Oliver 1980, 1993; Oliver and DeSarbo 1988).

The typical activities of a trade union include providing assistance and services to their members, collectively bargaining for better pay and conditions for all workers, working to improve the quality of public services, political campaigning and industrial action. Trade Union activities in Nepal has come a long way right from the start of Biratnagar Workers Union in 2047 B.S.. The demands and interests of most of the labor groups are creating pressures as directed by the root trade unions and their affiliates. In present context, the labors in the Nepal's labor market have been able to get quite satisfactory salary and wages in comparison to their qualifications and performance. The general focus of the trade unions are on Trade Union education/ training/workshop/exposure, Networking/solidarity building, Democratization of Workplace, Policy Intervention at various levels, Occupational Health and Safety measures, Social security, Elimination of child labor/ bonded labor/ forced labor and caste discrimination over Dalit community, Campaign and education on gender equality at workplace, Collective bargaining agreements and Lobbying and collective action.

## **CHAPTER III**

### **ROLE OF TRADE UNION IN HOTEL OF POKHARA**

#### **3.1 Hotels in Pokhara**

This chapter presents the picture of employee turnover of hotel industry and analysis. Pokhara, not only in Nepal but in the whole world is well known for being one of the most hang around place and one of the top tourist destinations. Pokhara has varieties of hotels ranging from the most cheapest hotels for economical tourists to the grand star hotels. There are around 138 recorded hotels big and small including star and budget hotels in Pokhara. But the number may reach upto 400 hotels in and around the Pokhara valley. Among the hotels, there are 5 five star hotels, 12 four star hotels, 55 three star hotels, 29 two star hotels, 8 one star hotels and more than 70 budget hotels. The hotels are catagorized as star hotels, resorts, guest house, lodges, hotels and inns and even home stays. The list of some hotels are shown in appendix A. Researcher has visited several times to the Fistail Lodge since early March 2017 till late June 2017 and sometime in April 2017 to Hotel tara in order to collect the data through interview schedule and Indepth interview. Data and required informations are presented and analysed in this chapter to accomplish this objectives.

#### **3.2 Role of trade unions in Hotels of Pokhara**

In every country the role of the trade unions has to change depending on the stage of economic and social development. It also depends on the strength of the unions, both organisational and financial, and also to a great extent on the institutional set-up of the society in which they operate. For instance, in France and the Netherlands, unions are required statutorily to be consulted on any draft legislation dealing with economic and social issues. In Sweden, unions participate at the level of the Planning Commission and are responsible for the implementation of labour and social security legislation. The range of responsibilities of the unions covers the experience of co-determination in the Federal Republic of Germany and workers' control over industrial establishments in Yugoslavia. In Denmark, unions participate at the level of the Economic Council. In the U.S.A. and in

Australia, the contacts of unions with governmental authorities are less formal. Trade Unions in hotels of Pokhara perform the Unions role which can be termed as enemies of economic systems, driven by political ideologies than by business compulsions. Leftist unions want to change the fundamental structure of economy and want to have control over it. Therefore, they encourage high wages, high bonus etc., without any consideration for the health of the economy. In contradiction the hotel entrepreneur wish to go for Business Oriented Role, where unions consider the interests of the organisations along with workers. They think that their members fate is inextricably linked with that of organisation and they swim or sink together.

Workers prefer joining the trade unions because in workplaces where there are unions, members benefit from the strength and security that comes from working together to tackle problems. Employees at unionized workplaces earn around 12.5% more than non-unionized workplaces.

### **3.2.1 What trade unions do**

Trade Unions carry out a number of functions. They negotiate on behalf of their members on pay scales, working hours and working conditions. These areas can include basic pay, overtime payments, holidays, health safety, promotion prospects, maternity and paternity rights and job security. Depending on the circumstances, unions may try to protect or improve workers' rights. They also provide information on a range of issues for their members, for instance on pensions. They help with education and training schemes and may also participate in measures designed to increase demand for the product produced and hence for labour. Some also provide a range of benefits to their members including strike pay, sickness pay and unemployment pay. In addition many get involved in pressurizing their governments to adopt a legislation, which will benefit their members or workers in general, such as fixing a national minimum wage.

Trade unions traditionally have a constitution which details the governance of their bargaining unit and also have governance at various levels of government depending on the industry that binds them legally to their negotiations and functioning. The major functions of Trade Union are:

- Collective bargaining with the management for securing better work environment for the workers/ employees.
- Providing security to the workers and keeping check over the hiring and firing of workers.
- Helping the management in redressal of grievances of workers at appropriate level.
- If any dispute/matter remains unsettled referring the matter for arbitration.
- To negotiate with management certain matters like hours of work, fringe benefits, wages and medical facilities and other welfare schemes.
- To develop cooperation with employers.
- To arouse public opinion in favour of labour/workers.

(source:<http://www.yourarticlelibrary.com/trade-unions/trade-union-meaning-objectives-and-benefits/90560/> )

### **3.2.2 How trade unions are organized:**

A trade union, labour union is an organization of workers who have come together to achieve common goals such as protecting the integrity of its trade, improving safety standards, achieving higher pay and benefits such as health care and retirement, increasing the number of employees an employer assigns to complete the work, and better working conditions. The trade union, through its leadership, bargains with the employer on behalf of union members (rank and file members) and negotiates labour contracts (collective bargaining) with employers. The most common purpose of these associations or unions is "maintaining or improving the conditions of their employment". This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies.

Almost all big hotels have a minimum one or two numbers of trade unions in hotels of Pokhara and the smaller ones do not have any affiliations to labour unions. The Hotel Fishtail Lodge remained under the GEFONT affiliations for a long time and at present the



two unions GEFONT and NTUC both are competing to take lead in the hotel. The five-star Fulbari Resort and Spa in Pokhara has workers belonging to trade unions affiliated to the three major political parties—Nepali Congress, CPN-UML and CPN (Maoist Centre). But other non star hotels like Hotel Tara, Hotel Travel Inn, and other small hotels do not have any affiliations with the labour unions. The general focus of trade union activities found in the hotels of Pokhara during the field survey are:

- Trade Union Education/ Training/ Workshop/Exposure
- Networking/Solidarity Building
- Democratization of Workplace
- Policy Intervention at various levels
- Occupational Health and Safety measures
- Social security
- Elimination of child labor/ Bonded Labor
- Campaign and Education on Gender Equality at workplace
- Collective bargaining agreements
- Lobbying and collective action

There are a lot of benefits when the staffs of a hotel are associated with labour unions. The benefits have been figured out during the field surveys carried out in the different hotels of Pokhara. Some major benefits resembling with the field survey are highlighted below:

- A worker feels very weak when he is alone. Union provides him an opportunity to achieve his objectives with the support of his fellow colleagues.
- Union protects the economic interest of the workers and ensures a reasonable wage rates and wage plans for them.
- Union helps the workers in getting certain amenities for them in addition to higher wages.

- Union also provides in certain cases cash assistance at the time of sickness or some other emergencies.
- Union organize negotiation between workers and management and are instruments for settlement of disputes.
- Trade union is also beneficial to employer as it organizes the workers under one banner and encourages them follow to peaceful means for getting their demands accepted.
- Trade union imparts self-confidence to the workers and they feel that they are an important part of the organization.
- It provides for promotion and training and also helps the workers to go to higher positions.
- It ensures stable employment for the workers and opposes the motive of management to replace the workers by automatic machines.
- Workers get an opportunity to take part in the management and oppose any decision which adversely effects them.

(source:<http://www.yourarticlelibrary.com/trade-unions/trade-union-meaning-objectives-and-benefits/90560/> )

### **3.3 Data Analysis and Presentation**

Data presentation and Interpretation is an important, perhaps the major part of any research report. The justification of any research work is done on analysis and presentation of facts. In addition, the valid conclusion and recommendation is drawn based on data analyzed and interpreted by the researcher. In this section the raw form of data collected from the different Hotels in Pokhara, are changed to a understandable presentation using statistical tool. This chapter is the heart of the study, which analyzes, merges, and interprets the various information and data for the outcomes. The analysis of data consists of organizing, tabulation and performing statistical analysis to give the exact idea of the data collected.

Certain set of questions were designed to study the Role of Trade Union and Relations in Hotels of Pokhara. In the answer to how many trade unions were working in the hotels of Pokhara, the researcher had concluded that there were two trade union affiliations working in the Fishtail Lodge and there were hardly any trade union in the Tara Hotel. (Source: Field study 2017). All 20 hotels staff from different hotels of Pokhara were administered by the questionnaires as shown in following tables.

### 3.3.a Relationship between Trade Unions and Hotel

Table -1: Relationship between the labor union and management in your hotel.

Relationship Between Labor Union and Management	No of Respondent	Percentage
Competitor	4	20%
Easy Negotiation	7	35%
Both	9	45%

Source: Field Survey 2017

Table 1 shows relationship between labor union and management where 20% are as competitor, 35% are easy negotiable and 45% are both competitor and easy negotiable. The management and the labors sometimes had to face disputes due to several misunderstandings rather than realizing the importance of the unions as negotiator for their own benefits with effective negotiations. The owner and manager of the hotel Tara Mr Dilip Gurung, 45 years old from Lakeside had stated that there were hardly any problems between the labor and the management in his hotel. He also explained that his workers do not have any affiliation with the labor unions, but in the hotel Fishtail Lodge, the General Manager of the hotel, Mr Pradip shamsher JBR had stated that the hotel had been widely affected by GEFONT in the last decade. Presently all the unions in the hotel are equally competing to get stronghold in the management of the hotel. So the labors in the hotel are very difficult to negotiate and manage them.

### 3.3.b Male and Female staffs in hotel.

Table -2: staffs in hotels, as gender perspective.

Sex	No of Employees	Percentage
Male	291	87%
Female	42	13%

Source: Field Survey 2017

Table 2 show that the number of male employee is more than of female employee. The involvement of male employee is around 87% where as the number of female employee is around 13%. Thus it shows that the hotel industry has a wide range of job oppurtunities and platform for the male staffs in comparision with the female counterparts. A female receptionist at hotel Tara, Miss Rupa Pun, 23 yrs old confessed that there are a very few oppurtunities for females in the hotel industries. She also expressed that the Nepalese societies and the conservative concepts of family and parents have affected a lot in the reduced numbers of female employe although female are also equally competitive in the hotel industries.

### 3.3.c Get benifit from labor union.

Table -3: Get benefit from trade union.

Help of Labor Union	No of Respondent	Percentage
Yes	12	60%
No	5	25%
To Some Extent	3	15%

Source: Field Survey 2017

Table 3 represents the level of help and support gained by the staffs from the labor union which shows that 60% of staffs are satisfied, 25% are not satisfied and 15% are satisfied to some extent. The staffs under the affiliation of unions are highly privillaged in terms of all the fascilities and bonus so more than 60 % of the labor are in favour of having unions in their hotels.

Bed Bahadur karki, 55 yrs old gardener in the Hotel Fishtail Lodge said that he is more than happy to work as a gardener. He is able contribute for the livelihood for his family of 3 members. He also added that his son Pradip karki, 25 yrs old was able to be waiter in the hotel with the help of an ANTUC union leader Mr. Gam Bahadur Gurung who is also a staff in the hotel. A marketing staff Sanjiv Shrestha, 31 years old at hotel fishtail Lodge expressed that the workers can feel safe, secured and enjoy a lot of facilities in their job. He also added that the Unity is Strength, unions provide workers with a powerful, collective voice to communicate to management their dissatisfaction and frustration. A 45 years old, Mr Dambar Thapa, a security staff at the Hotel Fishtail Lodge expressed his experience that the increment of salary has been the most fulfilled demand put by the labor union to the management of the hotel. Provision of Provident Fund to the staffs, 10 % service charge was separated for the staffs. Dedicated Leave without pay facility were into action. A 30 years old receptionist, Miss Anita Pandey, from hotel Atithi Resort & Spa, Lakeside expressed that she doesnot like to get involved in any labour unions. Besides, she is quite busy with customer handling and her studies. But she also shared her opinion that some staffs are really getting maximum personal benefits from the labour unions than they really deserve.

**3.3.d Affected by labor union in regular work of the hotel.**

Table -4: Effect of labor union in the regular work of hotels.

Labor Union Affecting Regular Work	No of respondent	Percentage
Yes	7	35%
No	3	15%
Sometime	10	50%

Source: Field Survey 2017

Table 4 represents if the labor union affect the regular work of hotel up to now where it shows 35% staffs has responds as it affects, 15% represents it doesn't affect and 50% represents it sometimes affect in the regularity of the work. The hotels with more than one unions are very prone to be affected by the labor union for the regular work of the

hotel because the unions themselves keep on arguing for their own superiority even on a very small issue. Retired Major of Nepalese Army, Mr Khil Bahadur Rana, 52 years old is the head of security in the hotel Fishtail Lodge. He revealed that they do not have any major security threats, but the labour union sometimes affect the regular management and obstructs the smooth operation of the hotel business, gives pressure to the management and bargains for their interest. The manager and the owner of Hotel Tara, Mr. Dilip Gurung, 45 years old said that he has not faced any problem in the operation of the hotel business due to the labour unions.

### **3.3.e Responses of Hotel management to demands made by trade union.**

Table -5: Responses of demand made by trade unions.

Demands Being Solved by Management	No of Respondent	Percentage
Yes all times	14	70%
Few Times	6	30%
Not at All	0	0%

Source: Field Survey 2017

Table 5 represents if all the demands of the labor union been solved by the management of hotel where as most around, 70% of the demands are being solved and 30% demand are solved few times. This data shows that responses of unions have made a directly proportional relations of the demands vs fulfillment of the raised demands. There is not even a single record of events that the demands were not fulfilled after the responses raised by the unions. According to ANTUC union leader, Mr. Gam Bahadur Gurung who is also a staff in the hotel Fishtail Lodge said that their union has always been able to create pressure for their demands and convince the hotel administration that their requirements are really necessary for the workers and also within the workers rights.

### 3.3.f Labour union taken the top level management

Table -6: Responses of the trade union by top level management of hotels.

Relation Between Labor Union and Management	No of Respondent	Percentage
Positive	12	60%
Supportive	4	20%
Formal	4	20%

Source: Field Survey 2017

Table 6 shows how the labor union taken the top level management where 60% has stated that it has positive attitude, 20% has supportive attitude and 20% has formal attitude. This data also proves that all the unions have a separate place or they have close relations with the top level of the hotels. Certain management is ruled and governed by the union even in top level managements be it in a hotel business or a large scale industries or be it in the political structures of the Government sectors in order to maintain the strong hold of the union power. The General Manager of hotel Fishtail Lake Mr Pradip Shamsheer JBR also said that the top level managements are always ready to be very supportive with all possible means of welfares and incentives that his management can provide for the welfare of his staffs.

Another staff from same hotel, waiter Mr. Ashok Giri, 23 years old shared his opinion in the interview that he's quite unhappy and he feels that the responses to the requests put by neutral staffs like him are very difficult to get approach and approval from the top management level because he's neutral to the labor union activities.

**3.3.g Whether labor union’s problem should be taken as major issue on the regular hotel operation?**

Table -7: Hotel management should take the labor unions problems as major issue on the regular operation.

Should the Problems of Labor Union Affect the Hotel Operation	No of Respondent	Percentage
Yes	5	25%
No	15	75%

Source: Field Survey 2017

Table 7 shows that only 25% stated that a labor union’s problem should be taken as major issue where as 75% supported that regular hotel operation should not be hampered for the sake of any labor union making it a major issue. At times there may be some minor issues but the unions keep on bargaining on those minor issues affecting the entire operation of the hotel business so the majorities of the staffs who were interviewed had a concept of trade union as a barrier in smooth management of the hotel business. A young congress union leader Mr Narayan Aryal of 37 years old is a staff in hotel Fishtail Lodge who thinks that hotel management should take the labour unions’ problems as a major issue on the regular operation but at the same time views from other many staffs were different. Most of the staffs preferred to take the major issue as a win win situation to compromise their issues with the existing conditions. The majorities also gave opinion that the labour union problems should not be taken as a major issue on the regular hotel operation but the applied pressures and bargainings have to be justified with the workers rights and demands.



### 3.3.h Evaluation to the activities/working style of labor unions.

Table -8: Satisfaction with the working style of Trade Unions in Hotels.

Satisfaction With Workings of Labor Union	No of Respondent	Percentage
Yes	7	35%
No	3	15%
They Have to Change Their Working Style	10	50%

Source: Field Survey 2017

Table 8 shows if the staffs are satisfied with the workings of labor unions, where 35% are satisfied, 15% are not satisfied and 50% has stated that they have to change their working style. A congress union leader Mr Gam Bahadur Gurung from Hotel Fishtail Lodge said that it is the unions who fights for the benefits of the labors so most of the staffs are supportive in the present working style of the unions whilst a very few staffs have a different opinion that the ideological aspect has nothing to do with their labor rights. Mr Dilip Gurung from hotel Tara, Lakeside denied that there should be political interference in each and every unions of hotel business. He accepted that the administrations will only work smoothly if there is the political stability in the country as a whole but there should not be any political interference in each and every unions of hotel business. He also stated that Nepal's labor movement is still divided in orthodox model of "labor and owner" or "feudal and worker". They still champion politically driven slogans. Thus, labor often uses violent protest to press the owners. Physical power is the rule for them instead of harmonized negotiations. For the smooth operation and prosperity of the hotel business he added that they have to keep on changing and be flexible with the changing scenario and working style as per the new trends and developments in the hotel business.

As long as the hotels are associated with the trade unions the staffs in the hotels will no doubt have a very healthy environment with satisfactory job payment provided that the unions do not affect the regular works of hotel. The unions have to work hand in hand with the management team of the hotels making a friendly relationship between the trade union and hotel management. The unions have to overlook on bargaining for minor issues but fight on serious major issues and demands for the benefit of the labors. Mr sanjiv Shrestha, department of Marketing in the hotel Fishtail Lodge and Mr Gokul Pudasaini the supervisor in the electrical department of Nepal Electricity Authority at Kaligandaki A, Syangja both focused that a worker feels very weak when he is alone, but trade unions help him achieve his objectives with the support of his fellow colleagues. The trade union also imparts self- confidence to the workers and they feel that they are an important part of the organization. It not only protects the economic interest of the workers but ensures a reasonable wage rates and wage plans for the workers. They added that the unions organise negotiations between workers and managements; act as instruments for settlement of disputes. It also provides trainings and involve the workers in interactions and different activities which helps the worker to go higher positions and achieve promotions.

## **CHAPTER IV**

### **IMPACT OF TRADE UNION IN HOTEL**

Although the business in hotel management has been a very good earnings and one of the best ways of earning livelyhood in most of the tourist hang around destinations like Pokhara, The economy and life style of the workers and staffs have heightened to extreme level, there are still a lot pros and cons due to the involvement of trade unions in the hotels of Pokhara. During the field survey, the researcher had made several talks as indepth interview with some trade union leaders and managers of hotels regarding the effects of the trade unions in hotels. The researcher has confirmed that there are several political, social, economic and personal impacts caused by the trade unions in the hotels. The General Manager of the hotel Fishtail Lodge, Mr Pradip shamsher JBR had stated that the hotel had been widely affected by GEFONT in the last decade. Presently all the unions in the hotel are equally competing to get stronghold in the management of the hotel. So the labors in the hotel are very difficult to negotiate and manage them. He also said that the top level managements are always ready to be very supportive with all possible means of welfares and incentives that his management can provide for the welfare of his staffs. According to ANTUC union leader, Mr. Gam Bahadur Gurung who is also a staff in the hotel Fishtail Lodge said that their union has always been able to create pressure for their demands and convince the hotel administration that their requirements are really necessary for the workers and also within the workers rights. The demands as put by the labor unions were fulfilled by the management of the hotels. Unions negotiate better terms and conditions.

Mr Dilip Gurung, the owner and manager from hotel Tara, Lakeside denied that there should be political interference in each and every unions of hotel business. He accepted that the administrations will only work smoothly if there is the political stability in the country as a whole. The regular work of the hotel was hardly affected due to the presence of Labor Unions in the hotel industry of Nepal. Union workplaces are safer, better job security. For the smooth operation and prosperity of the hotel business he added that they have to keep on changing and be flexible with the changing scenario and working style as

per the new trends and developments in the hotel businesses. Mr Raj Kumar Karki, 34 years old and Mr Shyam Shrestha, 39 years old both are working as cook in the Hotel Fishtail Lodge. They think that the trade union can play a vital role by creating pressures, convincing the administration and the top managements for the welfare and betterment of the staffs.

The security head of the hotel Fishtail Lodge Mr Khil Bahadur Rana has stated that a total of 61 days annual leave in average which includes 30 days of annual leave, 15 days of sick leave, 6 days of casual leave and 13 days of public leave was observed for the staffs working in Fishtail Lodge. Other facilities like, Quality of food was increased in the staff cafeteria. Gymnasium was opened for the staffs of the hotel. Free medical check up on weekends. These all activities were carried out on the active involvement of the different union groups working in the hotel.

The researcher has mentioned all the data as required informations through various transcribers for securing the answers of positive and negative impacts of trade union in hotels of Pokhara which are mentioned below.

#### **4.1 Positive Impact**

There was time when staffs of the hotel were treated in inhuman nature. But with the opening of Trade Unions in almost every sector of industries, including the Hotel business, the rights of the labor were taken into considerations. Also various facilities were also increased for them.

Some of the positive impacts figured out during the research are as follows:

- The workers can feel safe, secured and enjoy a lot of facilities in their job. Unity is Strength, unions provide workers with a powerful, collective voice to communicate to management their dissatisfaction and frustration.
- The regular work of the hotel was hardly affected due to the presence of Labor Unions in the hotel industry of Nepal. Union workplaces are safer, better job security.
- The demands as put by the labor unions were fulfilled by the management of the hotel. Unions negotiate better terms and conditions.

- The workers had positive attitude towards union and the management had also positive attitude towards workers as well as union so a bond of relationship is established between the unions and the hotel managements.
- The increment of salary has been the most fulfilled demand put by the labor union to the management of the hotel. Provision of Provident Fund to the staffs, 10 % service charge was separated for the staffs. Dedicated Leave without pay facility were into action.
- A total of 61 days annual leave in average which includes 30 days of annual leave, 15 days of sick leave, 6 days of casual leave and 13 days of public leave was observed for the staffs working in Fishtail Lodge.
- Other facilities like, Quality of food was increased in the staff cafeteria. Gymnasium was opened for the staffs of the hotel. Free medical check up on weekends.
- Most of the workers enjoy the union membership and participate in the union activities. The workers also agreed with the important roles of union which keeps sound and smooth labor management relations.

## **4.2 Negative Impact**

Although the triad relation of the workers, management and the trade union had a good relation and bond of relationship is established between the workers unions and the hotel managements, certain gaps were often observed leading to misunderstanding rather than looking for options of effective negotiation. Mr Dasrath Neupane a trade union leader and staff at Kaligandaki A, Beltari, Syangja expressed that Nepal's labor union has one basic character, i.e. backed by political parties, Nepal's trade union leaders know how to lock up the establishment in protests. It seems that Nepal's modern trade union leaders still follow the modality of Nepal's two pioneer labor leaders Congress leader late Girija Prasad Koirala and communist leader late Man Mohan Adhikary, who led the protests in 1949 in Biratnagar Jute Mill. Despite providing several trainings, experience sharing interactions and field visits to different countries, Nepal's labor leaders, often use the harsh method of protest instead of going for negotiations for different stages. Although

the labor movement has seen drastic changes in the global level with traditional definitions faded out, Nepal's labor movement is still divided in orthodox model of labor and owner or feudal and worker. They still champion politically driven slogans. Thus, labor often uses violent protest to press the owners. Instead of harmonized negotiations. Physical power is the rule for them. The researcher had hardly noticed any lock outs organized by labor unions in the hotels but a very few cases were seen in the hotels of Pokhara.

The five-star Fulbari Resort and Spa in Pokhara has remained closed for more than six months due to a dispute between management and employees over pay and other facilities. Workers belonging to trade unions affiliated to the three major political parties—Nepali Congress, CPN-UML and CPN (Maoist Centre)—launched a protest after perks and other facilities promised to them did not materialise, they said. The posh hotel closed its doors on February 28, 2017. The hotel's restaurant, walls and swimming pool have been damaged after being overrun with weeds, said hotel accountant Chiranjeevi Acharya. "The hotel wears a deserted look." The management and workers' representatives have held several rounds of talks to discuss their demands that all ended inconclusively. There are more than 100 employees at the hotel. The hotel management said that they were forced to stop taking bookings and transfer guests with confirmed reservations to other hotels. The agitating unions have claimed that the hotel owes them salaries for two months, provident fund for 26 months, service charge for 14 months and health insurance for seven years. The management said it was racking up losses amounting to millions due to the closure of the hotel. It said that losses due to cancellation of bookings and damaged infrastructure would total Rs150 million. Samir Kafle, general manager of the hotel said "It's unfair and illegal that the unions should stop work without prior information. The resort has been closed not due to the management's problem however, we are optimistic that the problem will be resolved soon." The management is mulling to give a golden handshake to the workers by providing them a package deal. If the plan is implemented, nearly 120 employees who are below the executive level will be sent away. The Labour Office in Pokhara has been acting as a mediator to resolve the issue through a win-win situation.

Similarly, The Hotel Fishtail Lakeside Pokhara was locked out twice due to the disputes between the management and the workers. But everything has come to an end and the hotel is running smoothly. Regarding the small hotels especially managed by the owner himself or using child labour; A NGO has revealed that there are 247 child labor in hotel sectors, 97 labors i.e. 38.96% labor of below 14 years and 152 i.e. 61.04% labor of age 14-17 years old. The researcher had the similar findings regarding most of the small hotels. Child labors are illegal below 14 years age in Nepal. They have a massive adverse effect on child labor. They have to perform excess workload with sexual abuse and even charged with false blame of theft. They never get recognition of their hard work, enough wages and food at right time, provision of leave or holiday and even cannot go to bed at right time and have to wake up early in the mornings and sometimes even have to face physical attack by employers.

The researcher has brought down various negative impacts after making the analysis from the data presented and views received from the different respondents from the hotels of Pokhara.

- Most of the foundations of the trade unions were formed relying on some democratic or political parties so the unions were badly affected and overruled by the political pressures most of the times. This resulted in creating groupies among the workers rather than union playing role for the benefit of workers instead. The Phulbari resort has been closed since Feb 2017 just because of the three trade unions of the hotels, namely Nepali Congress, CPN-UML and CPN (Maoist Centre) launched a protest afters perks and other fascilities promised to them were not materialised.
- Nepal's labor movement is still divided in orthodox model of labor and owner or feudal and worker. They still champion politically driven slogans, often uses violent protest to press the owners. Instead of harmonized negotiations, physical power is the rule for them. There is not even a single record of events that the demands were not fulfilled after the responses raised by the unions. So it seems as if whatever may be the demand, the workers have a concept that the pressure can make everything possible.

- It is the unions who fights for the benefits of the labors so most of the staffs are supportive in the present working style of the unions whilst a very few staffs have a different opinion that the ideological aspect has nothing to do with their labor rights. The political interference in each and every unions of hotel business has affected badly.
- The hotels with more than one unions are very prone to be affected by the labor union for the regular work of the hotel because the unions themselves keep on arguing for their own superiority even on a very small issue. The Fulbari resort is closed since six months and it needs at least four months to repair the damaged infrastructures.
- Some of the Union leaders were found irresponsible and unaccountable to the union, management and labor. Normally few board members of the union and the management sit on the table and negotiate on the demand of the workers so most of the times, the majority of the concerns are not discussed or bypassed.
- Most of the staffs think that the labor union must have a new positive change developed in their regular workouts. Trade Union Federation were very weak in suggesting the government to determine the uniform policies for effective personnel management.
- The trend of migration of skilled man power have adverse affect in the jobs related to the hotels. The pay salary received by the workers of hotels in Nepal are beyond the comparision with the workers of same status abroad so the tendency of migrations of skilled workers is a big problem.
- The hotel industry has a wide range of job oppurtunities and platform for the male staffs in comparision with the female counterparts. The hotel business is not able to balance the gender equality in terms of providing the job opportunity.

In order to meet the customers satisfaction as per the choice of new generations, the hotel association of Pokhara must enhance their business policies with a concept of introducing innovative managemnet skills and effective working styles to lure the customers with attractive offers and discounts. In the context of Nepal most of the hotels are not being



able to satisfy the customers rather the hotels are hungry for money making business. According to Gilbert and Horsnell (1998), and Su (2004), Guest Comment Cards (GCCs) are most commonly used for determining hotel guest satisfaction. GCCs are usually distributed in hotel rooms, at the reception desk or in some other visible place. The most commonly made faults can be divided into three main areas, namely, quality of the sample, design of the GCCs, and data collection and analysis (Gilbert and Horsnell, 1998). In order to improve the validity of hotel guest satisfaction measurement practice, Barsky and Huxley (1992) proposed a new sampling procedure that is a quality sample. It reduces non-response bias by offering incentives for completing the questionnaires. The components of their questionnaire are based on disconfirmation paradigm and expectancy-value theory. In this manner, guests can indicate whether service was above or below their expectations and whether they considered a particular service important or not.

# CHAPTER V

## CONCLUSION

### 5.1 Summary

If there is presence of more than one union, then they become more competitive and do not properly address the rights of the employees. Frequent elections sometimes affect the smooth operation of the hotel. The board members misuse the power. The unions are guided by their mother parties so the involvement of the political parties in the industry like hotel is also unavoidable. The employees of different hotels enjoy different scale and type of facilities. The big hotels give more facilities compared to the smaller ones. But the facilities provided by the management depend upon the profile earned by the hotel and also collective bargaining capacity of the unions. The present unions are generally operated as guided by the political parties. In spite of this, employees are still weak in bargaining power and their unions are not strong and unable to develop the morale of the workers very high.

Providing services those customers prefer is a starting point for providing customer satisfaction. A relatively easy way to determine what services customer prefers is simply to ask them. According to Gilbert and Horsnell (1998), and Su (2004), GCCs are most commonly used for determining hotel guest satisfaction. GCCs are usually distributed in hotel rooms, at the reception desk or in some other visible place. However, studies reveal that numerous hotel chains use guest satisfaction evaluating methods based on inadequate practices to make important and complex managerial decisions (Barsky, 1992; Barsky and Huxley, 1992; Jones and Ioannou, 1993, Gilbert and Horsnell, 1998; Su, 2004).

The typical activities of a trade union include providing assistance and services to their members, collectively bargaining for better pay and conditions for all workers, working to improve the quality of public services, political campaigning and industrial action. Nearly seven million people in the UK belong to a trade union. Union members include nurses, school meals staff, hospital cleaners, and professional footballers, shop assistants,

teaching assistants, bus drivers, engineers and apprentices. Most trade unions are independent of employers but have close working relationships with them.

A study conducted by Akan (1995) showed that the main determinants of hotel guest satisfaction are the behavior of employees, cleanliness and timeliness. Choi and Chu (2001) concluded that staff quality, room qualities and value are the top three hotel factors that determine travelers' satisfaction. Over the last four decades, the marketing literature has defined and measured customer satisfaction in many different ways. Oliver (1997) specifies customer satisfaction as pleasurable fulfillment; as such, the consumer views consumption as satisfying some need, desire, goal, etc., in which its fulfillment is pleasurable. In spite of many definitions of customer satisfaction in the literature, a common way to define customer satisfaction is to follow the approach of the expectancy confirmation/disconfirmation paradigm (Anderson 1994; Anderson and Sullivan 1993; Kotler 1991; Oliver 1980; Oliver and De Sarbo 1988; Oliver and Swan 1989; Yi 1991). In this perspective, customer satisfaction is delineated as the consumer's evaluation that products or services meet or fall to meet the customer's expectations (Oliver and Swan 1989; Yi 1991). Out differently, customer satisfaction consists of post-consumption judgment concerning product or service quality, given pre-consumption expectations (Kotler 1991). From this expectancy-confirmation/disconfirmation point-of-view, customer satisfaction happens in the case of a buyer's post-evaluation of a specific purchase experience (or experiences), contingent upon the buyer's quality perceptions and expectations, and confirmation/disconfirmation – the discrepancy between actual and expected quality (Yi, 1991). Customer satisfaction has generally been suggested to contain two such different dimensions as a transaction-specific evaluation approach and an overall, cumulative evaluation approach.

No trade union movement may have divisions and splits like Nepal's trade unions but they too have some unique characters in agreeing whenever they call a strike and go to lock up the industry. There are about dozens of trade union movements and all of them have their own strategies and demands. Nepal's labour market is a mismatch while comparing it with that of other countries. Here, we have a group of unskilled and underpaid people lacking job opportunities while there are others who are skilled, have a plenty of opportunities and are paid handsomely. But we have fewer job opportunities

within the country which is perhaps why the people have to go abroad for jobs. Similarly, the labour law is there but, leaving some exceptions, its implementation aspect is weak. Ours is a poverty wage. Inflation is increasing while the salary and social security do not match the present day livelihoods. So, the overall situation is not satisfactory. The labourers do lock up industries when industrialists refuse to fulfill our genuine demands. These people are not paid without doing so. But it is a fact that the labourers have weaknesses but industrialists too are not free from their weaknesses.

## **5.2 Major Findings**

The above survey and the analytical presentation show the following major findings:

- Most of the demands as put by the labor unions were fulfilled by the management of the hotel.
- The increment of salary has been the most fulfilled demand put by the labor union to the management of the hotel. Provision of Provident Fund to the staffs, 10 % service charge was separated for the staffs. Dedicated Leave without pay facility were into action.
- A total of 61 days annual leave in average which includes 30 days of annual leave, 15 days of sick leave, 6 days of casual leave and 13 days of public leave was observed for the staffs working in Fishtail Lodge. Other facilities like, Quality of food was increased in the staff cafeteria. Gymnasium was opened for the staffs of the hotel. Free medical check up on weekends.
- Most of the foundations of the trade unions were formed relying on some democratic or political parties so the unions were badly affected and overruled by the political pressures most of the times. The Fulbari resort is still closed since 28 Feb, 2017 and it takes more than 4 months for the damage repairation. The workers staff with the affiliation of the three main political parties Nepali Congress, CPN-UML, CPN (Maoist Centre) launched protest on the disputes between management and employees over pay and other facilities. This resulted in creating groupies among the workers rather than union playing role for the

benefit of workers instead and more than 100 workers had to loose their employment for this cause.

- The hotel industry has a wide range of job oppurtunities and platform for the male staffs in comparision with the female counterparts. The hotel business is not able to balance the gender equality in terms of providing the job opportunity even in the big hotels like Pokhara Grand, Hotel Barahi, Hotel, Fishtail Lodge.
- The workers had positive attitude towards union and the management had also positive attitude towards workers as well as union so a bond of relationship is established between the unions and the hotel managements.
- The trend of migration of skilled man power have adverse affect in the jobs related to the hotels. The pay salary received by the workers of hotels in Nepal are beyond the comparision with the workers of same status abroad so the tendency of migrations of skilled workers is a big challenge.
- The trade unions had adverse political impact on the hotel business. The hotels with more than one unions are very prone to be affected by the labor union for the regular work of the hotel because the unions themselves keep on arguing for their own superiority even on a very small issue. Recently hotel Fulbari Resort is still closed since Feb 2017.

### **5.3 Conclusion**

The main role of Trade Unions in the Hotel industries are to assure the safety and security of workers to fascilitate in their job with welfares and benifits. Most of the workers enjoy the union membership and participate in the union activities. But a very few think the union leaders were guided and directed by outside political parties and were not loyal to workers. As long as Nepal's trade unions are guided by politics, it has adverse political impact. One cannot see any modesty and modality in negotiations. Violent protests and lock ups will be used for a long time to come when the labourers press the industrialists to agree to their demands, thereby discouraging investment in the country.

## 5.4 Suggestions

After making the analysis from the data presented and views received from the different respondents, various recommendations can be put forward.

- Union leaders must be totally responsible and accountable to the union and labor. Formation of labor union should be on the democratic basis and union should play role for the benefit of workers instead creating groupies among the workers.
- The union must provide pre notice before launching any strike and the management also should give prior notice to labor union before lock ups.
- Trade Union Federation should suggest the government to determine the uniform policies for effective personnel management.
- Union leaders should have positive attitude and they should be capable of working for the benefit of both employees and the employers.
- Union must have regular meeting in order to harmonize the relationship between the management and the workers themselves. The management and union must try to minimize the disputes in their mutual understandings. The trade unions should realize the importance of the negotiator for the effective negotiation. Good working environment must be created by the management to the employees.
- Hotel industry, an integral part of Tourism industry on the other hand depends upon the skilled and trained manpower for its smooth operation. The trend of migration of skilled man power because of higher pay abroad have adverse affect in the jobs related to the hotels creating a vaccuum of expertise. The Union should think of possible ways to mitigate the vaccuum of the skilled manpower and ways to sustain for their livelyhood in the country itself.

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# **APPENDIXES**

## **APPENDIX- A**

### **Hotels of Pokhara**

#### **List of 5 star hotels in Pokhara valley**

Fish Tail Lodge

Hotel Pokhara Grande

Rupakot Resort

Shangri- La Village Pokhara

The Pavilions Himalayas

#### **List of 4 star hotels in Pokhara valley**

Atithi Resort & spa

Da Yatra Courtyard Hotel & Resort

Himalayan Hotel Front

Hotel Barahi

Hotel Iceland

Hotel Landmark Pokhara

Hotel White Pearl

Mount kailash Resort

Mount View Pokhara

Temple Tree Resort & Spa

The Begnas Lake Resort & Villas

The Fulbari Resort & Spa

Waterfront Resort by KGH Hotels and Resorts

## List of all types of recorded hotels in Pokhara valley

Atithi Resort & Spa	Hotel Center lake
August Lake Resort	Hotel City Inn
Bishnu Homestay	Hotel Crown Himalayas
Blue Heaven Guest House	Hotel Crystal Palace
Butterfly Lodge	Hotel Deep Sagar
Castle Resort	Hotel Dream Pokhara
Cherry Garden	Hotel Eagle Nest
Da Yatra Courtyard Hotel & Resort	Hotel Family Home Pokhara
Dahlia Boutique Hotel	Hotel Fewa Holiday Inn
Dhampus Resort	Hotel Fishtail villa
Dhaulagiri View Hotel	Hotel Garden
Dragon Hotel	Hotel Grand Holiday
Fairmount Hotel	Hotel Green Tara
Fish Tail Lodge	Hotel Hakoniwa
Gantavya Resort	Hotel Himalayan Inn
Glacier Hotel and Spa	Hotel Iceland
Global Inn	Hotel Jal Mahal
Golden Gate Hotel	Hotel Karuna
Green Park	Hotel Kumari Inn
Green Peace Resort	Hotel Lake House
Harvest Moon Guest House	Hotel Lake Side
Himalayan Deurali Resort	Hotel Lake Star
Himalayan Front Hotel	Hotel Lakefront
Hotel Adam	Hotel Landmark Pokhara
Hotel Asia	Hotel Lotus Inn
Hotel Barahi	Hotel Mandala
Hotel Bishram	Hotel Mantra Inn
Hotel Bougainvillea	Hotel Middle Path & Spa
Hotel Butter Cup	Hotel Mountain View

Hotel Nana Pokhara  
Hotel Nightingale  
Hotel Orchid  
Hotel Palace View  
Hotel Pancharatna  
Hotel Peace Plaza  
Hotel Peninsula  
Hotel Point  
Hotel Pokhara Goodwill  
Hotel Pokhara International  
Hotel Pokhara View  
Hotel Queens Park  
Hotel Raniban Arcade  
Hotel River Park  
Hotel Royal Image Pvt. Ltd  
Hotel Rudrakshya  
Hotel Snowland Pvt. Ltd.  
Hotel Splendid View  
Hotel Spring  
Hotel Stupa  
Hotel Sunflower  
Hotel Sunroute & Restaurant  
Hotel Swapnabagh  
Hotel Taj  
Hotel Taj  
Hotel Tara  
Hotel The Beehive  
Hotel The Coast  
Hotel The Kantipur  
Hotel Third Pole  
Hotel Travel-Inn

Hotel Utsab Himalaya  
Hotel View Point  
Hotel White Pearl  
Hotel Yeti  
Infinity Resort  
Kotee Home Hotel  
Kuti Resort and Spa  
Lake View Resort  
Moonlight Resort and Spa  
Mount Kailash Resort  
Mount View Pokhara  
Mums Garden Resort  
My Hotel  
Nanohana Lodge  
Nar-Bis Hotel  
New Annapurna Guest House  
New Pokhara Lodge  
New Solitary Lodge  
Pavilions Himalayas  
Peace Dragon Lodge & Restaurant  
Pokhara Batika  
Pokhara Choice Inn  
Pokhara Eco Resort  
Pokhara Grande  
Pokhara Village Resort  
Raniban Retreat  
Royal Palm Resort  
Royal Palm Resort  
Sacred Valley Inn  
Sadhana Yoga Retreat Centre  
Sampada Inn

Sarangkot Sherpa Resort  
Shangri-La Village Resort  
Teeka Resort  
Temple Tree Resort & Spa  
The Fulbari Resort & Spa  
The Lakeside Retreat  
The North Face Inn  
The Silver Oaks Inn  
Tiger Mountain Pokhara Lodge  
Top Choice Guest Home  
Tourist Residency  
Trek-O-Tel  
Trekking Inn  
Tristar Hotel  
Tuki Resort  
Tushita Nepal Yoga Retreat Center  
Unique Mountain Guest House  
Vardan Resort n' Apartment  
View Top Lodge & Restaurant  
Waterfront Resort  
Yeti Guest House

*(Source: <http://www.hotelsinpokhara.com/pokhara.htm>, on March 1<sup>st</sup> 2017)*

## **APPENDIX – B**

### **Labor Laws in Nepal**

Labor Act 1992 (amended in 1998),  
Child Labor Act 1992,  
Transportation and Vehicles Management Act 1993,  
Tea Plantation Workers' Regulation, 1993  
Foreign Employment Act 1985 (revised in 1993)  
Trade Union Act 1993 (amended in 1999),  
Working Journalist Act 1994,  
Labor Court Regulation Act 1995,  
Establishment of a Labor Court 1996,  
Formation of a Central Labor Advisory Board 1998  
Child Labor (Prohibition and Regulation) Act 1999  
Revision of Bonus Act, 1973 in 2000, and  
Creation of National Welfare Fund 2000

### **Nepal also endorsed 9 conventions passed by International Labor Organization (ILO), such as**

Weekly Rest in Industrial Enterprise Convention, 1921 (No. 14).  
Forced Labor Convention, 1930 (No. 29).  
Right to Organize and Collective Bargaining Convention, 1949 (No. 98).  
Equal Remuneration Convention, 1951(No. 100)  
Discrimination (Employment and Occupation) Convention, 1958 (No.111).  
Determination of Minimum Wage Convention, 1970 (No. 131).  
Minimum Age Convention, 1973 (No.138).  
Tripartite Consultation (International Labor Standards) Convention, 1976 (No. 144).  
Worst Forms of Child Labor Convention, 1999 (No. 182).

*([http://www.nepaldemocracy.org/institutions/current\\_tu\\_situation.htm](http://www.nepaldemocracy.org/institutions/current_tu_situation.htm), on 28<sup>th</sup> April 2017)*

## **APPENDIX –C**

### **NTUC Affiliates:**

Nepal Factory Labor Congress (Affiliated to IMF)

Nepal Tourism and Hotel Workers' Union (Affiliated to IUF)

Nepal Press Union (Affiliated to IFJ)

Nepal Tea Garden Worker's Union (Affiliated to IUF)

Nepal Garment Workers' Union (Affiliated to TWARO)

Nepal Carpet Workers' Union (Affiliated to PSI)

Financial Employees' Union of Nepal

Nepal Inter-Corporation Employees Union (Affiliated to PSI)

Nepal Teachers' Association

Nepal Labor Union (Informal Sector Union)

Nepal Transport Workers' Union (Affiliated to ITF)

Nepal Health Professional Association

Nepal National Barbers' Union

Nepal Leather and Leather Show Workers' Union

Nepal Small Hotel and Restaurant Workers Union

Nepal Wood Workers' Union

Nepal Electric Workers' Union

Nepal Rickshaw Drivers' Union

Nepal Building and Construction Workers' Union

Nepal Shop Workers' Union

*(Source: [http://www.nepaldemocracy.org/institutions/trade\\_unions.htm](http://www.nepaldemocracy.org/institutions/trade_unions.htm), on 28<sup>th</sup> April 2017)*



## **APPENDIX –D**

### **GEFONT Affiliates:**

NIWU-Nepal Independent Workers Union

ITGWUN-Independent Textile & Garment Workers' Union of Nepal

ITWAN-Independent Transport Workers' Association of Nepal

NICWU-Nepal Independent Carpet Workers' Union

NIHWU-Nepal Independent Hotel Workers' Union

UNITRAV- Union of Trekking, Travel & Rafting Workers - Nepal

ITPWUN-Independent Tea Plantation Workers' Union of Nepal

IPWUN - Independent Press Workers' Union of Nepal

NATU- Nepal Auto - Mechanics Trade Union

CUPPEC - Central Union of Painters, Plumbers, Electro & construction Workers-  
Nepal (Affiliated to IFBWW)

IGCUN- Independent Garbage Cleaners' Union of Nepal

NIFBWU - Nepal Independent Food & Beverage Workers' Union

NICIWU - Nepal Independent Chemical & Iron Workers' Union (Affiliated to ICEM)

NRPU- Nepal Rikshaw-Pullers' Union

FAWN - Federation of Agricultural Workers, Nepal

CWWD - Central Women Workers' Department and special arrangements

*(Source: [http://www.nepaldemocracy.org/institutions/trade\\_unions.htm](http://www.nepaldemocracy.org/institutions/trade_unions.htm), on 28<sup>th</sup> April 2017)*

## **APPENDIX –E**

### **DECONT Affiliates:**

Nepal Carpet Workers' Union

Construction and Allied Workers' Union of Nepal

Agricultural Workers' Union of Nepal

Nepal Transport Workers' Sabha

Nepal Hotel Workers' Union

Garment Workers' Union of Nepal

Nepal Custom and Airport Workers' Union

Nepal Film Workers' Union

Barbers' Union of Nepal

Nepal Commercial Workers' Union

Nepal Rickshaw and Cart Workers' Union

Nepal Small Hotel and Restaurant Workers' Union

Nepal Printing Press Workers' Union\*

Nepal Factory Workers' Union\*

Nepal Automobile Workers' Union\*

Democratic Employees' Union of Banking and

Financial Institutes of Nepal\*

Democratic Health Workers' Union of Nepal\*

Democratic Press Union-Nepal\*

*(Source: [http://www.nepaldemocracy.org/institutions/trade\\_unions.htm](http://www.nepaldemocracy.org/institutions/trade_unions.htm), on 28<sup>th</sup> April 2017)*

## **APPENDIX –F**

### **Global Unions**

Education International (EI)

International Federation of Chemical Energy, Mine & General Workers' Unions (ICEM)

International Federation of Journalists (IFJ)

International Textile, Garment & Leather Workers' Federation (ITGLWF)

Public Service International (PSI)

International Transport Workers' Federation (ITF)

International Federation of Building and Wood Workers (IFBWW)

International Metalworkers' Federation (IMF)

International Union of Food Agric. Hotel, Rest. Cater. Tobac. & Allied Work.  
Association. (IUF)

Union Network International (UNI)

*(Source: [http://www.nepaldemocracy.org/institutions/trade\\_unions.htm](http://www.nepaldemocracy.org/institutions/trade_unions.htm), on 28<sup>th</sup> April 2017)*

## **APPENDIX –G**

### **Labour Related Sites**

ILO- International Labour Organization, HQ

ILO Kathmandu

CYBER PICKET LINE World Trade Union Directory

Labour Starts

Labour Nepal Nepali Labour Web Portal

ILOLEX Database of International Labour Standards

NATLEX is a continuously-updated database containing references to over 55,000 national laws on labour, social security, and related human rights, and over 300 laws in full text.

STF SAARC Teacher's Federation

*(Source: [http://www.nepaldemocracy.org/institutions/trade\\_unions.htm](http://www.nepaldemocracy.org/institutions/trade_unions.htm), on 28<sup>th</sup> April 2017)*